WALTON COUNTY, GEORGIA
SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2018

Prepared by:
Walton County School District
Finance Department
Monroe, Georgia

WALTON COUNTY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

WALTON COUNTY BOARD OF EDUCATION

200 Double Springs Church Road, Monroe, Georgia 30656, Telephone 770-266-4520
www.walton.k12.ga.us

Dr. Nathan Franklin
Superintendent

Rusty Linder
Assistant Superintendent

George Underwood
Assistant Superintendent

BOARD MEMBERS

Tom Gibson
Chairman

Diane Turner
Vice Chairman

David Breedlove
Lynn Hill
John Jessup
Jeremy Kilburn
Coleman Landers

February 4, 2019

To the Members of the Walton County Board of Education and Citizens of Walton County Georgia:

We are pleased to submit to you the comprehensive annual financial report (CAFR) of the Walton County School District (District) for the fiscal year ended June 30, 2018. This report conforms to generally accepted accounting principles as applicable to governmental entities. The Department of Finance prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration and is presented for your review.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. A comprehensive framework of internal control is in place to give reasonable assurance that the financial statements are free of any material misstatements.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in the Management's Discussion and Analysis beginning on page four of this report.

PROFILE OF THE SCHOOL DISTRICT

Walton County School District is one of two school districts located in Walton County, Georgia. The District serves the entire county area with the exception of the City of Social Circle, which has its own independent school district. It provides a program of public education from kindergarten through grade twelve. The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children enrolled in public schools within its boundaries whereby each student has access to programs and services that are appropriate to his or her educational needs.

The District is governed by a Board of Education consisting of seven members elected from seven county posts. Members serve four year terms and each year appoints a chairperson and vice-chairperson. The Board appoints a Superintendent to oversee the day-to-day administration of the School District.

The Walton County Board of Education approved Dr. Nathan Franklin as the superintendent of the Walton County School District effective July 1, 2016. Dr. Franklin began his teaching career in 1996 at his alma mater, Dacula High School in Gwinnett County. He later went on to teach and coach at Norcross High School before becoming an associate principal and athletic director. Dr. Franklin came to Walton County as an assistant principal at Loganville High School in 2007. In November 2007, shortly after joining Loganville High School, Dr. Franklin was named the school's principal. He transitioned from school to district level administration in May 2012 becoming the assistant superintendent of facilities, maintenance and operations where he remained until becoming superintendent.

WALTON COUNTY SCHOOL DISTRICT
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Equal Opportunity Employer

Dr. Franklin has earned five degrees: an associate's degree in science from Spartanburg Methodist College, a bachelor's degree in mathematics education from the University of Georgia, a master's in mathematics education from Piedmont College, in addition to both a specialist in administration and leadership and a doctorate in executive leadership from Lincoln Memorial University.

Through his involvement with a variety of professional organizations, Dr. Franklin connects with education professionals on local, state, and national levels. During his tenure as an assistant superintendent and principal, he worked with the Council of Education Facility Planners International (CEFPI), Georgia Association of School Facilities Administrators (GASFA), Professional Association of Georgia Educators (PAGE), National Association of Secondary School Principals (NASSP), and the Georgia Association of Secondary School Principals (GASSP). He currently serves as a member of Georgia School Superintendents Association (GSSA), The National School Superintendents Association (AASA), and the Northeast Georgia Regional Service Agency (RESA).

In addition to his professional experience, Dr. Franklin has extensive coaching experience having served as a wrestling, baseball, golf and football coach. He is an active member in the Walton community serving on a wide-range of committees and boards including United Way of Walton County, Walton County Chamber of Commerce Board of Directors, Walton County Board of Health, Foothills Education Charter High School Board of Control, Bay Creek Baptist Church, Walton County Chamber of Commerce Education Committee and Leadership Walton Alumni Association.

Dr. Franklin and his wife, Julie, along with their three children, Ryan, Will and Anna, make their home in Loganville.

WALTON COUNTY SCHOOL DISTRICT ACADEMIC HIGHLIGHTS (2018)

Walton County School District continued to make great academic accomplishments in 2018:

Georgia Milestones

Improvements

- Improved the weighted proficiency rate on the combined elementary (3-5) English/language arts and Mathematic and combined middle grades (6-8) Science and Social Studies End of Grade (EOG) assessments with the greatest increases occurring in elementary Mathematics;
- Met or increased the weighted proficiency on a majority of the high school EOC assessments with the greatest increases occurring in Social Studies;
- Improved the English/language arts proficiency rates in grades 3 – 6;
- Improved the Math proficiency rates over the prior year at a majority of grade levels with the great improvement occurring in 3rd grade (9 percentage points) and Algebra (8 percentage points);
- Met or improved the proficiency rates in Social Studies for all grades with the greatest increases occurring in Economics and US History.

Comparison to State

- English/Language Arts: Proficiency rates above the RESA and State in grades 3 – 6;

- Mathematics: Proficiency rates exceeded the State in all grades 3-8 and in high school. Exceeded the State in 4th, 6th, and 8th grade by 10, 11, and 15 percentage points, respectively;
- Science: Proficiency rates above the State at all tested levels (grades 5, 8, and Biology) and by 14 percentage points in 8th grade;
- The district's percent of students scoring at Developing, Proficient or Distinguished levels on EOG and EOC assessments surpassed the State in all tested grade levels and across all content areas and subjects.

ACCESS for ELL

- Elementary level: The progress of English Learners toward English language proficiency increased to 100 percent in 2018;
- Middle School level: The progress of English Learners toward English language proficiency increased by more than 5 percentage points.

Beyond the Core

- One hundred percent of students in grades K – 5 earned a passing grade in a fine arts course.
- Nearly 100 percent of middle school students earned a passing grade in a fine arts, world language, PE/health, or career exploratory course.

Pathway Completion

The percent of graduates completing a career and technical education pathway, advance academic pathway, fine arts pathway, or world language pathway has increased by nearly 16 percentage points since 2012.

National Assessment (SAT)

- The district's SAT Composite score increased by 22 points in 2018;
- All three high schools saw increases in their individual school's composite scores.

Attendance

- Maintained at least a 90 percent student attendance rate at all schools for the13thconsecutive year.

Graduation Rate

- The 2018 WCSD graduation rate is the highest rate ever (87.7 percent);
- The rate exceeded the State's rate for the 8th consecutive year;
- For the third consecutive year, all three high schools had rates above the State;
- All subgroups met or exceeded the prior year's graduation rate;
- For the first time in district history, a school earned a graduation rate of better than 90 percent (Loganville High School).

Climate Ratings

- Nine (9) schools received a 5-star climate rating, the highest state ranking for positive school culture; and the highest ever for Walton County.
- All schools were rated at 3-stars or higher for the first time.

The District has reviewed its operating entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34." This report includes all funds and account groups of the District. The District is not included in any other reporting entity, and no other entities are included within this report.

The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Walton County Board of Education. Activities of the General Fund, School Nutrition Funds and Debt Service Fund are included in the annual appropriated budget. Capital Projects Funds are budgeted on a multi-year, project-length basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the north central quadrant of Georgia, approximately 45 miles east of Atlanta and 27 miles west of Athens. With a population forecasted to be 105,778 in calendar year 2020, student enrollment is expected to increase. The county seat is Monroe.

The District expects state funding, as well as property tax revenue, to increase in the upcoming years.

LONG-TERM FINANCIAL PLANNING

In May, 2016, the citizens of Walton County voted to renew the current Education Local Option Sales Tax (ELOST). The renewed ELOST began January 1, 2018 through December 31, 2022. The District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with ELOST and anticipated annual receipts of capital outlay funds from the state of Georgia Department of Education.

OTHER INFORMATION

Independent Audit: The financial statements have been audited by Mauldin & Jenkins, LLC, whose opinion is expressed on page 1. The District complies with the requirements of the Uniform Guidance and associated reports and schedules are presented in the last section of this report.

Acknowledgments: We wish to express our appreciation to Robin Bryant, Director of Finance, Katie Childers, Accountant, and to the entire staff of the Finance Division whose dedicated efforts have enabled this report to be prepared on a timely basis. The active involvement and professional support of Mauldin & Jenkins, LLC partner, James Bence and his auditing staff has been instrumental in the prompt completion of the associated audit of this report.

In closing, sincere gratitude is expressed to the Board of Education for their leadership and dedication to Walton County School District, its taxpayers, employees, and most importantly, its students. To the citizens of the Walton County School District, please accept our gratitude for your support of our successful school district.

Respectfully submitted,

Nathan Franklin, Ed.D.
Superintendent

Harry S. Lee
Chief Financial Officer

WALTON COUNTY SCHOOL DISTRICT
SUPERINTENDENT'S CABINET
JUNE 30, 2018

Dr. Nathan Franklin	Superintendent
Chip Underwood	Assistant Superintendent Facilities, Maintenance, and Operations
Harry Lee	Chief Financial Officer
Rusty Linder	Assistant Superintendent Curriculum and Instruction
Dr. Lance Young	Chief Human Resource Officer

WALTON COUNTY SCHOOL DISTRICT
FUNCTION AND COMPOSITION
JUNE 30, 2018

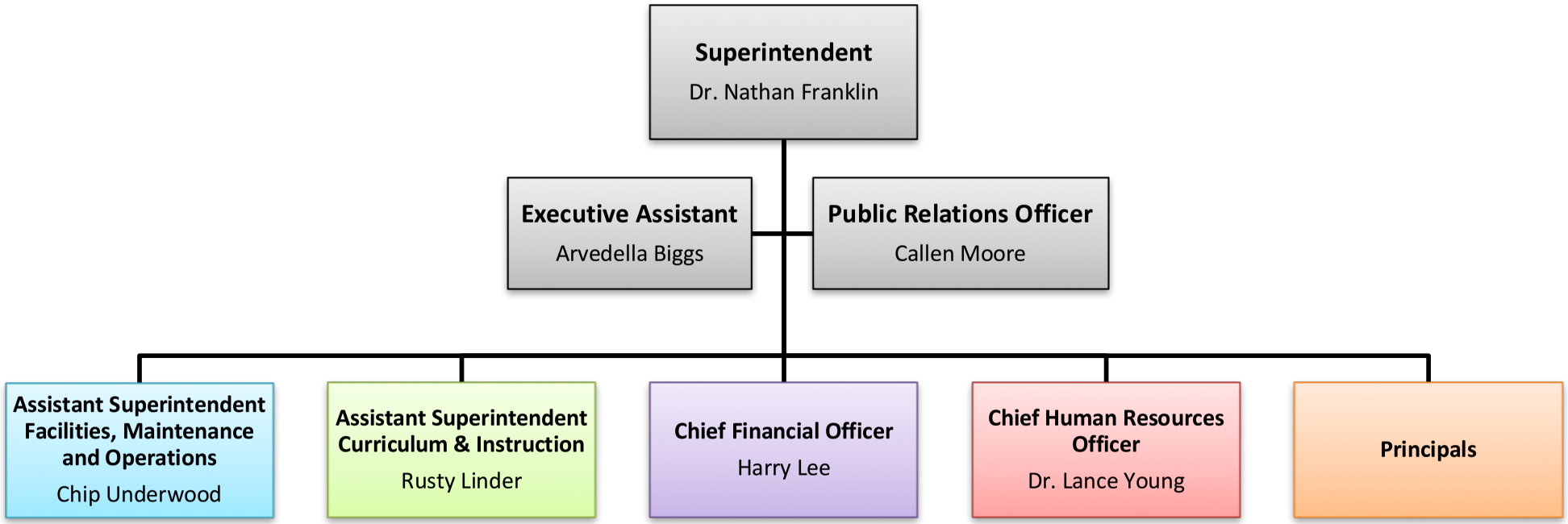
All matters relating to education and operations in Walton County School District are governed and controlled by the Board of Education as provided by Georgia law. The Board has the responsibility to maintain a uniform system of public schools providing quality education for all young people of Walton County. With the advice of the Superintendent, the Board must determine the policies and prescribe the rules and regulations for the management and administration of the school system.

Generally, the board holds public meetings twice a month to conduct normal business with special sessions as needed. The Board is composed of seven members who are each elected for four years from one of seven geographical districts in the county. The Board elects a Chairman and Vice-Chairman from the seven members to govern the body for a one year period. As of June 30, 2018 the members of the Board and years of expiration of their terms are as follows:

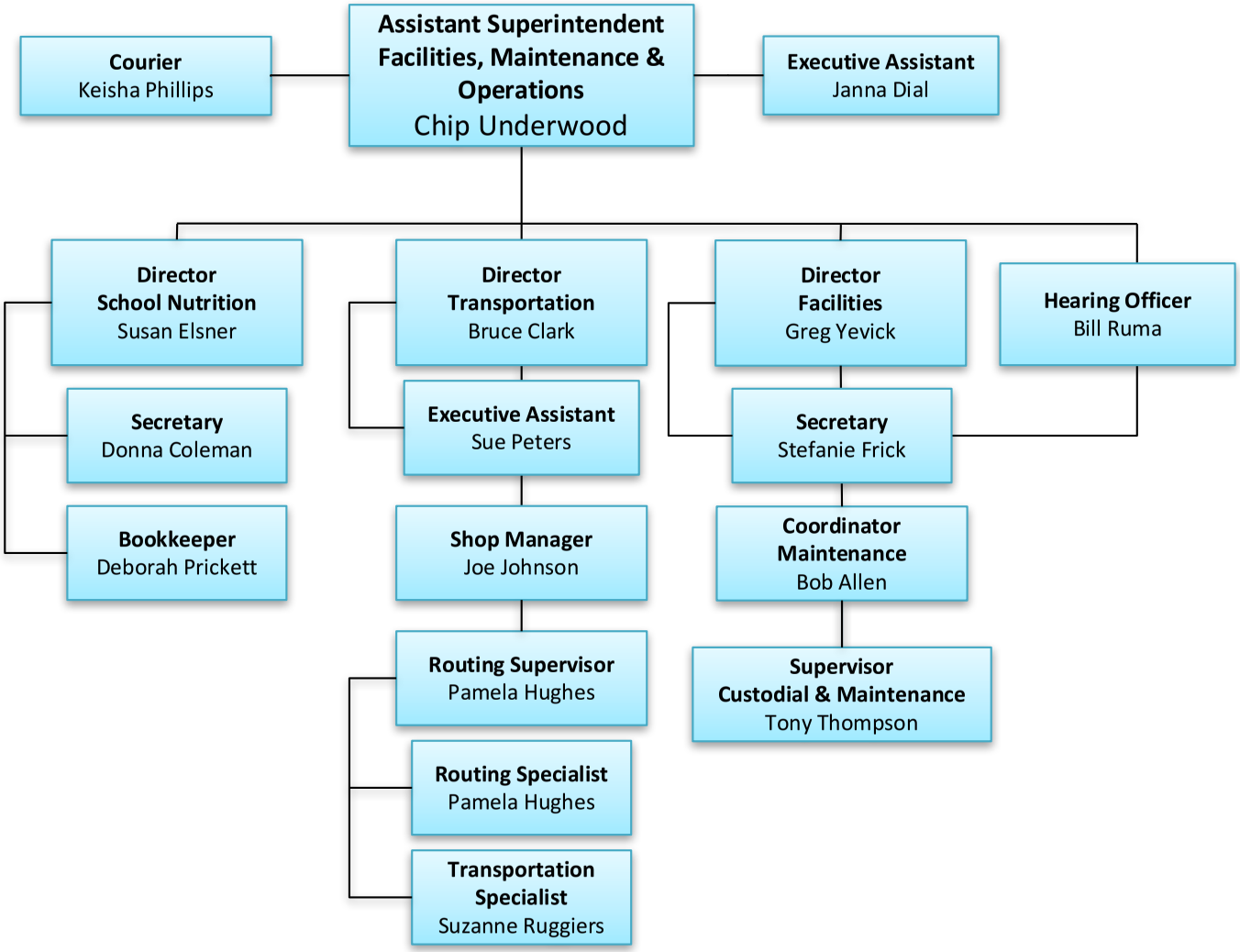
Title	Name	Term Expires
Chair	Mr. Tom Gibson	December 31, 2018
Vice-Chair	Mrs. Diane Turner	December 31, 2020
Board Member	Mr. David Breedlove	December 31, 2020
Board Member	Mr. Coleman Landers	December 31, 2020
Board Member	Mr. Jeremy Kilburn	December 31, 2018
Board Member	Mr. Lynn Hill	December 31, 2018
Board Member	Vacant	December 31, 2018

District Organizational Chart
2017-2018

"In Pursuit of Excellence"

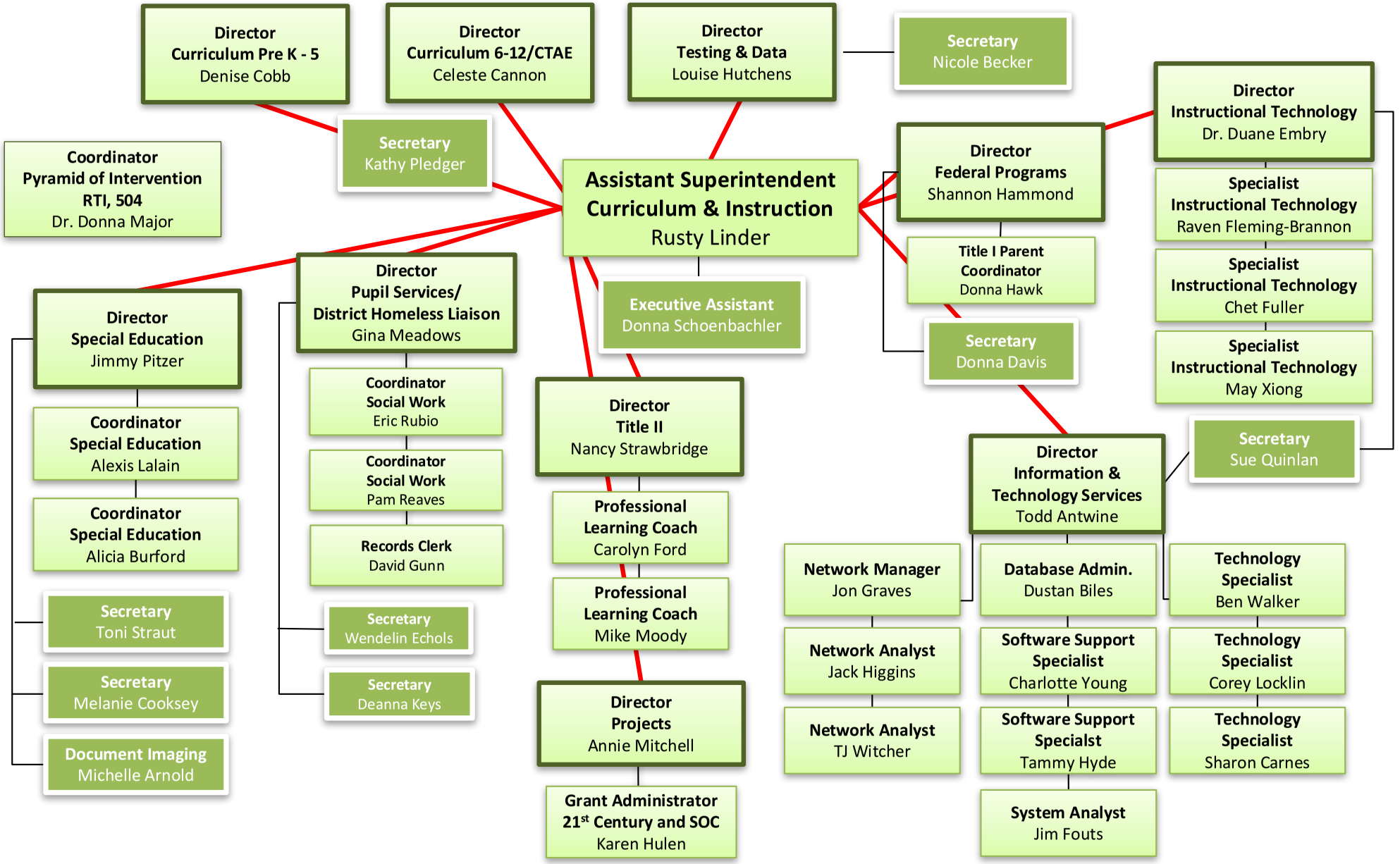


Facilities, Maintenance & Operations
2017-2018

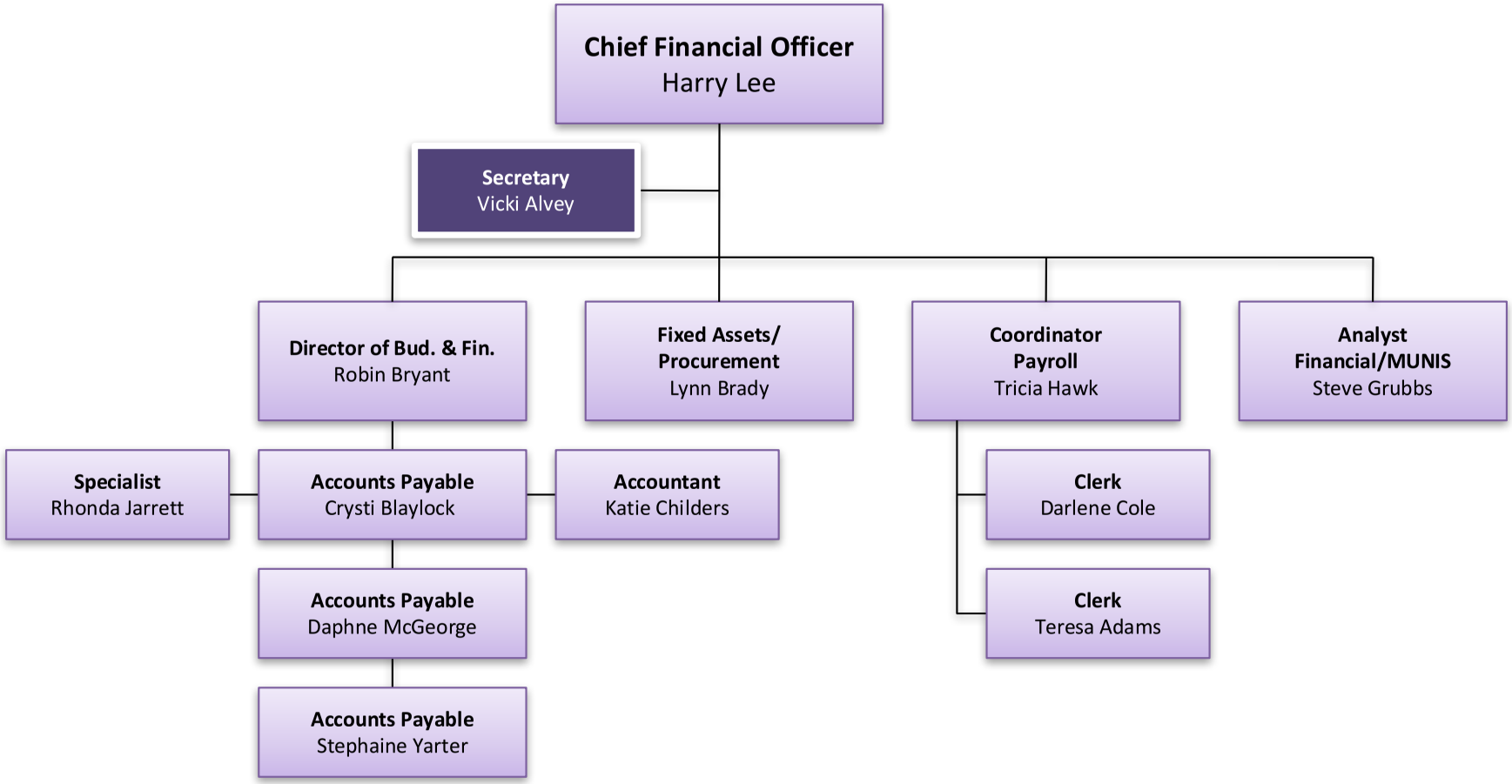


Curriculum & Instruction
2017-2018

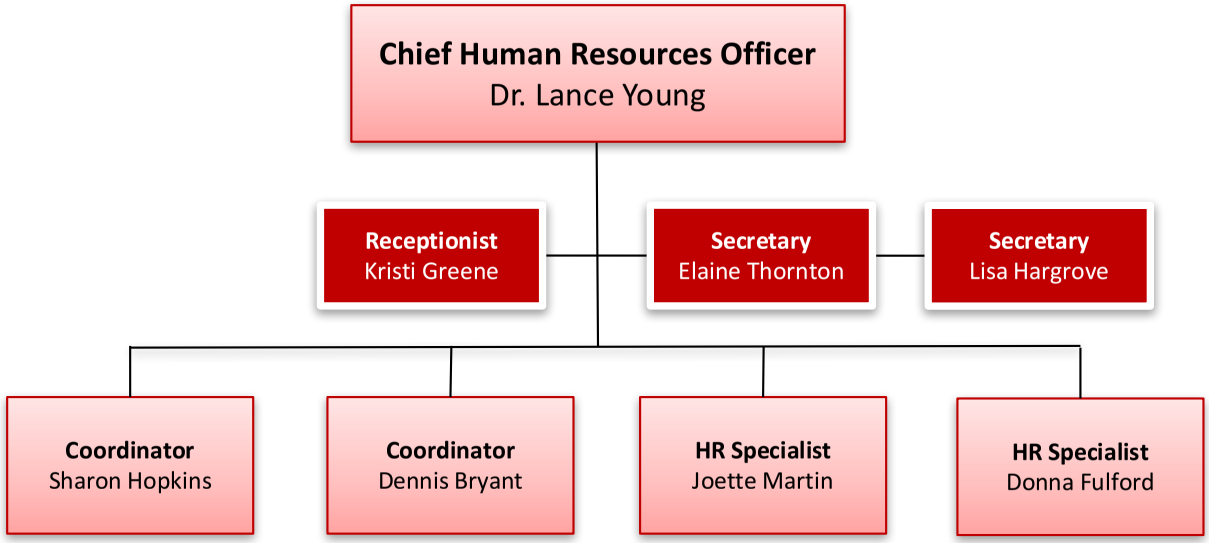
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Budget & Finance
2017-2018



Human Resources
2017-2018



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Walton County Board of Education** (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 13 and 14, the Walton County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the Walton County Board of Education's net other postemployment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Proportionate Share of Net Pension Liability – TRS, the Schedule of Contributions – TRS, the Schedule of Proportionate Share of Net Pension Liability – PSERS, the Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund (pages 54, 55, 57, 59, and 60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the accompanying schedule of expenditures of federal awards , as required by *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the introductory and statistical sections are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards (collectively the "supplementary information") is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 4, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

WALTON COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

INTRODUCTION

Our discussion and analysis of the Walton County School District's ("School District")'s financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2018 are as follows:

- On the District-wide financial statements, the assets and deferred outflows of resources of the School District's governmental activities exceeded liabilities and deferred inflows of resources by approximately $30.8 million, while the assets and deferred outflows of resources of the business-type activities were $81,061 more than liabilities and deferred inflows of resources. For governmental activities there is a deficit unrestricted net position of $182.4 million.

- The School District had $151.4 million in expenses relating to governmental activities and $1.3 million in expenses for business-type activities; only approximately $92.5 million of the governmental activities' expenses are offset by program specific charges for services, grants, and contributions, while approximately $1.3 million of the business-type expenses are offset by charges for services. General revenues (primarily property and sales taxes) of approximately $65.9 million were provided for the governmental activities' programs.

- As stated above, general revenues accounted for approximately $65.9 million or 41.3% of all revenues totaling $159.7 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the rest.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the district-wide and fund financial statements.

The district-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the governmental and business-type activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The Governmental Funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The Fiduciary Funds statements provide information about the financial relationships in which the School District acts solely as a trustee

or agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. In the case of the Walton County School District, the General Fund, the District-wide Capital Projects Fund, and the Debt Service Fund are the most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

District-Wide Statements

The District-Wide financial statements are basically a consolidation of the entire District's operating funds into two columns, one called governmental activities and the other business-type activities. In reviewing the District-Wide financial statements, a reader might ask the question, are we in a better financial position than last year. The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities and uses the **accrual basis of accounting** similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and any changes in net position. The change in net positions is important because it tells the reader that, for the School District as a whole, the financial position of the school District has improved or diminished. The causes of this change may be the results of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflects the School District's governmental activities and the business-type activities.

Fund Financial Statements

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detail information about only the School District's significant or major funds.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the **modified accrual method of accounting**, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the

Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements. The basic governmental fund financial statements can be found on pages 13-16 of this report.

Proprietary Fund – When the School District charges customers for the services it provides—whether to outside customers or to other units of the School District—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the School District's enterprise fund (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary fund. The School District's Fuel Center Fund, is used to account for the operations of the School District's fuel center, and is included in the proprietary fund group as an enterprise fund. The proprietary fund statements begin on page 19.

Fiduciary Funds – The School District is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

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FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for this fiscal year.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total Government	
	Fiscal Year 2018	Restated Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2018	Restated Fiscal Year 2017
Assets						
Current and Other Assets	$ 58,001,738	$ 51,871,541	$ 110,572	$ 39,147	$ 58,112,310	$ 51,910,688
Capital Assets, Net	243,092,009	242,210,484	-	-	243,092,009	242,210,484
Total Assets	301,093,747	294,082,025	110,572	39,147	301,204,319	294,121,172
Deferred Outflows of Resources						
Deferred Charge on Refunding	3,024,273	3,446,265	-	-	3,024,273	3,446,265
Pension Items	20,433,341	31,650,500	-	-	20,433,341	31,650,500
OPEB items	6,494,969	3,825,533			6,494,969	3,825,533
Total Deferred Outflows of Resources	29,952,583	38,922,298	-	-	29,952,583	38,922,298
Liabilities						
Current and Other Liabilities	28,319,407	24,861,127	29,511	25,933	28,348,918	24,887,060
Long-Term Liabilities	258,945,215	281,946,930	-	-	258,945,215	281,946,930
Total Liabilities	287,264,622	306,808,057	29,511	25,933	287,294,133	306,833,990
Deferred Inflows of Resources						
Pension Items	2,238,975	2,278,720	-	-	2,238,975	2,278,720
OPEB items	10,715,993	-			10,715,993	-
Total Deferred Inflows of Resources	12,954,968	2,278,720	-	-	12,954,968	2,278,720
Net Position						
Net Investment in Capital Assets	200,699,711	195,233,699	-	-	200,699,711	195,233,699
Restricted	12,529,426	12,287,422	-	-	12,529,426	12,287,422
Unrestricted	(182,402,397)	(183,603,575)	81,061	13,214	(182,321,336)	(183,590,361)
Total Net Position	$ 30,826,740	$ 23,917,546	$ 81,061	$ 13,214	$ 30,907,801	$ 23,930,760

Table 2 shows the Changes in Net Position for this fiscal year.

Change in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2017
Revenues						
Program Revenues:						
Charges for Services and Sales	$ 2,127,955	$ 1,974,693	$ 1,290,112	$ 1,086,302	$ 3,418,067	$ 3,060,995
Operating Grants and Contributions	87,779,928	85,030,527	-	-	87,779,928	85,030,527
Capital Grants and Contributions	2,586,095	588,533	-	-	2,586,095	588,533
Total Program Revenues	92,493,978	87,593,753	1,290,112	1,086,302	93,784,090	88,680,055
General Revenues:						
Taxes						
Property Taxes for Maintenance and Operations	44,609,933	41,426,932	-	-	44,609,933	41,426,932
Property Taxes for Debt Service	6,628,446	6,648,205	-	-	6,628,446	6,648,205
Special Purpose Local Option Sales Tax	9,546,127	9,029,118	-	-	9,546,127	9,029,118
Other Tax	1,226,218	1,237,787	-	-	1,226,218	1,237,787
Grants and contributions	470,285	97,424	-	-	470,285	97,424
Miscellaneous	3,467,266	3,228,344	-	-	3,467,266	3,228,344
Total General Revenues	65,948,275	61,667,810	-	-	65,948,275	61,667,810
Total Revenues	158,442,253	149,261,563	1,290,112	1,086,302	159,732,365	150,347,865
Program Expenses:						
Instruction	95,393,210	90,174,631	-	-	95,393,210	90,174,631
Support Services:						
Pupil Services	5,170,442	4,517,733	-	-	5,170,442	4,517,733
Improvement of Instructional Services	3,304,355	3,278,971	-	-	3,304,355	3,278,971
Educational Media Services	1,902,052	1,811,909	-	-	1,902,052	1,811,909
General Administration	2,114,817	2,109,494	-	-	2,114,817	2,109,494
School Administration	8,924,066	8,545,211	-	-	8,924,066	8,545,211
Business Administration	1,353,890	1,435,254	-	-	1,353,890	1,435,254
Maintenance and Operation of Plant	13,405,883	12,987,303	-	-	13,405,883	12,987,303
Student Transportation Services	8,549,279	8,408,674	-	-	8,549,279	8,408,674
Central Support Services	1,410,643	1,056,384	-	-	1,410,643	1,056,384
Other Support Services	960,831	1,528,889	-	-	960,831	1,528,889
Operations of Non-Instructional Services						
Miscellaneous Non-Instructional Services	542,521	448,369	-	-	542,521	448,369
Food Services	6,869,569	6,655,748	-	-	6,869,569	6,655,748
Fuel center services	-	-	1,307,265	1,057,071	1,307,265	1,057,071
Interest on Long-Term Debt	1,546,501	1,644,822	-	-	1,546,501	1,644,822
Total Expenses	151,448,059	144,603,392	1,307,265	1,057,071	152,755,324	145,660,463
Transfers	(85,000)	-	85,000	-	-	-
Change in Net Position	6,909,194	4,658,171	67,847	29,231	6,977,041	4,687,402
Net Position, Beginning of the Year	129,118,187	124,460,016	13,214	(16,017)	129,131,401	124,443,999
Restatement	(105,200,641)	-	-	-	(105,200,641)	-
Net Position, End of the Year	$ 30,826,740	$ 129,118,187	$ 81,061	$ 13,214	$ 30,907,801	$ 129,131,401

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the school District's taxpayers by each activity.

Table 3
Total Cost and Net Cost of Services - Fiscal Year 2018

	Governmental Activities		Business-Type Activities	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	$ 95,393,210	$ (28,447,102)	$ -	$ -
Support Services:				
Pupil Services	5,170,442	(4,025,200)	-	-
Improvement of Instructional Services	3,304,355	(1,151,027)	-	-
Educational Media Services	1,902,052	(1,175,587)	-	-
General Administration	2,114,817	613,340	-	-
School Administration	8,924,066	(5,548,369)	-	-
Business Administration	1,353,890	(1,330,252)	-	-
Maintenance and Operation of Plant	13,405,883	(8,996,265)	-	-
Student Transportation Services	8,549,279	(6,125,325)	-	-
Central Support Services	1,410,643	(1,395,844)	-	-
Other Support Services	960,831	(897,423)	-	-
Operations of Non-Instructional Services:				
Miscellaneous Non-Instructional Services	542,521	(542,521)	-	-
Food Services	6,869,569	(285,806)	-	-
Factilities acquisition & Construction Services	-	1,039,801		
Interest on Long-Term Debt	1,546,501	(1,546,501)	-	-
Fuel Center Services	-	-	1,307,265	(17,153)
Total Expenses	$ 151,448,059	$ (59,814,081)	$ 1,307,265	$ (17,153)

Table 3
Total Cost and Net Cost of Services - Fiscal Year 2017

	Governmental Activities		Business-Type Activities	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	$ 90,174,631	$ (24,582,933)	$ -	$ -
Support Services:				
Pupil Services	4,517,733	(3,876,225)	-	-
Improvement of Instructional Services	3,278,971	(1,459,004)	-	-
Educational Media Services	1,811,909	(188,341)	-	-
General Administration	2,109,494	143,475	-	-
School Administration	8,545,211	(5,606,194)	-	-
Business Administration	1,435,254	(104,862)	-	-
Maintenance and Operation of Plant	12,987,303	(8,745,144)	-	-
Student Transportation Services	8,408,674	(6,298,371)	-	-
Central Support Services	1,056,384	(1,024,519)	-	-
Other Support Services	1,528,889	(1,362,505)	-	-
Operations of Non-Instructional Services:				
Miscellaneous Non-Instructional Services	448,369	(448,369)	-	-
Food Services	6,655,748	(514,825)	-	-
Interest on Long-Term Debt	1,644,822	(1,644,822)	-	-
Fuel Center Services	-	-	1,057,071	29,231
Total Expenses	$ 144,603,392	$ (55,712,639)	$ 1,057,071	$ 29,231

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of approximately $159.0 million and total expenditures and other financing uses of approximately $155.6 million.

General Fund

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2018, the School District amended its General Fund budgeted as needed. For the General Fund, the actual revenues of approximately $122.9 million came under the final budgeted amounts of approximately $123.1 million by approximately $0.2 million. This difference was primarily due to State and Federal grants obtained throughout the year. The final actual expenditures of approximately $119.4 million came under the final budgeted amount of approximately $120.2 million by approximately $0.8 million.

The fund balance of the District's General Fund increased by $3.1 million or 15.9%, during the 2018 fiscal year. This increase was due to the QBE midyear adjustment from the state.

District-wide Capital Projects

The fund balance of the District-wide Capital Project Fund increased by $139,337, during the 2018 fiscal year. This was attributed to reduced capital outlays, due to there being a decrease in the number of major ongoing capital projects.

Debt Service

The fund balance of the Debt Service Fund increased by $342,020 or 5.1%, during the 2018 fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2018, the School District had approximately $243.1 million invested in capital assets, all in governmental activities. Table 4 reflects a summary of these balances net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities Fiscal Year 2018	Governmental Activities Fiscal Year 2017
Land	$ 16,547,869	$ 16,547,869
Construction in Progress	3,410,078	1,425,122
Buildings and Improvements	220,732,238	221,421,914
Equipment	2,401,824	2,815,579
Total	$243,092,009	$242,210,484

Due to no major construction projects during 2018, the capital asset balance decreased.

Additional information on the District's Capital Assets can be found in Note 6.

Debt

At fiscal year ended June 30, 2018, the School District had approximately $264.7 million in long-term liabilities outstanding. Table 5 summarizes the School District's debt for general obligation bonds and premium on bonds sold.

Table 5
Debt at June 30

	Governmental Activities Fiscal Year 2018	Governmental Activities Fiscal Year 2017 (Restated)
General Obligation Bonds	$ 40,915,000	$ 45,060,000
Bond Premium	4,013,361	4,990,731
Capital Leases	179,595	254,475
Net Pension Liability	115,066,660	126,779,646
Net OPEB Liability	103,083,572	109,026,174
Claims Payable	556,156	461,220
Compensated Absences	857,527	796,914
Total	$264,671,871	$287,369,160

Additional information on the District's Debt can be found in Note 9.

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on financial positions or results of operations:

- Capital Improvements – The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with Educational Local Option Sales Tax (ELOST) and anticipated annual receipts of capital outlay funds from the Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs. In May, 2016, the citizens of Walton County voted to renew the current ELOST. The new ELOST began January 1, 2018 and will end December 31, 2022.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Harry S. Lee, Chief Financial Officer, at Walton County School District, 200 Double Springs Church Road, Monroe, Georgia 30656. You may also email your question to Mr. Lee at hlee@walton.k12.ga.us.

BASIC FINANCIAL STATEMENTS

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 43,339,397	$ 2,735	$ 43,342,132
Receivables:			
Accounts	30,386	73,617	104,003
Intergovernmental	13,142,890	-	13,142,890
Taxes, net of allowances	1,314,078	-	1,314,078
Inventory	142,859	34,220	177,079
Prepaid items	32,128	-	32,128
Capital assets (nondepreciable)	19,957,947	-	19,957,947
Capital assets (net of accumulated depreciation)	223,134,062	-	223,134,062
Total assets	301,093,747	110,572	301,204,319
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	3,024,273	-	3,024,273
Deferred outflows - pension items	20,433,341	-	20,433,341
Deferred outflows - OPEB items	6,494,969	-	6,494,969
Total deferred outflows of resources	29,952,583	-	29,952,583
LIABILITIES			
Accounts payable	4,619,423	29,511	4,648,934
Salaries and benefits payable	16,801,661	-	16,801,661
Contracts payable	308,615	-	308,615
Accrued interest payable	863,052	-	863,052
Accrued claims payable	556,156	-	556,156
Bonds payable due within one year	4,295,000	-	4,295,000
Bonds payable due in more than one year	40,633,361	-	40,633,361
Capital leases due within one year	78,000	-	78,000
Capital leases due in more than one year	101,595	-	101,595
Net pension liability	115,066,660	-	115,066,660
Net OPEB liability	103,083,572	-	103,083,572
Compensated absences, due in less than one year	797,500	-	797,500
Compensated absences, due in more than one year	60,027	-	60,027
Total liabilities	287,264,622	29,511	287,294,133
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension items	2,238,975	-	2,238,975
Deferred inflows - OPEB items	10,715,993	-	10,715,993
Total deferred inflows of resources	12,954,968	-	12,954,968
NET POSITION			
Net investment in capital assets	200,699,711	-	200,699,711
Restricted for:			
Capital projects	5,467,931	-	5,467,931
Debt service	7,035,369	-	7,035,369
Scholarships	26,126	-	26,126
Unrestricted (deficit)	(182,402,397)	81,061	(182,321,336)
Total net position	$ 30,826,740	$ 81,061	$ 30,907,801

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
Instruction	$ 95,393,210	$ 372,739	$ 65,277,545	$ 1,295,824	$ (28,447,102)	$ -	$ (28,447,102)
Support services:							
Pupil services	5,170,442	-	1,145,202	40	(4,025,200)	-	(4,025,200)
Improvement of instructional services	3,304,355	-	2,153,328	-	(1,151,027)	-	(1,151,027)
Educational media services	1,902,052	-	1,726,465	-	(175,587)	-	(175,587)
General administration	2,114,817	-	2,728,157	-	613,340	-	613,340
School administration	8,924,066	-	3,375,697	-	(5,548,369)	-	(5,548,369)
Business administration	1,353,890	-	23,638	-	(1,330,252)	-	(1,330,252)
Maintenance and operation of plant	13,405,883	86,248	4,318,505	4,865	(8,996,265)	-	(8,996,265)
Student transportation services	8,549,279	-	2,050,394	233,560	(6,265,325)	-	(6,265,325)
Central support services	1,410,643	-	14,799	-	(1,395,844)	-	(1,395,844)
Other support services	960,831	-	63,408	-	(897,423)	-	(897,423)
Operations of non-instructional services:							
Miscellaneous non-instructional services	542,521	-	-	-	(542,521)	-	(542,521)
Food services operation	6,869,569	1,668,968	4,902,790	12,005	(285,806)	-	(285,806)
Facilities acquisition and construction services	-	-	-	1,039,801	1,039,801	-	1,039,801
Interest on long-term debt	1,546,501	-	-	-	(1,546,501)	-	(1,546,501)
Total governmental activities	151,448,059	2,127,955	87,779,928	2,586,095	(58,954,081)	-	(58,954,081)
Business-type activities:							
Fuel center services	1,307,265	1,290,112	-	-	-	(17,153)	(17,153)
Total business-type activities	1,307,265	1,290,112	-	-	-	(17,153)	(17,153)
Total	$ 152,755,324	$ 3,418,067	$ 87,779,928	$ 2,586,095	(58,954,081)	(17,153)	(58,971,234)
General revenues:							
Property taxes, levied for general purposes					44,609,933	-	44,609,933
Property taxes, levied for debt service					6,628,446	-	6,628,446
Sales taxes					9,546,127	-	9,546,127
Other taxes					1,226,218	-	1,226,218
Grants and contributions not restricted to specific programs					470,285	-	470,285
Unrestricted investment earnings					272,414	-	272,414
Other					3,194,852	-	3,194,852
Transfers					(85,000)	85,000	-
Total general revenues and transfers					65,863,275	85,000	65,948,275
Change in net position					6,909,194	67,847	6,977,041
Net position, beginning of fiscal year (restated)					23,917,546	13,214	23,930,760
Net position, end of fiscal year					$ 30,826,740	$ 81,061	$ 30,907,801

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

ASSETS	General	District-Wide Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 27,961,044	$ 7,433,028	$ 6,942,616	$ 1,002,709	$ 43,339,397
Receivables:					
Accounts	29,683	-	-	703	30,386
Intergovernmental	10,821,744	900,646	-	1,420,500	13,142,890
Taxes, net of allowances	1,221,325	-	92,753	-	1,314,078
Inventory	-	-	-	142,859	142,859
Prepaid items	32,128	-	-	-	32,128
Total assets	$ 40,065,924	$ 8,333,674	$ 7,035,369	$ 2,566,771	$ 58,001,738
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,812,255	$ 2,557,128	$ -	$ 250,040	$ 4,619,423
Contracts payable	-	308,615	-	-	308,615
Salaries and benefits payable	15,332,364	-	-	1,469,297	16,801,661
Total liabilities	17,144,619	2,865,743	-	1,719,337	21,729,699
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	211,433	-	38,623	-	250,056
Total deferred inflows of resources	211,433	-	38,623	-	250,056
FUND BALANCES					
Nonspendable:					
Inventory	-	-	-	142,859	142,859
Prepaid items	32,128	-	-	-	32,128
Restricted for:					
Capital projects	-	5,467,931	-	-	5,467,931
Debt service	-	-	6,996,746	-	6,996,746
Scholarships	-	-	-	26,126	26,126
School nutrition	-	-	-		-
Assigned for:					
Workers compensation reserve	11,698	-	-	-	11,698
Appropriated for 2019 budget	86,833	-	-	704,005	790,838
Unassigned (deficit):	22,579,213	-	-	(25,556)	22,553,657
Total fund balances	22,709,872	5,467,931	6,996,746	847,434	36,021,983
Total liabilities, deferred inflows of resources, and fund balances	$ 40,065,924	$ 8,333,674	$ 7,035,369	$ 2,566,771	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Cost	293,707,335
Less accumulated depreciation	(50,615,326)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	
Property taxes	250,056
The net pension liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.	
Net pension liability	(115,066,660)
Deferred outflows of resources - pension items	20,433,341
Deferred inflows of resources - pension items	(2,238,975)
The net OPEB liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.	
Net OPEB liability	(103,083,572)
Deferred outflows of resources - OPEB items	6,494,969
Deferred inflows of resources - OPEB items	(10,715,993)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds	(40,915,000)
Bonds premium, net of amortization	(4,013,361)
Deferred charge on refunding	3,024,273
Claims payable	(556,156)
Accrued interest	(863,052)
Compensated absences	(857,527)
Capital leases	(179,595)
Net position of governmental activities	$ 30,826,740

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	District-Wide Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
State funds	$ 74,715,650	$ 1,292,704	$ -	$ 1,864,502	$ 77,872,856
Federal funds	63,166	-	-	12,556,256	12,619,422
Local and other funds	48,105,495	9,597,539	6,652,261	3,837,681	68,192,976
Total revenues	122,884,311	10,890,243	6,652,261	18,258,439	158,685,254
EXPENDITURES					
Current:					
Instruction	81,200,568	2,501,774	-	6,784,346	90,486,688
Support services:					
Pupil services	3,950,257	-	-	1,162,974	5,113,231
Improvement of instructional services	2,401,403	-	-	901,858	3,303,261
Educational media services	1,785,175	-	-	93,351	1,878,526
General administration	1,340,522	-	-	776,841	2,117,363
School administration	8,882,903	-	-	34,254	8,917,157
Business administration	1,263,795	-	-	-	1,263,795
Maintenance and operation of plant	10,080,505	-	-	35,876	10,116,381
Student transportation services	7,057,632	-	-	735,563	7,793,195
Central support services	1,208,398	-	-	-	1,208,398
Other support services	75,531	-	-	878,639	954,170
Miscellaneous non-instructional operations	-	-	-	541,826	541,826
Food services operation	52,104	-	-	6,782,605	6,834,709
Capital outlay	-	8,249,132	-	-	8,249,132
Debt service:					
Principal retirement	74,880	-	4,145,000	-	4,219,880
Interest and issuance costs	11,138	-	2,165,241	-	2,176,379
Total expenditures	119,384,811	10,750,906	6,310,241	18,728,133	155,174,091
Excess (deficiency) of revenues over (under) expenditures	3,499,500	139,337	342,020	(469,694)	3,511,163
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	292,131	292,131
Transfers out	(377,131)	-	-	-	(377,131)
Total other financing sources (uses)	(377,131)	-	-	292,131	(85,000)
Net change in fund balances	3,122,369	139,337	342,020	(177,563)	3,426,163
FUND BALANCE, beginning of fiscal year	19,587,503	5,328,594	6,654,726	1,024,997	32,595,820
FUND BALANCE, end of fiscal year	$ 22,709,872	$ 5,467,931	$ 6,996,746	$ 847,434	$ 36,021,983

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 3,426,163
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:		
Capital outlay	$ 5,010,037	
Depreciation expense	(4,015,691)	994,346
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.		(112,821)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		(524,321)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments - bonds	$ 4,145,000	
Principal payments - capital leases	74,880	
Bond premium amortization expense	977,370	
Amortization on deferred charge on refunded general obligation debt	(421,992)	4,775,258
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	$ (60,613)	
Claims payable	(94,936)	
Pension expense	535,573	
OPEB expense	(2,103,955)	
Change in accrued interest	74,500	(1,649,431)
Change in net position of governmental activities		$ 6,909,194

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 71,956,405	$ 74,536,486	$ 74,715,650	$ 179,164
Federal sources	-	80,000	63,166	(16,834)
Local sources and other funds	44,760,157	48,510,157	48,105,495	(404,662)
Total revenues	116,716,562	123,126,643	122,884,311	(242,332)
EXPENDITURES				
Current:				
Instruction	80,141,186	81,418,417	81,200,568	217,849
Support services:				
Pupil services	4,154,146	4,260,786	3,950,257	310,529
Improvement of instructional services	2,381,125	2,530,420	2,401,403	129,017
Educational media services	1,720,252	1,782,252	1,785,175	(2,923)
General administration	1,249,688	1,347,764	1,340,522	7,242
School administration	8,763,310	8,893,310	8,882,903	10,407
Business administration	1,223,344	1,266,109	1,263,795	2,314
Maintenance and operation of plant	9,651,014	10,135,822	10,080,505	55,317
Student transportation services	6,253,593	7,085,280	7,057,632	27,648
Central support services	1,032,300	1,220,687	1,208,398	12,289
Other support services	61,214	75,531	75,531	-
School nutrition services	-	52,104	52,104	-
Debt Service:				
Principal	72,540	73,169	74,880	(1,711)
Interest	12,850	12,850	11,138	1,712
Total expenditures	116,716,562	120,154,501	119,384,811	769,690
Excess of revenues over expenditures	-	2,972,142	3,499,500	527,358
OTHER FINANCING USES				
Transfers out	-	(377,131)	(377,131)	-
Total other financing uses	-	(377,131)	(377,131)	-
Net change in fund balances	-	2,595,011	3,122,369	527,358
FUND BALANCE, beginning of fiscal year	19,587,503	19,587,503	19,587,503	-
FUND BALANCE, end of fiscal year	$ 19,587,503	$ 22,182,514	$ 22,709,872	$ 527,358

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	Non-major Enterprise Fund Fuel Fund
ASSETS	
Cash and cash equivalents	$ 2,735
Intergovernmental receivable	73,617
Inventory	34,220
Total assets	110,572
LIABILITIES	
Accounts payable	29,511
Total liabilities	29,511
NET POSITION	
Unrestricted net position	$ 81,061

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Non-major Enterprise Fund Fuel Fund
OPERATING REVENUES	
Charges for services:	
Charges to other funds	$ 589,494
Charges to other entities	700,618
Total revenues	1,290,112
OPERATING EXPENSES	
Fuel center operations	1,307,265
Total expenses	1,307,265
Operating loss	(17,153)
Transfers in	85,000
Change in net position	67,847
NET POSITION, beginning of fiscal year	13,214
NET POSITION, end of fiscal year	$ 81,061

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Non-major Enterprise Fund Fuel Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,325,962
Payments to suppliers and service providers	(1,380,418)
Payments to employees	(27,809)
Net cash used by operating activities	(82,265)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	85,000
Net cash provided by noncapital financing activities	85,000
Net change in cash	2,735
CASH	
Beginning of the year	-
End of the year	$ 2,735
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (17,153)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	35,850
Increase in inventory	(3,201)
Increase in accounts payable	3,578
Decrease in due to other funds	(101,339)
Net cash used by operating activities	$ (82,265)

The accompanying notes are an integral part of these financial statements.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2018

	Agency Fund
ASSETS	
Cash	$ 709,932
Total assets	$ 709,932
LIABILITIES	
Due to others	$ 709,932
Total liabilities	$ 709,932

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Walton County School District ("School District") was established under the laws of the State of Georgia and operates under the guidance of a school board ("Board of Education") elected by the voters and a Superintendent appointed by the Walton County School District. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

Basis of Presentation

The School District's basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements of the Walton County School District.

District-wide Statements:
The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from Business-type activities, which rely to a significant extent on fees and charges for support. Agency funds are excluded from the District-wide Statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities, as well as the business-type activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation(Continued)

In the Statement of Net Position, equity is reported as net position and consists of amounts invested in capital assets, net of related debt, amounts restricted by outside parties for specific purposes and unrestricted amounts. The net investment in capital asset is calculated as follow:

Capital assets, net of depreciation	$	243,092,009
Less:		
Bonds payable		(44,928,361)
Contracts (retainage) payable		(308,615)
Capital leases payable		(179,595)
Plus deferred charge on refunding		3,024,273
	$	200,699,711

Fund Financial Statements:
The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.

- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), Bond Proceeds and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.

- *Debt Service Fund* accounts for taxes (property and sales) legally restricted for the payment of general long-term principal, interest and paying agent's fees.

The School District reports the following fund types:

- *Special Revenue Funds* account for revenues and the related expenditures from restricted or committed sources, such as federal and state grants or restricted donations made to the School District.

- *Enterprise funds* account for operations that provide services to other departments and other governmental entities on a cost reimbursement basis. The School District uses an enterprise fund to account for the School District’s fuel center as the primary users are external entities.

- *Agency Fund* accounts for assets held by the School District as an agent for various clubs or school groups.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are recognized as revenue in the period for which they were levied, if they are collected within sixty days of year end. All other revenues reported in the governmental funds are considered to be available if they are collected within one year after year-end. Property taxes, sales taxes, intergovernmental revenues, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. The Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured Federal Savings and Loan Associations.

Investments

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The pool also adjusts the fair value of its investments to fair market value as of year-end and the District's investment in Georgia Fund 1 is reported at fair value. The regulatory oversight agency for Georgia Fund 1 is the State Treasurer of the State of Georgia. As of June 30, 2018, the District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The Walton County Tax Commissioner approved the property tax levy for the 2017 tax digest year (calendar year) on August 9, 2017 (levy date). Taxes were due on November 15, 2017 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2017 tax digest are reported as revenue in the governmental funds for fiscal year 2018. The Walton County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education (operations). The Walton County School District is in compliance with this law. Tax millage rates levied for the 2017 tax year (calendar year) for the Walton County School District were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	18.7 mills
School Bonds	2.9 mills
Total	21.60 mills

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $9,546,127 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The prepaid items are recognized on the consumption method.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist.

Donated capital assets are recorded at estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art.

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Policy	Estimated Useful Life
Land	$1,000	N/A
Land Improvements	$50,000	20 to 80 years
Buildings and Improvements	$100,000	15 to 80 years
Equipment	$35,000	5 to 50 years
Intangible Assets, software	$100,000	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Governmental Activities report five types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. Governmental Activities report (1) the deferred outflow of resources being recognized is the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2018 which will be recognized in fiscal year 2019; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions related to the pension plan which will be amortized over the remaining service period; and (4) a deferred outflow of resources for the net difference between projected and actual investment earnings on the OPEB assets which will be amortized over a five year period and (5) a deferred outflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plan and the School District's proportionate share of contributions, which will be amortized over the remaining service period. Another item reported at the governmental activities level is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one type of deferred inflow under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District has four items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred inflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plan and the School District's proportionate share of contributions, which will be amortized over the remaining service period; and (2) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary related to the pension plan, which will be amortized over the remaining service period; and (3) a deferred inflow of resources for the changes in actuarial assumptions related to the OPEB plan which will be amortized over the remaining service period; and (4) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension plan assets which will be amortized over a five year period.

Compensated Absences

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the School District does not have a policy to pay any amounts when employees separate from service with the School District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligation bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the fund financial statements, the face amount of debt issued and any related premiums, is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts and a deferred loss on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding is reported as a deferred outflow of resources and is amortized over the term of the related debt.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment, also through a resolution.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School District adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board of Education after advertisement, the budget is revised as necessary and adopted as the final budget. The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2018.

	Amount
General Fund	
Educational media services	$ 2,923
Grant Fund	
Instruction	88,202
Educational media services	93,351
School administration	34,254
Maintenance and operation of plant	35,876
Other support services	829,689
Miscellaneous non-instructional services	541,826

Note 3: DEPOSITS AND INVESTMENTS

Deposits. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the financial institution holding all of the District's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2018, all of the District's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Custodial credit risk- deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2018, the School District's cash accounts and investments were properly collateralized as required by State statutes.

Note 3: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2018, all investments of the School District, totaling $26,910,360, were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the District does not disclose investments in the Georgia Fund 1 within the fair value hierarchy.

Credit risk. Georgia Fund 1, created by OCGA 36-83-8, is a stable asset value investment pool which follows Standard and Poor's criteria for AAAf rated money market funds. Regulatory oversight of the fund is provided by the Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The District reports its investment in Georgia Fund 1 as a cash equivalent as of June 30, 2018. As of June 30, 2018 Georgia Fund 1 has a 10 day weighted average maturity.

Note 4: RECEIVABLES

Receivables at June 30, 2018, for the School District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	District-Wide Capital Projects	Debt Service	Nonmajor Governmental
Receivables:				
Intergovernmental	$ 10,821,744	$ 900,646	$ -	$ 1,420,500
Taxes	1,285,605	-	97,634	-
Accounts	29,683	-	-	703
Total receivables	12,137,032	900,646	97,634	1,421,203
Less allowance for uncollectible	64,280	-	4,881	-
Net total receivable	$ 12,072,752	$ 900,646	$ 92,753	$ 1,421,203

Note 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. Commodities usage is recorded at their federally assigned value of $578,496 for the year ended June 30, 2018.

Note 6: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balance June 30, 2017	Increases	Decreases	Transfers	Balance June 30, 2018
Capital assets not being depreciated					
Land and improvements	$ 16,547,869	$ -	$ -	$ -	$ 16,547,869
Construction in progress	1,425,122	4,688,949	(112,821)	(2,591,172)	3,410,078
Total capital assets not being depreciated	17,972,991	4,688,949	(112,821)	(2,591,172)	19,957,947
Capital assets being depreciated					
Buildings and Improvements	254,999,923	125,661	-	2,591,172	257,716,756
Equipment	15,837,205	195,427	-	-	16,032,632
Total capital assets being depreciated	270,837,128	321,088	-	2,591,172	273,749,388
Less accumulated depreciation for					
Buildings and Improvements	33,578,009	3,406,509	-	-	36,984,518
Equipment	13,021,626	609,182	-	-	13,630,808
Total accumulated depreciation	46,599,635	4,015,691	-		50,615,326
Total capital assets being depreciated, net	224,237,493	(3,694,603)	-	2,591,172	223,134,062
Total governmental activities capital assets, net	$ 242,210,484	$ 994,346	$ (112,821)	$ -	$ 243,092,009

Current year depreciation expense by function is as follows:

Instruction	$ 3,443,321
Support Services:	
Pupil services	133
Maintenance and operation of plant	16,061
Student transportation services	515,845
Miscellaneous non-instructional services	695
Food services operations	39,636
	$ 4,015,691

Note 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers, the purpose of which is to supplement the operations of the funds, for the year ended June 30, 2018, consisted of the following:

Transfers from	Transfers to	Amount
General Fund	Nonmajor governmental funds	$ 292,131
General Fund	Nonmajor enterprise fund	85,000
		$ 377,131

Note 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The School District has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions and job related illness or injuries to employees, and acts of God. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has established a limited risk management program for workers' compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of that program's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated, as well as an estimated incurred but unreported amount of claims. An excess coverage insurance policy covers individual claims in excess of $300,000 loss per occurrence, up to the statutory limit.

Changes in the workers' compensation claims liability during the last two fiscal years is as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2017	$ 393,711	$ 451,106	$ 383,597	$ 461,220
2018	461,220	639,168	544,232	556,156

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expense/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Note 8: RISK MANAGEMENT (Continued)

Changes in the unemployment compensation claims liability during the last two fiscal years is as follows:

	Beginning of Year	Claims and Changes in Estimates	Claims Paid	End of Year
2017	$ -	$ 4,520	$ 4,520	$ -
2018	-	6,560	6,560	-

The School District has purchased a surety bond to provide additional insurance coverage for the Superintendent in the amount of $100,000.

Note 9: LONG-TERM DEBT

The Walton County School District has entered into a lease agreement as lessee for a building. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,	
2019	$ 85,471
2020	85,346
2021	21,327
Total minimum lease payments	192,144
Less amount representing interest	12,549
Present value of future minimum lease payments	179,595
Less current maturities	78,000
Net of current maturities	$ 101,595

As of June 30, 2018, the School District had $829,447 of land and buildings, with associated accumulated depreciation of $84,037, financed under the capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

The School District issued Series 2012 General Obligation Bonds during fiscal year 2012 as a partial refunding of the Series 2005A General Obligation Bonds. The original deferred charge on refunding was $5,626,556 and the economic gain was $3,402,593. General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
General Obligation – Refunding - Series 2005A	2.00% - 5.25%	$ 40,915,000

Note 9: LONG-TERM DEBT (Continued)

The changes in Long-Term obligations during the fiscal year ended June 30, 2018, were as follows:

	Governmental Activities				
	Beginning Balance (restated)	Increases	Deductions	Ending Balance	Due within one year
Bonds	$ 45,060,000	$ -	$ (4,145,000)	$ 40,915,000	$ 4,295,000
Premium on bonds	4,990,731	-	(977,370)	4,013,361	-
Net bonds	50,050,731	-	(5,122,370)	44,928,361	4,295,000
Capital lease	254,475	-	(74,880)	179,595	78,000
Net pension liability	126,779,646	16,025,121	(27,738,107)	115,066,660	-
Net OPEB liability	109,026,174	5,978,931	(11,921,533)	103,083,572	-
Claims payable	461,220	639,168	(544,232)	556,156	556,156
Compensated absences	796,914	502,725	(442,112)	857,527	797,500
Total long-term liabilities	$ 287,369,160	$ 23,145,945	$ (45,843,234)	$ 264,671,871	$ 5,726,656

Beginning balances were restated for Net OPEB liability as of June 30, 2017, as discussed in notes 13 and 14. Compensated absences, claims payable, the net pension liability, and the net OPEB liability are liquidated by the General Fund.

At June 30, 2018, payments due by fiscal year which includes principal and interest, for these items are as follows:

	General Obligation Debt		
	Principal	Interest	Total
Year Ending June 30			
2019	$ 4,295,000	$ 1,963,950	$ 6,258,950
2020	4,490,000	1,744,325	6,234,325
2021	4,740,000	1,513,575	6,253,575
2022	4,975,000	1,270,700	6,245,700
2023	5,210,000	1,018,575	6,228,575
2023-2026	17,205,000	1,361,426	18,566,426
Total Principal and Interest	$ 40,915,000	$ 8,872,551	$ 49,787,551

Note 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $286,342 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid the Teachers Retirement System (TRS)
For Teachers Retirement
In the amount of $32,540

Office of Treasury and Fiscal Services
Paid to the Public School Employees Retirement System (PSERS)
For Public School Employees Retirement Employer's Cost
In the amount of $253,802

Note 11: CONTINGENCIES

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

The School District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectability of any related receivable at year-end may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The School District has entered into various construction contracts. At year end, the uncompleted and unpaid portion of these contracts totaled $234,448.

Note 12: RETIREMENT PLANS

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan description: All teachers of the District as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the *O.C.G.A.* assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2018. The school district's contractually required contribution rate for the year ended June 30, 2018 was 16.81% of annual school district payroll. District contributions to TRS were $12,964,894 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	115,066,660
State of Georgia's proportionate share of the net pension liability associated with the District		837,268
Total	$	115,903,928

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2017. At June 30 2017, the District's proportion was 0.619127%, which was an increase of 0.004620% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $12,434,065 and revenue of $4,744 for support provided by the State of Georgia for certain support personnel. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 791,851
Changes in proportion and differences between District contributions and proportionate share of contributions	641,841	1,012,875
Net difference between expected and actual experience	4,304,202	434,249
Changes in assumption	2,522,404	-
District contributions subsequent to the measurement date	12,964,894	-
Total	$ 20,433,341	$ 2,238,975

District contributions subsequent to the measurement date of $12,964,894 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2019	$ (1,214,392)
2020	5,926,642
2021	3,223,306
2022	(2,791,347)
2023	85,263
Total	$ 5,229,472

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

Actuarial assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75 – 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semi-annually

Postretirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.50)%
Domestic large equities	39.80	9.00
Domestic mid equities	3.70	12.00
Domestic small equities	1.50	13.50
International developed market equities	19.40	8.00
International emerging market equities	5.60	12.00
Total	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12: RETIREMENT PLANS (Continued)

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 188,837,889	$ 115,066,660	$ 54,295,748

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

Payables to the pension plan

As of June 30, 2018 the District is reporting $2,223,924 in accrued benefits payable for the Teachers Retirement System Plan.

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Note 12: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)

Upon retirement, the member will receive a monthly benefit of $14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

Pension Liabilities and Pension Expense

At June 30, 2018, the District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the District	$ 1,372,321

The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2017.

Note 12: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)

For the year ended June 30, 2018, the District recognized pension expense of $276,576 and revenue of $276,576 for support provided by the State of Georgia.

***Actuarial assumptions*:** The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Postretirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Note 12: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.50)%
Domestic large stocks	37.20	9.00
Domestic mid stocks	3.40	12.00
Domestic small stocks	1.40	13.50
International developed market stocks	17.80	8.00
International emerging market stocks	5.20	12.00
Alternatives	5.00	10.50
Total	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 13: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT (OPEB) FUND

Plan Description. The District participates in the State of Georgia School Employees Postemployment Benefit Fund (the School OPEB Fund) which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/comprehensive-annual-financial-reports.

Benefits: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the District were $3,844,826 for the year ended June 30, 2018. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Effective July 1, 2017, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the District's accounting for OPEB amounts. The information disclosed in this note is presented in accordance with this new standard.

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2018, the District reported a liability of $103,083,572 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2017. At June 30 2017, the District's proportion was 0.733693%, which was a decrease of 0.001962% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of $5,948,781. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 30,150	$ -
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,619,993	2,866,442
Changes in plan assumptions	-	7,849,551
Board contributions subsequent to the measurement date	3,844,826	-
Total	$ 6,494,969	$ 10,715,993

District contributions subsequent to the measurement date of $3,844,826 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2019	$ (1,448,578)
2020	(1,448,578)
2021	(1,448,578)
2022	(1,448,578)
2023	(1,456,114)
2024	(815,424)
Total	$ (8,065,850)

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions:
The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Salary Increases	TRS – 3.25-9.00%, including inflation PSERS – N/A
Long-term expected rate of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	7.75%
Medicare eligible	5.75%
Ultimate trend rate	
Pre-Medicare eligible	5.00%
Medicare eligible	5.00%
Year of ultimate trend rate	2022

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS Members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) was used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 2 years for males and four years for females) was used for death after disability retirement.

- For PSERS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) was used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for the period after disability retirement.

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the School OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies, and community colleges are allocated to the School OPEB Fund irrespective of retirement system affiliation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Local Government Investment Pool	100.00%	3.88%

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

Discount rate:

The discount rate has changed since the prior measurement date from 3.07% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit payments until 2029. The discount rate of 3.58% was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current discount rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net OPEB liability	$ 122,393,276	$ 103,083,572	$ 87,844,303

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 5.00% to 7.75%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00% to 6.75%) or 1-percentage-point higher (6.00% to 8.75%) than the current rates:

	1% Decrease (4.00% to 6.75%)	Current discount rate (5.00% to 7.75%)	1% Increase (6.00% to 8.75%)
District's proportionate share of the net OPEB liability	$ 85,444,537	$ 103,083,572	$ 126,049,568

NOTE 14: CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District is required to change its accounting treatment of OPEB liabilities and the related OPEB expense. The new standard requires that the District's proportionate share of the Net OPEB Liability be recorded on the Statement of Net Position. Therefore, in conjunction with the implementation of Statement No. 75, the following restatement was required to the beginning net position of the Governmental Activities to properly recognize the District's Net OPEB Liability and related deferred outflows of resources for contributions subsequent to the measurement date as of the end of the prior period:

	Governmental Activities
Net Position - beginning, as prevoiously reported	$ 129,118,187
Recognition of the net OPEB liability related to the OPEB plan accordance with GASB Statement No. 75	(109,026,174)
Recognition of the beginning of the measurement period deferred outflows of resources for contributions subsequent to the measurement period in accordance with GASB Statement No. 75	3,825,533
Net Position - beginning, as restated	$ 23,917,546

REQUIRED SUPPLEMENTARY INFORMATION

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABLITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.619127%	0.614507%	0.615728%	0.617561%	0.634289%
District's proportionate share of the net pension liability	$ 115,066,660	$ 126,779,646	$ 93,738,474	$ 78,020,687	$ 110,524,097
State of Georgia's proportionate share of the net pension liability associated with the District	837,268	1,512,880	1,070,400	817,778	1,231,591
Total	$ 115,903,928	$ 128,292,526	$ 94,808,874	$ 78,838,465	$ 111,755,688
District's covered-employee payroll	$ 73,144,534	$ 67,689,783	$ 64,994,525	$ 63,003,518	$ 64,492,091
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	157.31%	187.30%	144.23%	123.84%	171.38%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%	Not available

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2018	2017	2016	2015	2014
Contractually required contributions	$ 12,964,894	$ 10,437,725	$ 9,659,332	$ 8,686,388	$ 7,801,302
Contributions in relation to the contractually required contributions	12,964,894	10,437,725	9,659,332	8,546,780	7,736,832
Contribution deficiency (excess)	$ -	$ -	$ -	$ 139,608	$ 64,470
District's covered-employee payroll	77,126,080	73,144,534	67,689,783	64,994,525	63,003,518
Contributions as a percentage of covered-employee payroll	16.810%	14.270%	14.270%	13.150%	12.280%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

WALTON COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - TRS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

***Changes of assumptions*:** In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

***Method and assumptions used in calculations of actuarially determined contributions*:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABLITY
PUBLIC SCHOOLS EMPLOYERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2018	2017	2016	2015
District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	1,372,321	1,768,056	1,126,990	1,003,435
Total	$ 1,372,321	$ 1,768,056	$ 1,126,990	$ 1,003,435
District's covered-employee payroll	$ 21,661	$ 20,522	$ 19,578	$ 16,034
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.69%	81.00%	87.00%	88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

***Changes of assumptions*:** In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABLITY
OTHER POST-EMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30

		2018
District's proportion of the net OPEB liability		0.733693%
District's proportionate share of the net OPEB liability	$	103,083,572
Total	$	103,083,572
District's covered-employee payroll	$	81,733,238
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		126.12%
Plan fiduciary net position as a percentage of the total OPEB liability		1.61%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

WALTON COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30

	2018
Contractually required contributions	$ 3,844,826
Contributions in relation to the contractually required contributions	3,844,826
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 68,415,198
Contributions as a percentage of covered-employee payroll	5.620%

N/A - Information not available

WALTON COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Changes of benefit terms **:** In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions

OTHER SUPPLEMENTARY INFORMATION

WALTON COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
ASSETS	**Grants**	**School Nutrition**	**Scholarship Trust Fund**	
Cash and cash equivalents	$ 328,048	$ 654,648	$ 20,013	$ 1,002,709
Receivables:				
Accounts	398	305	-	703
Intergovernmental	1,420,500	-	-	1,420,500
Inventory	-	142,859	-	142,859
Total assets	$ 1,748,946	$ 797,812	$ 20,013	$ 2,566,771
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 75,646	$ 174,394	$ -	$ 250,040
Salaries and benefits payable	963,182	506,115	-	1,469,297
Total liabilities	1,038,828	680,509	-	1,719,337
FUND BALANCES				
Nonspendable:				
Inventory	-	142,859	-	142,859
Restricted for:				
Scholarships	6,113	-	20,013	26,126
Assigned for:				
School use	704,005	-	-	704,005
Unassigned (deficit)	-	(25,556)	-	(25,556)
Total fund balances	710,118	117,303	20,013	847,434
Total liabilities and fund balance	$ 1,748,946	$ 797,812	$ 20,013	$ 2,566,771

WALTON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Grants	School Nutrition	Scholarship Trust Fund	
REVENUES				
State funds	$ 1,685,166	$ 179,336	$ -	$ 1,864,502
Federal funds	7,884,905	4,671,351	-	12,556,256
Local and other funds	2,139,056	1,698,329	296	3,837,681
Total revenues	11,709,127	6,549,016	296	18,258,439
EXPENDITURES				
Current:				
Instruction	6,784,346	-	-	6,784,346
Support services:				
Pupil services	1,157,974	-	5,000	1,162,974
Improvement of instructional services	901,858	-	-	901,858
Educational media services	93,351	-	-	93,351
General administration	776,841	-	-	776,841
School administration	34,254	-	-	34,254
Maintenance and operation of plant	35,876	-	-	35,876
Student transportation services	735,563	-	-	735,563
Central support services	-	-	-	-
Other support services	878,639	-	-	878,639
Miscellaneous non-instructional operations	541,826	-	-	541,826
Food services operation	-	6,782,605	-	6,782,605
Total expenditures	11,940,528	6,782,605	5,000	18,728,133
Deficiency of revenues under expenditures	(231,401)	(233,589)	(4,704)	(469,694)
OTHER FINANCING SOURCES				
Transfers in	292,131	-	-	292,131
Total other financing sources	292,131	-	-	292,131
Net change in fund balances	60,730	(233,589)	(4,704)	(177,563)
FUND BALANCE, beginning of year	649,388	350,892	24,717	1,024,997
FUND BALANCE, end of year	$ 710,118	$ 117,303	$ 20,013	$ 847,434

WALTON COUNTY SCHOOL DISTRICT

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ -	$ -	$ 1,685,166	$ 1,685,166
Federal sources	-	8,997,188	7,884,905	(1,112,283)
Local sources	2,139,056	2,319,056	2,139,056	(180,000)
Total revenues	2,139,056	11,316,244	11,709,127	392,883
EXPENDITURES				
Current:				
Instruction	4,451,080	6,696,144	6,784,346	(88,202)
Support services:				
Pupil services	228,966	1,397,398	1,157,974	239,424
Improvement of instructional services	561,181	946,175	901,858	44,317
Educational media services	-	-	93,351	(93,351)
General administration	540,592	874,008	776,841	97,167
School administration	-	-	34,254	(34,254)
Maintenance and operation of plant	-	-	35,876	(35,876)
Student transportation services	272,382	835,438	735,563	99,875
Central support services	500	6,200	-	6,200
Other support services	-	48,950	878,639	(829,689)
Miscellaneous non-instructional services	-	-	541,826	(541,826)
Total expenditures	6,054,701	10,804,313	11,940,528	(1,136,215)
Excess (deficiency) of revenues over expenditures	(3,915,645)	511,931	(231,401)	(743,332)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	292,131	292,131
Total other financing sources (uses)	-	-	292,131	292,131
Net change in fund balances	(3,915,645)	511,931	60,730	(451,201)
FUND BALANCE, beginning of year	649,388	649,388	649,388	-
FUND BALANCE, end of year	$ (3,266,257)	$ 1,161,319	$ 710,118	$ (451,201)

WALTON COUNTY SCHOOL DISTRICT

SCHOOL NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 394,273	$ 394,273	$ 179,336	$ (214,937)
Federal sources	4,157,119	4,157,119	4,671,351	514,232
Local sources and other funds	3,167,397	3,167,397	1,698,329	(1,469,068)
Total revenues	7,718,789	7,718,789	6,549,016	(1,169,773)
EXPENDITURES				
Food services operation	7,520,990	7,520,990	6,782,605	738,385
Total expenditures	7,520,990	7,520,990	6,782,605	738,385
Net change in fund balances	197,799	197,799	(233,589)	(431,388)
FUND BALANCE, beginning of year	350,892	350,892	350,892	-
FUND BALANCE, end of year	$ 548,691	$ 548,691	$ 117,303	$ (431,388)

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost(1)	Current Estimated Cost(2)	Prior Years(3)	Current Year(3)	Total	Project Status
2018 SPLOST						
To pay the costs of retiring outstanding general obligation debt of the Walton School District previously incurred and issued with respect to capital outlay projects in the maximum principal and interest amount of $4,700,000 comprised of portions of the Walton County Board of Education's Series 2012 general obligation refunding bonds coming due in the years 2018 through 2023; capital outlay projects (the Walton County Projects) in the Walnut Grove, Monroe, and Loganville clusters at an estimated cost of $55,084,000 consisting of adding to, renovating, repairing, improving, furnishing, and equipping existing school buildings and other buildings and facilities; the potential acquisition of land for future school sites; the potential construction of new school buildings and related facilities; the potential acquisition of land and/or construction of new facilities for fuel storage and dispensation; the acquisition of ownership interest in the Rutland psychoeducational center; the acquisition of school buses and/or other vehicles; making information technology improvements, including, but not limited to, one-to-one upgrades, projection, computer upgrades, instructional software, and infrastructure at all schools and selected other facilities; and replacing, purchasing, upgrading, or supplementing capital outlay equipment including, but not limited to, desks, chairs, copiers, tables, school buses, security, and safety equipment, signage, band instruments, playgrounds, and laboratory equipment; and paying expenses incident thereto.	48,000,000	48,000,000	-	798,115	798,115	Ongoing
2013 SPLOST						
To pay the costs of acquiring, constructing and equipping a new elementary school; acquiring land for future school sites; acquiring, constructing, and equipping renovation of and improvements to Carver Middle School; acquiring, constructing, and equipping classroom additions at Youth Middle School; clearing, and paving space for bus parking area; acquiring buses; acquiring hard copy and electronic textbooks; acquiring and installing computers, tablets, and related technology and equipment; development of new physical education/athletic facilities; adding to, renovating, repairing, improving, furnishing and equipping existing educational, administrative and physical education/athletic buildings, properties, and facilities of the Walton County Board of Education.	$ 48,778,845	$ 47,766,086	$ 38,370,804	$ 8,660,087	$ 47,030,891	Complete

Total non-SPLOST expenditures reported in District-wide Capital Projects Fund	$ 1,292,704
Total expenditures reported in District-wide Capital Projects Fund	$ 10,750,906

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Walton County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

WALTON COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ASSETS	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Cash	$ 724,244	$ 1,088,259	$ (1,102,571)	$ 709,932
Accounts receivable	1,666	-	(1,666)	-
Total assets	$ 725,910	$ 1,088,259	$ (1,104,237)	$ 709,932
LIABILITIES				
Due to others	$ 725,910	$ 1,088,259	$ (1,104,237)	$ 709,932
Total liabilities	$ 725,910	$ 1,088,259	$ (1,104,237)	$ 709,932

STATISTICAL SECTION
(UNAUDITED)

The statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial position.

Contents:

Financial Trends	These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.
Revenue Capacity	These schedules contain information to help the reader assess the School District's major revenue sources.
Debt Capacity	These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.
Operating Information	These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

WALTON COUNTY SCHOOL DISTRICT

NET POSITION BY ACTIVITY
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	$ 122,999,471	$ 127,947,912	$ 134,368,097	$ 138,371,472
Restricted	23,048,335	19,471,789	21,501,114	23,246,686
Unrestricted (deficit)	13,259,577	16,514,736	17,409,924	15,813,607
Total governmental activities net position	$ 159,307,383	$ 163,934,437	$ 173,279,135	$ 177,431,765
Business-type activities				
Net investment in capital assets	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Unrestricted (deficit)	-	-	-	(20,810)
Total business-type activities net position	$ -	$ -	$ -	$ (20,810)
Primary Government:				
Net investment in capital assets	$ 122,999,471	$ 127,947,912	$ 134,368,097	$ 138,371,472
Restricted	23,048,335	19,471,789	21,501,114	23,246,686
Unrestricted (deficit)	13,259,577	16,514,736	17,409,924	15,792,797
Total primary government net position	$ 159,307,383	$ 163,934,437	$ 173,279,135	$ 177,410,955

Data Source: School District's Audited Financial Statements for Each Fiscal Year

	2013	2014	2015	2016	2017 - Restated	2018
$	134,460,205	$ 150,953,694	$ 172,542,358	$ 194,622,662	$ 195,233,699	$ 200,699,711
	26,865,281	32,509,686	17,591,655	7,474,759	12,287,422	12,529,426
	18,232,053	15,833,305	(81,410,272)	(77,637,405)	(183,603,575)	(182,402,397)
$	179,557,539	$ 199,296,685	$ 108,723,741	$ 124,460,016	$ 23,917,546	$ 30,826,740
$	-	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	(23,532)	(3,532)	(17,064)	(16,017)	13,214	81,061
$	(23,532)	$ (3,532)	$ (17,064)	$ (16,017)	$ 13,214	$ 81,061
$	134,460,205	$ 150,953,694	$ 172,542,358	$ 194,622,662	$ 195,233,699	$ 200,699,711
	26,865,281	32,509,686	17,591,655	7,474,759	12,287,422	12,529,426
	18,208,521	15,829,773	(81,427,336)	(77,653,422)	(183,590,361)	(182,321,336)
$	179,534,007	$ 199,293,153	$ 108,706,677	$ 124,443,999	$ 23,930,760	$ 30,907,801

WALTON COUNTY SCHOOL DISTRICT

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012
Expenses				
Primary government:				
Governmental activities:				
Instruction	$ 79,773,645	$ 81,693,378	$ 80,972,010	$ 81,817,743
Pupil services	2,911,623	3,171,292	3,064,873	3,053,460
Improvement of instructional services	3,174,742	2,948,117	3,053,936	2,902,157
Educational media services	1,547,483	1,653,403	1,552,372	1,555,585
General administration	1,592,096	1,715,457	1,881,642	2,027,622
School administration	7,045,958	7,045,417	6,884,483	6,848,948
Business administration	423,481	595,413	653,060	605,601
Maintenance and operation of plant	8,037,640	8,441,857	8,255,494	8,260,897
Student transportation services	6,528,179	6,216,469	6,414,477	6,661,113
Central support services	954,198	780,291	789,871	788,711
Other support services	687,582	1,058,727	1,121,829	1,205,652
Miscellaneous non-instructional services	340,579	604,594	545,359	1,717,213
Enterprise operations	-	-	-	-
Food services operation	5,052,752	4,886,039	5,092,992	5,730,643
Interest on long-term debt	3,579,199	3,472,547	3,383,978	2,894,554
Total governmental activities expenses	121,649,157	124,283,001	123,666,376	126,069,899
Business-type activities:				
Fuel center services	-	-	-	-
Total primary government expenses	$ 121,649,157	$ 124,283,001	$ 123,666,376	$ 126,069,899
Program revenues				
Primary government:				
Governmental activities:				
Charges for services	$ 2,093,493	$ 1,639,885	$ 1,382,152	$ 1,429,016
Operating grants and contributions	61,740,040	66,572,962	70,420,929	66,068,011
Capital grants and contributions	2,505,001	79,833	1,479,152	4,340,926
Total governmental activities program revenues	66,338,534	68,292,680	73,282,233	71,837,953
Business-type activities:				
Charges for services	-	-	-	-
Total primary government program revenues	$ 66,338,534	$ 68,292,680	$ 73,282,233	$ 71,837,953
Net (expense)revenue:				
Governmental activities	$ (55,310,623)	$ (55,990,321)	$ (50,384,143)	$ (54,231,946)
Business-type activities	-	-	-	-
Total primary government net expense	(55,310,623)	(55,990,321)	(50,384,143)	(54,231,946)
General revenues and other changes in net position				
Primary government:				
Governmental activities:				
Property taxes, levied for general purposes	47,728,763	44,420,717	43,641,146	39,657,841
Property taxes, levied for debt service	6,286,284	5,282,039	5,126,643	4,376,609
Sales taxes	7,738,064	8,045,769	7,804,757	8,445,336
Other taxes	1,025,921	764,940	703,685	873,929
Unrestricted investment earnings	677,145	163,315	127,977	79,787
Grants and contributions not restricted to specific programs	-	-	-	1,448,771
Other	429,547	1,940,595	2,324,633	3,997,703
Transfers to business-type activities	-	-	-	-
Transfers from government activities	-	-	-	-
Total governmental activities general revenues and other changes in net position	63,885,724	60,617,375	59,728,841	58,879,976
Change in net position				
Governmental activities	8,575,101	4,627,054	9,344,698	4,648,030
Business-type activities	-	-	-	-
Total primary government	$ 8,575,101	$ 4,627,054	$ 9,344,698	$ 4,648,030
Net position, beginning of the year	150,732,282	159,307,383	163,934,437	173,279,135
Restatements to opening net position	-	-	-	-
Net position, end of the year	$ 159,307,383	$ 163,934,437	$ 173,279,135	$ 177,927,165

Data Source: School District's Audited Financial Statements for Each Fiscal Year

2013	2014	2015	2016	2017	2018
$ 81,225,126	$ 77,897,335	$ 79,535,796	$ 80,234,290	$ 90,174,631	$ 95,393,210
3,549,590	3,531,195	3,253,524	3,462,607	4,517,733	5,170,442
2,355,618	2,126,889	2,163,700	2,912,574	3,278,971	3,304,355
3,318,448	1,446,235	1,579,663	1,606,207	1,811,909	1,902,052
1,883,112	1,860,993	1,913,572	1,956,671	2,109,494	2,114,817
6,810,635	6,871,569	7,671,305	8,018,817	8,545,211	8,924,066
975,744	1,001,391	691,065	794,895	1,435,254	1,353,890
8,133,576	9,738,928	8,500,009	10,934,230	12,987,303	13,405,883
6,365,863	6,565,134	6,475,708	8,125,679	8,408,674	8,549,279
813,496	885,515	1,123,261	1,206,428	1,056,384	1,410,643
1,172,828	1,078,488	895,391	836,274	1,528,889	960,831
531,737	525,346	449,416	570,854	448,369	542,521
-	-	-	-	-	-
5,979,457	5,965,107	5,745,403	6,138,085	6,655,748	6,869,569
2,428,917	2,160,425	1,972,307	1,768,993	1,644,822	1,546,501
125,544,147	121,654,550	121,970,120	128,566,604	144,603,392	151,448,059
1,625,446	1,601,301	1,336,207	997,236	1,057,071	1,307,265
$ 127,169,593	$ 123,255,851	$ 123,306,327	$ 129,563,840	$ 145,660,463	$ 152,755,324
$ 1,860,089	$ 1,754,309	$ 1,629,954	$ 1,856,073	$ 1,974,693	$ 2,127,955
68,079,421	78,835,132	76,180,553	82,041,809	85,030,527	87,779,928
1,234,941	4,312,398	231,660	1,788,368	588,533	2,586,095
71,174,451	84,901,839	78,042,167	85,686,250	87,593,753	92,493,978
1,622,724	1,621,301	1,357,510	998,283	1,086,302	1,290,112
$ 72,797,175	$ 86,523,140	$ 79,399,677	$ 86,684,533	$ 88,680,055	$ 93,784,090
$ (54,369,696)	$ (36,752,711)	$ (43,927,953)	$ (42,880,354)	$ (57,009,639)	$ (58,954,081)
(2,722)	20,000	21,303	1,047	29,231	(17,153)
(54,372,418)	(36,732,711)	(43,906,650)	(42,879,307)	(56,980,408)	(58,971,234)
37,256,209	37,650,133	37,575,192	39,252,269	41,426,932	44,609,933
6,579,671	6,696,765	6,346,686	6,543,974	6,648,205	6,628,446
8,521,104	8,392,089	8,772,177	8,684,767	9,029,118	9,546,127
998,741	878,935	883,494	959,265	1,237,787	1,226,218
28,248	23,455	31,513	67,130	97,424	272,414
613,519	484,557	435,480	663,552	618,309	470,285
2,497,978	2,365,923	2,062,897	2,445,671	2,610,035	3,194,852
-	-	-	-	-	(85,000)
-	-	-	-	-	85,000
56,495,470	56,491,857	56,107,439	58,616,628	61,667,810	65,948,275
2,125,774	19,739,146	12,179,486	15,736,274	4,658,171	6,994,194
(2,722)	20,000	21,303	1,047	29,231	(17,153)
$ 2,123,052	$ 19,759,146	$ 12,200,789	$ 15,737,321	$ 4,687,402	$ 6,977,041
177,927,165	179,534,007	199,293,153	108,706,678	124,443,999	129,131,401
(516,210)	-	(102,787,264)	-	-	(105,200,641)
$ 179,534,007	$ 199,293,153	$ 108,706,678	$ 124,443,999	$ 129,131,401	$ 30,907,801

WALTON COUNTY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ 28,603	$ 3,121,342	$ 37,222	$ 32,128
Assigned	-	-	1,695,450	5,516,092	581,606	354,193	268,632	-	97,668	98,531
Unassigned	-	-	14,953,129	10,729,260	12,701,911	14,828,834	16,217,184	14,074,598	19,452,613	22,579,213
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	10,055,366	14,185,239	-	-	-	-	-	-	-	-
Total general fund	$ 10,055,366	$ 14,185,239	$ 16,648,579	$ 16,245,352	$ 13,283,517	$ 15,208,027	$ 16,514,419	$ 17,195,940	$ 19,587,503	$ 22,709,872
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ 226,060	$ 119,146	$ 121,689	$ 174,216	$ 194,702	$ 93,376	$ 141,001	$ 142,859
Restricted	-	-	21,571,147	23,316,875	26,671,500	24,705,570	17,450,984	7,381,710	12,224,984	12,490,803
Assigned	-	-	695,953	684,979	730,311	649,760	616,583	616,852	642,332	704,005
Unassigned	-	-	-	-	-	-	-	-	-	(25,556)
Reserved	7,141,505	6,972,065	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,461,541	2,925,342	-	-	-	-	-	-	-	-
Capital project funds	16,125,865	12,685,584	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 25,728,911	$ 22,582,991	$ 22,493,160	$ 24,121,000	$ 27,523,500	$ 25,529,546	$ 18,262,269	$ 8,091,938	$ 13,008,317	$ 13,312,111

Note: The implementation of GASB 54 beginning with fiscal year ended June 30, 2011 significantly changed the presentation of fund balances of the School District.

WALTON COUNTY SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
State sources	$ 52,837,771	$ 48,745,992	$ 55,664,546	$ 59,278,860	$ 57,180,864	$ 63,589,140	$ 72,643,071	$ 72,276,533	$ 73,173,235	$ 77,872,856
Federal sources	10,467,767	17,631,107	16,235,535	12,521,262	12,702,896	12,382,717	11,584,573	11,838,414	12,396,563	12,619,422
Local and other sources	64,891,537	63,333,828	60,416,309	60,003,019	57,141,952	57,888,681	57,829,603	60,414,935	63,103,184	68,192,976
On behalf payments	928,125	275,696	-	-	-	-	-	-	-	-
Total revenues	129,125,200	129,986,623	132,316,390	131,803,141	127,025,712	133,860,538	142,057,247	144,529,882	148,672,982	158,685,254
EXPENDITURES										
Current:										
Instruction	75,814,236	76,844,878	77,197,743	74,968,136	74,456,862	73,716,378	77,169,391	80,099,457	84,262,388	90,486,688
Support services:										
Pupil services	2,908,158	3,167,894	3,062,181	3,050,250	3,547,403	3,529,008	3,380,064	3,610,570	4,419,389	5,113,231
Improvement of instructional services	3,159,114	2,930,965	3,045,634	2,892,259	2,350,361	2,124,892	2,222,716	2,982,724	3,207,436	3,303,261
Educational media services	1,547,483	1,653,403	1,552,372	1,555,585	1,479,784	1,446,235	1,522,409	1,666,383	1,772,472	1,878,526
General administration	1,588,340	1,711,775	1,880,183	2,027,622	1,883,112	1,860,993	1,929,534	1,977,888	2,095,499	2,117,363
School administration	6,975,321	7,049,883	6,812,861	6,845,258	6,810,635	6,871,569	7,703,429	8,054,474	8,525,772	8,917,157
Business administration	940,393	908,704	963,389	911,980	975,744	1,001,391	1,049,730	1,149,431	1,230,959	1,263,795
Maintenance and operation of plant	7,957,673	8,359,495	8,193,299	8,190,138	8,085,363	8,164,451	8,501,272	9,031,618	9,478,266	10,116,381
Student transportation services	5,701,187	5,494,846	5,831,280	5,940,584	6,215,020	6,269,656	6,161,648	6,566,382	7,112,440	7,793,195
Central support services	929,803	756,376	770,922	777,415	813,496	885,515	1,140,261	1,225,239	1,045,992	1,208,398
Other support services	687,582	1,058,727	1,121,829	1,205,652	1,172,828	1,078,488	955,580	886,751	1,505,253	954,170
Enterprise operations	337,543	601,617	543,000	1,714,401	529,821	523,518	451,482	574,379	446,979	541,826
Food services operation	4,926,260	4,764,085	5,006,778	5,627,630	5,911,511	5,946,689	5,726,081	6,127,693	6,585,551	6,834,709
Capital outlay	38,027,572	7,868,556	7,942,800	9,474,487	6,252,975	13,875,736	23,471,610	23,564,994	5,775,283	8,249,132
Debt service:										
Principal retirement	2,041,870	2,379,015	2,746,355	1,575,465	3,624,276	3,767,953	3,920,823	4,088,453	4,103,030	4,219,880
Interest and fees	3,515,325	3,452,451	3,368,247	3,791,116	2,496,666	2,872,010	2,712,102	2,512,226	2,331,118	2,176,379
Total expenditures	157,057,860	129,002,670	130,038,873	130,547,978	126,605,857	133,934,482	148,018,132	154,118,662	143,897,827	155,174,091
Excess (deficiency) of revenues over (under) expenditures	(27,932,660)	983,953	2,277,517	1,255,163	419,855	(73,944)	(5,960,885)	(9,588,780)	4,775,155	3,511,163
OTHER FINANCING SOURCES (USES)										
Transfers in	394,368	4,061,226	28,175	13,596	17,498	150,916	22,247	4,179,264	2,399,468	292,131
Transfers out	(394,368)	(4,061,226)	(28,175)	(13,596)	(17,498)	(150,916)	(22,247)	(4,179,264)	(2,399,468)	(377,131)
Other uses	-	-	-	-	-	-	-	-	-	-
Premium from the issuance of refunding bonds	-	-	-	10,131,954	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(59,247,504)	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	49,085,000	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	95,992	-	-	4,500	-	99,970	2,532,787	-
Total other financing sources (uses)	-	-	95,992	(30,550)	-	4,500	-	99,970	2,532,787	(85,000)
Net change in fund balance	$ (27,932,660)	$ 983,953	$ 2,373,509	$ 1,224,613	$ 419,855	$ (69,444)	$ (5,960,885)	$ (9,488,810)	$ 7,307,942	$ 3,426,163
Debt service as a percentage of noncapital expenditures	3.50%	4.45%	4.67%	4.06%	4.94%	5.47%	5.47%	4.95%	4.55%	4.26%

Data Source: Audited Financial Statements

WALTON COUNTY SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(amounts expressed in thousands)

		Real Property				Personal Property			Less Exemptions:		Total Direct	Estimated Actual	Assessed Value as a
Fiscal Year	Tax Year	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property	Tax Rate	Taxable Value	Percentage of Actual Value
2018	2017	$ 1,969,888	$ 215,653	$ 491,101	$ 94,280	$ 90,447	$ 8,280	$ 1,024	$ 378,765	$ 236,697	21.200	$ 2,255,211	40.00%
2017	2016	1,701,138	182,372	476,556	80,500	105,781	8,416	1,274	487,768	24,284	21.600	2,043,985	40.00%
2016	2015	1,538,761	169,906	460,795	82,051	141,045	8,638	900	426,043	24,522	22.600	1,951,531	40.00%
2015	2014	1,388,078	151,440	468,579	8,663	182,469	8,420	796	373,727	25,036	23.002	1,809,682	40.00%
2014	2013	1,323,189	152,813	414,184	81,456	217,857	10,049	809	349,656	25,540	23.502	1,825,161	40.00%
2013	2012	1,331,382	152,161	452,158	80,535	208,267	10,113	2,077	337,541	26,446	22.800	1,872,706	40.00%
2012	2011	1,524,102	251,819	458,172	78,711	208,445	10,459	1,533	408,744	27,112	21.800	2,097,385	40.00%
2011	2010	1,743,408	293,887	484,755	74,836	211,879	10,459	932	448,948	28,197	20.800	2,343,011	40.00%
2010	2009	1,795,852	293,660	488,073	71,411	242,000	11,845	2,272	426,159	28,534	20.450	2,450,420	40.00%
2009	2008	1,998,425	325,443	494,682	67,788	233,982	11,718	3,846	318,801	148,233	19.940	2,668,850	40.00%

Source: Tax Assessor

(1) Includes Conservation Use, Preferential Property and Forest Land.

(2) Includes Timber, Airplanes, Boats, RV's, etc.

WALTON COUNTY SCHOOL DISTRICT

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS)
Last Ten Fiscal Years
(Mills - rate per $1,000 of taxable assessed value)

Fiscal Year	County Operating Millage	School District Operating Millage	School District Debt Service Millage	School District Total School Millage	State	Total Direct & Overlapping Rates
2018	10.905	18.600	2.600	21.200	0.000	32.105
2017	10.905	18.700	2.900	21.600	0.000	32.505
2016	11.855	19.250	3.350	22.600	0.050	34.505
2015	12.280	19.502	3.500	23.002	0.100	35.382
2014	12.410	19.802	3.700	23.502	0.150	36.062
2013	12.410	19.300	3.500	22.800	0.200	35.410
2012	12.175	19.600	2.200	21.800	0.250	34.225
2011	11.032	18.600	2.200	20.800	0.250	32.082
2010	10.882	18.250	2.200	20.450	0.250	31.582
2009	10.055	17.490	2.450	19.940	0.250	30.245

Source: Tax Commissioner

Overlapping rates are those of local and county governments that apply to property owners within the County.
Not all potential overlapping rates apply to all County property owners (e.g., the rates for special districts apply only proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

WALTON COUNTY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND SEVEN YEARS AGO
June 30, 2018
(amounts expressed in thousands)

	2018			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Wal-Mart Stores East LP	$38,374	1	1.88%	$5,484	8	0.21%
Hitachi Automotive Systems	37,649	2	1.84%			
Walton EMC	31,135	2	1.52%			
Walton County Power LLC	16,367	4	0.80%	$24,709	1	0.93%
Transcontinental Pipeline	15,913	5	0.78%	5,798	7	0.22%
Monroe HMA, Inc.	15,409	6	0.75%			
Georgia Power Company	14,429	7	0.71%			
MPC Generating LLC	12,894	8	0.63%	20,767	2	0.78%
Georgia Transmission Corp	10,799	9	0.53%			
Silicon Ranch Corporation	10,370	10	0.51%			
Wal-Mart Real Estate				9,744	3	0.44%
L & P Materials MFG, Inc.				7,975	4	0.30%
Pike Electric, INC				7,271	5	0.27%
Murray E. Kenneth, Sr.				6,284	6	0.24%
Georgia General				5,145	9	0.19%
Unisia of Georgia Corp.				3,600	10	0.14%
Totals	$203,339		9.95%	$96,777		3.72%

Source: Walton County Tax Commissioner

Note: Information prior to 2011 was not available from the Tax Commissioner or the Tax Assessor, therefore 2011 was used.

WALTON COUNTY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Total Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Tax Collections	% of Total Levy Collected	Outstanding Delinquent Taxes
		Amount	Percentage of Original Levy				
2018	$ 42,018	$ 41,106	97.83%	$ -	$ 41,106	97.8%	$ 232
2017	38,631	36,391	94.20%	1,968	38,359	99.3%	272
2016	38,840	35,788	92.14%	3,030	38,818	99.9%	22
2015	36,718	35,467	96.59%	1,244	36,711	100.0%	7
2014	36,142	35,370	97.86%	766	36,136	100.0%	6
2013	37,403	36,622	97.91%	773	37,395	100.0%	8
2012	36,157	34,119	94.36%	2,031	36,150	100.0%	7
2011	41,170	37,844	91.92%	3,319	41,163	100.0%	7
2010	43,580	38,410	88.14%	5,166	43,576	100.0%	4
2009	44,720	40,228	89.96%	4,486	44,714	100.0%	6

Source: Walton County Tax Commissioner

WALTON COUNTY SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2018	$ 44,928	$ 180	$ 45,108	1.96%	$ 510
2017	50,051	254	50,305	2.25%	569
2016	55,125	333	55,458	2.47%	627
2015	60,227	401	60,628	2.97%	698
2014	65,163	467	65,630	3.40%	783
2013	69,950	530	70,480	3.60%	825
2012	74,362	589	74,951	4.01%	895
2011	68,340	644	68,984	3.60%	816
2010	71,030	701	71,731	3.79%	856
2009	73,355	755	74,110	2.74%	849

Source: Details regarding the School District's outstanding debt can be found in the notes to the financial statements for each respective year.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A - Information is not available for these years

WALTON COUNTY SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2018	$ 44,928	$ 6,997	$ 37,932	1.68%	414
2017	50,051	6,655	43,396	2.12%	481
2016	55,125	6,324	48,801	2.50%	552
2015	60,227	6,248	53,979	2.98%	621
2014	65,163	6,271	58,892	3.23%	703
2013	69,950	6,003	63,947	3.41%	749
2012	74,362	5,466	68,896	3.28%	822
2011	68,340	6,047	62,293	2.66%	736
2010	71,030	6,760	64,270	2.62%	767
2009	73,355	6,922	66,433	2.49%	761

Source: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

WALTON COUNTY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of June 30, 2018
(amounts expressed in thousands)

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
General Obligation Bonds of School District	$ 44,928	100%	$ 44,928
Capital leases	180	100%	180
Total direct debt	45,108		45,108
Overlapping:			
Walton County:			
Capital leases	11,088	100%	11,088
Intergovernmental contracts (1)	112	100%	112
Total overlapping debt	11,200		11,200
Total Direct and Overlapping	$ 56,308		$ 56,308

Sources: Assessed value data used to estimate applicable percentages provided by the State Department of Revenue. Debt outstanding provided by the School District.
(1) Intergovernmental contracts are general obligations of the issuer to which its full faith and credit and taxing powers are pledged.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

WALTON COUNTY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuations: (1)										
Assessed value	$ 2,668,850	$ 2,450,420	$ 2,343,011	$ 2,097,385	$ 1,872,706	$ 1,825,161	$ 1,809,682	$ 1,951,531	$ 2,043,985	$ 2,255,211
Debt limit (10% of total assessed value)	266,885	245,042	234,301	247,748	187,271	182,516	180,968	195,153	204,399	225,521
Amount of debt applicable to limit:										
General obligation bonds	73,355	71,030	68,340	74,362	69,950	65,163	60,227	55,125	50,051	44,928
Less: Amount set aside for repayment of general obligation debt	(6,922)	(6,760)	(6,047)	(5,466)	(6,003)	(6,271)	(6,248)	(6,324)	(6,655)	(6,997)
Total net debt applicable to limit	66,433	64,270	62,293	68,896	63,947	58,892	53,979	48,801	43,396	37,932
Legal debt margin	$ 200,452	$ 180,772	$ 172,008	$ 178,852	$ 123,324	$ 123,624	$ 126,989	$ 146,352	$ 161,003	$ 187,589
Total net debt applicable to the limit as a percentage of debt limit	24.89%	26.23%	26.59%	27.81%	34.15%	32.27%	29.83%	25.01%	21.23%	16.82%

Source: (1) Walton County Tax Assessor
(2) School District's Audited Financial Statements for Each Respective Year

WALTON COUNTY SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2) (000's omitted)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2018	91,600	$ 2,303,923	$ 25,152	38.8	14,002	3.4%
2017	90,184	2,238,187	24,818	38.3	13,979	4.6%
2016	88,399	2,248,340	25,434	39.1	14,076	5.0%
2015	86,886	2,044,167	23,527	38.0	13,908	5.7%
2014	83,771	1,931,843	23,061	37.4	13,694	6.9%
2013	85,390	1,958,249	22,933	37.0	13,656	8.6%
2012	83,768	1,869,199	22,314	37.3	13,210	9.9%
2011	84,580	1,914,637	22,637	35.2	14,966	10.1%
2010	83,758	1,894,941	22,624	37.4	14,836	10.3%
2009	87,311	2,702,014	30,947	36.7	14,642	10.2%

Data Sources
(1) Bureau of the Census
(2) Bureau of Economic Analysis
(3) Federal Reserve Economic Data
(4) State Department of Education
Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

WALTON COUNTY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS OF WALTON COUNTY, GEORGIA

Current Year and Nine Years Ago

	2018			2009		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Walton County Board of Education	2,072	1	4.72%	2,339	1	5.94%
Hitachi Automotive Systems Americas, Inc.	1,100	2	2.51%	182	9	0.46%
Shire	854	3	1.95%			
Walmart Distribution	840	4	1.91%	886	4	2.25%
Walton County Government	805	5	1.83%	725	3	1.84%
Piedmont Walton Hopsital	423	6	0.96%	289	5	0.73%
Wal-Mart Store - Monroe	360	7	0.82%	259	7	0.66%
Wal-Mart Store - Loganville	350	8	0.80%			
Leggett & Platt, Inc.	350	9	0.80%	288	6	0.73%
Standridge Color Corporation	270	10	0.62%	328	4	0.83%
Goodyear Tire and Rubber				223	8	0.57%
Tucker Door & Trim				170	10	0.43%
Total	7,424		16.91%	5,689		14.44%

Source: State of Georgia Department of Commerce.

WALTON COUNTY SCHOOL DISTRICT

DISTRICT EMPLOYEES[1]
LAST TEN FISCAL YEARS
(as of October 31 of each fiscal year)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Classroom Teachers	883.20	885.20	865.10	847.02	851.92	832.76	815.96	823.00	836.00	850.00
Support Personnel	668.20	688.90	665.80	660.83	661.35	641.93	753.55	752.00	740.00	738.63
Administrators	59.00	58.00	57.50	58.00	63.00	58.16	60.00	58.00	60.00	60.00
Total	1,610.40	1,632.10	1,588.40	1,565.85	1,576.27	1,532.85	1,629.51	1,633.00	1,636.00	1,648.63

[1] Source: Georgia Department of Education - Full Time Equivalent (FTE's)

WALTON COUNTY SCHOOL DISTRICT

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Total Governmental Activities Expenses[1]	Full Student Membership[2]	Cost per Pupil	Percentage Change	Teaching Staff (FTEs)[3]	Pupil/ Teacher Ratio
2009	$ 121,649,157	12,849	$ 9,468	-2.40%	883.20	14.55
2010	124,283,001	13,025	9,542	0.78%	885.20	14.71
2011	123,666,376	13,208	9,363	-1.87%	865.10	15.27
2012	126,069,899	13,337	9,453	0.96%	847.02	15.75
2013	125,544,147	13,388	9,377	-0.80%	876.95	15.27
2014	121,654,550	13,694	8,884	-5.26%	858.17	15.96
2015	121,970,120	13,838	8,814	-0.78%	886.07	15.62
2016	128,566,604	14,056	9,147	3.77%	826.22	17.01
2017	144,603,392	13,206	10,950	19.71%	836.00	15.80
2018	151,448,059	14,068	10,765	-1.68%	850.00	16.55

[1] Per School District's Audited Financial Statements for Each Respective Year

[2] Source: Georgia Department of Education Student FTE October count (includes Pre-Kindergarten through 12th Grade)

[3] Source: GA Department of Education; Full-Time Equivalent teaching slots

WALTON COUNTY SCHOOL DISTRICT

AVERAGE SALARY SUMMARY OF CERTIFIED PERSONNEL
LAST TEN FISCAL YEARS

Fiscal Year	Number of Full & Part Time Teachers[2] 4 Yr Bachelors	5 Yr Masters	6 Yr Specialists	7 Yr Doctoral	Other	Total	Minimum Salary (based on 4 yr cert/ 0 yrs exp)[1]	Maximum Salary (based on 7 yr cert/ 21+ yrs exp)[1]	Walton Co. Average Contract Annual Salary[2]
2009	278	494	166	36	9	983	$ 36,686	$ 78,673	$ 53,098
2010	239	474	194	38	12	957	36,686	78,673	53,884
2011	209	464	208	40	13	934	36,686	78,673	54,214
2012	196	472	239	50	7	964	36,686	78,673	57,860
2013	170	419	242	42	3	876	36,686	78,673	58,011
2014	147	403	276	54	4	884	36,686	78,673	59,106
2015	153	394	302	59	4	912	36,686	78,673	61,412
2016	176	360	325	51	5	917	36,686	78,673	63,110
2017	177	373	315	60	4	929	38,922	83,469	65,317
2018	188	374	310	60	8	940	39,591	85,912	63,385

[1] Source: School District records

[2] Source: GA Department of Education - Average Salary Summary for Certified Personnel
Information is Not Available for Fiscal Years Prior to 2006

WALTON COUNTY SCHOOL DISTRICT

FREE & REDUCED PRICE LUNCH ELIGIBILITY[1]
LAST TEN FISCAL YEARS
(as of October 31 of each fiscal year)

Fiscal Year	Number of Students Eligible for Free Meals	Number of Students Eligible for Reduced Price Meals	Total Number of Students Eligible for Free & Reduced Price Meals	Total Student Enrollment (FTE)	% of Students Eligible for Reduced Price Meals
2018	5,733	902	6,635	14,068	47.16%
2017	5,755	998	6,753	13,206	51.14
2016	5,778	1,014	6,792	14,056	48.32
2015	5,901	1,045	6,946	13,838	50.20
2014	5,872	951	6,823	13,694	49.82
2013	5,745	989	6,734	13,388	50.30
2012	5,775	972	6,747	13,337	50.59
2011	5,574	818	6,392	13,208	48.39
2010	5,380	1,031	6,411	13,025	49.22
2009	4,417	1,039	5,456	12,849	42.46

[1] Source: GA Department of Education

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA
LAST TEN FISCAL YEARS

	ENROLLMENT									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ELEMENTARY SCHOOLS										
BAY CREEK ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 1970										
Size of Site (acres) - 23										
Square feet - 80,873										
Number of Classrooms - 47										
Capacity - 725										
Enrollment (1)	693	752	766	767	799	847	872	838	611	586
HARMONY ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 1975										
Size of Site (acres) - 47.5										
Square feet - 103,825										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	679	671	715	726	737	799	803	721	705	663
LOGANVILLE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2016										
Size of Site (acres) - 98.31										
Square feet - 45,700										
Number of Classrooms - 59										
Capacity - 660										
Enrollment (1)	630	649	627	603	602	619	605	638	924	917
MONROE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2007										
Size of Site (acres) - 34.6										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	821	861	769	749	701	700	680	626	622	509
WALKER PARK ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2008										
Size of Site (acres) - 44.60										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	738	744	738	746	741	749	778	718	704	623
WALNUT GROVE ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 1995										
Size of Site (acres) - 33.90										
Square feet - 84,265										
Number of Classrooms - 49										
Capacity - 762										
Enrollment (1)	543	541	528	535	531	562	605	645	667	647

Continued

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA
LAST TEN FISCAL YEARS

	ENROLLMENT									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ATHA ROAD ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2001										
Size of Site (acres) - 32.74										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	751	724	735	763	817	808	843	927	850	788
YOUTH ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2002										
Size of Site (acres) - 25.89										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	762	729	755	758	785	790	756	750	753	731
SHARON ELEMENTARY										
Grade levels served - PreK - Gr5										
Occupied Year - 2007										
Size of Site (acres) - 79.96										
Square feet - 103,771										
Number of Classrooms - 60										
Capacity - 912										
Enrollment (1)	781	750	811	792	770	789	796	811	835	750
MIDDLE SCHOOLS										
CARVER MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 1992										
Size of Site (acres) - 40.00										
Square feet - 101,320										
Number of Classrooms - 49										
Capacity - 775										
Enrollment (1)	699	760	831	934	944	1,000	952	916	850	843
LOGANVILLE MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 1973										
Size of Site (acres) - 41.06										
Square feet - 61,210										
Number of Classrooms - 93										
Capacity - 849										
Enrollment (1)	1,102	1,092	1,094	1,134	1,115	1,124	1,157	1,247	1,293	1,346
YOUTH MIDDLE										
Grade levels served - Gr6 - Gr8										
Occupied Year - 2004										
Size of Site (acres) - 35.89										
Square feet - 141,720										
Number of Classrooms - 66										
Capacity -850										
Enrollment (1)	1,140	1,095	1,056	1,092	1,074	1,066	1,016	1,066	1,068	1,092

Continued

WALTON COUNTY SCHOOL DISTRICT

SCHOOL DATA
LAST TEN FISCAL YEARS

	ENROLLMENT									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
HIGH SCHOOLS										
LOGANVILLE HIGH										
Grade levels served - Gr9 - Gr 12										
Occupied Year - 1998										
Size of Site (acres) - 44.70										
Square feet - 152,169										
Number of Classrooms - 74										
Capacity - 1475										
Enrollment (1)	2,046	1,606	1,529	1,461	1,460	1,467	1,466	1,509	1,622	1,653
MONROE AREA HIGH										
Grade levels served - Gr9 - Gr 12										
Occupied Year - 2005										
Size of Site (acres) - 40.00										
Square feet - 227,657										
Number of Classrooms - 76										
Capacity - 1262										
Enrollment (1)	1,464	1,271	1,241	1,106	1,102	1,109	1,104	1,114	1,095	1,056
WALNUT GROVE HIGH										
Grade levels served - Gr9 - Gr 12										
Occupied Year - 2009										
Size of Site (acres) - 103.30										
Square feet - 226,727										
Number of Classrooms - 76										
Capacity - 1262										
Enrollment (1)	-	780	1,013	1,171	1,210	1,265	1,405	1,408	1,457	1,378
Total Enrollment	12,849	13,025	13,208	13,337	13,388	13,694	13,838	13,934	14,056	13,582

1 Source: Georgia Department of Education Student FTE October count (includes Pre-Kindergarten through 12th Grade)

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF INSURANCE IN FORCE
June 30, 2018

Type of Coverage	Name of Company	Policy Period From	Policy Period To	Liability Limits	Annual Premium
Paid by District					
Casualty and Crime Coverage	GSBA	7/1/2016	6/30/2018		$312,718
General - Aggr.				$3,000,000	
Schl Leaders Liability- Aggr.				$2,000,000	
Automobile Liability				$350,000	
Crime				$100,000	
Property Coverage Agreement					
Auto Physical Damage				Per ACV schedule	
Employee's Blanket Bond				$1,000,000	
Superintendent Life Insurance	West Coast Life Ins. Co.	1/1/2017	6/30/2018	$350,000	$1,675
	Minnesota Life	1/1/2017	6/30/2018	$182,594	$1,412
				$532,594	
Superintendent Surety Bond	CNA Surety Company	4/1/2017	6/30/2018	$100,000	$350
Workers' Compensation	Self Insured	7/1/2017	6/30/2018	$500,000	per event
	State National Insurance	7/1/2017	6/30/2018	$1,000,000 per occurrence	$43,307
Medical - Certified Employee	State Health Benefit Plan #74712	1/1/2017	6/30/2018	N/A	$945.00/mth per enrolled empl
Medical - Classfied Employee	State Health Benefit Plan #74711	1/1/2017	6/30/2018	N/A	$945.00/mth per enrolled empl
Life Insurance/AD&D	Met Life	1/1/2017	6/30/2018	$10,000	$2.04/mth per employee

(continued)

WALTON COUNTY SCHOOL DISTRICT
SCHEDULE OF INSURANCE IN FORCE
June 30, 2018

Type of Coverage	Name of Company	Policy Period From	Policy Period To	Liability Limits	Annual Premium
Voluntary Benefits Paid by Employee (administered by GA Breeze)					
Disability, Long Term (>180 days)	The Standard #642967-B	1/1/2018	6/30/2018		(A)
Disability, Short Term (<181 days)	The Standard #642967-A	1/1/2018	6/30/2018		(A)
Life Insurance- Employee	Met Life	1/1/2018	12/31/2018	1-10x Salary	(A)
AD&D Insurance- Employee	Met Life	1/1/2018	12/31/2018	1-10x Salary	(A)
Life Insurance - Spouse	Met Life	1/1/2018	12/31/2018	$6K to $250K	(A)
Life Insurance - Children	Met Life	1/1/2018	12/31/2018	$3K to 20K	$11.04 to $26.16
Dental Insurance	Cigna #0599978-01B	1/1/2018	12/31/2018	DHMO	$270.96 to $730.32
Dental Insurance	Delta Dental	1/1/2018	12/31/2018	Select	$314.40 to $899.40
Dental Insurance	Delta Dental	1/1/2018	12/31/2018	Select Plus	$504.12to $1,452.12
Vision Select	Blue Cross	1/1/2018	12/31/2018	Select	$66 to $198.48
Vision Select Plus	Blue Cross	1/1/2018	12/31/2018	Select Plus	$113.88 to $356.40
Legal Select	Hyatt Legal	1/1/2018	12/31/2018	Select	Single - $76.44 Family- $96.00
Legal Select Plus	Hyatt Legal	1/1/2018	12/31/2018	Plus Plan	Single - $96.00 Family - $123.60
Specified Illness - Employee	Continental American Ins.	1/1/2018	12/31/2018		(A)
Specified Illness - Spouse	Continental American Ins.	1/1/2018	12/31/2018		(A)

(A) Employee cost based on employee's age and rate per thousand

COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Walton County Board of Education (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 4, 2019. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 4, 2019

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Superintendent and Members of
the Walton County Board of Education
Monroe, Georgia

Report on Compliance for Each Major Federal Program

We have audited Walton County Board of Education's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title *2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 4, 2019

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title		Federal CFDA Number	Pass-Through Entity ID Number	Total Expenditures
Agriculture, U.S. Department of				
Child Nutrition Cluster				
Pass-Through From Georgia Department of Education				
Food and Nutrition Program				
Child Nutrition Cluster				
School Breakfast Program		10.553	18185GA324N1099	$ 942,447
National School Lunch Program				
Cash Assistance		10.555	18185GA324N1100	3,094,182
Non-cash Assistance (Commodities)		10.555	18185GA324N1100	578,499
School Snack Program		10.555	18185GA324N1100	56,225
	Subtotal			3,728,906
Total Child Nutrition Cluster				4,671,353
Education, U.S. Department of				
Special Education Cluster				
Pass-Through From Georgia Department of Education				
Individuals with Disabilities Education Act (IDEA)				
Part B-Special Education				
VI-B Flowthrough		84.027	H027A170073	2,569,877
Preschool		84.173	H173A170081	47,877
Total Special Education Cluster				2,617,754
Other Programs				
Pass-Through From Georgia Department of Education				
Elementary and Secondary Education Act				
Title I, Part A				
Improving Academic Achievement		84.01	S010A170010	3,059,384
	Subtotal			3,059,384

(Continued)

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title		Federal CFDA Number	Pass-Through Entity ID Number	Total Expenditures
Title II				
Improving Teacher Quality		84.367	S367A170001	360,193
Advance Placement Grant		84.367	S367A170001	2,650
	Subtotal			362,843
Title III				
Limited English Proficient		84.365	S365A170010	27,988
Immigrant - 681		84.365	S365A170010	396
	Subtotal			28,384
Education for Homeless Children and Youth		84.196	S196A170011	45,774
Title IV - Part A - Student Support and Academic Enrichment		84.424A	S424A170011	75,067
Title IV - Part B - 21st Century Community Learning Centers		84.287	S287C170010	1,591,842
Vocational Education Basic Grants to States				
Program Improvement		84.048	V048A170010	89,869
Perkins Plus		84.048	V048A170010	12,348
Perkins Carryover		84.048	V048A170010	1,740
	Subtotal			103,957
Total of Department of Education Expenditures				7,885,005
Total of Federal Awards Expenditures				$ 12,556,358

Notes to the Schedule of Expenditures of Federal Awards

N/A - No Pass-Through Entity ID Number available.

Note - The School District did not utilize the 10% de minimus indirect cost rate.

1.) The amounts shown for the Food Donation Program represent the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.

2.) The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Walton County School District and is presented on the modified accrual basis of accounting.

3.) The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the Financial statements audited were prepared in accordance with GAAP?	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal Control over major programs: Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I, Part A
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported

WALTON COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

WALTON COUNTY SCHOOL DISTRICT

STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017-001 Allowable Costs/Cost Principles

Criteria: In accordance with the terms of the Child Nutrition Cluster and 2 CFR 200, *Cost Principles for States, Local Governments, and Indian Tribes*, specific documentation must be maintained to support salaries and wages charged to the federal program. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.

Condition and Context: For the fiscal year ended June 30, 2017, internal controls over compliance were not sufficient to ensure the District was properly charging payroll costs which were reimbursed by the Child Nutrition Cluster grants.

Status: Finding was resolved during the current year.