

WALKER COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended September 30, 2025

WALKER COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2025

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Independent Auditor's Report

Honorable Chairman and Members
of the Board of Commissioners
Walker County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Walker County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of September 30, 2025, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire and Rescue Special Revenue Fund, American Rescue Plan Act Special Revenue Fund, and the Development Authority Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Walker County Health Department, a component unit of Walker County, Georgia. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Walker County Health Department, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Walker County, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Walker County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Walker County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Walker County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walker County, Georgia’s basic financial statements. The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, and the OneGeorgia award schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such 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. The 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 combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, the OneGeorgia award schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of Walker County, Georgia’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the 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 Walker County, Georgia’s internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
March 13, 2026

WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

As management of Walker County, it is our pleasure to present this narrative discussion and analysis of Walker County's financial performance, providing an overview of the activities for the fiscal year ended September 30, 2025. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Walker County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides comparisons with the previous year.

Financial Highlights

- Walker County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2025 by \$164,389,172 (reported as *net position*). Of this amount, \$28,959,312 (reported as *unrestricted net position*) may be used to meet the County's ongoing obligations.
- As of September 30, 2025, Walker County's governmental funds reported combined ending fund balances of \$39,298,776. The governmental funds reported a combined ending unassigned fund balance of \$20,721,752.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Walker County's basic financial statements. Walker County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Walker County and is designed to provide readers with a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Walker County using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 15-16) is to attempt to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. Although the purpose of the County is

not to accumulate net position, in general, as this amount increases it indicates that the financial position of the County is improving over time.

The **Statement of Activities** (page 17), on the other hand, presents the revenues and expenses of the County. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Walker County into three types of activities:

- **Governmental activities** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: property, sales, insurance premium and intangible finance most of these services.
- **Business-type activities** – The County charges fees to customers to assist in covering the cost for providing certain services. The County's Landfill and Mountain Cove Farms activities are reported in this category.
- **Discretely Presented Component Unit** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Walker County Health Department, although legally separate, function for all practical purposes as departments of Walker County and have been included as an integral part of the government.

The County's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the County's Major Funds).

The focus of fund financial statements is directed to specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 80. The County's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different prescribed accounting methodologies.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting,

which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

Walker County maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire and Rescue Fund, American Rescue Plan Act Fund, Development Authority Fund, SPLOST Fund, and TSPLOST Fund, which are considered major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 80-81 of this report.

Walker County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund, Fire and Rescue Fund, American Rescue Plan Fund, and Development Authority Fund to demonstrate compliance with these budgets.

The County's basic governmental fund financial statements are presented on pages 18-28 of this report.

- **Proprietary Funds** – When the County charges customers for the services it provides, whether to outside customers or to other departments of the County, these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Walker County uses enterprise funds to account for its landfill and Mountain Cove Farms.

The County's proprietary fund financial statements are presented on pages 29-31.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the

resources of those funds are not available to support Walker County's own programs and services. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

The County's fiduciary fund financial statements are presented on pages 32-33.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-73 of this report.

Required Supplementary Information.

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's defined benefit pension plan. The required supplementary information can be found on pages 74-79 of this report.

Supplementary Information.

Supplementary information includes combining financial statements for non-major governmental funds. These funds are added together and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 20 and 23) which reconciles the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

Walker County Net Position (Financial Position) Fiscal Years 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	\$ 65,178,310	\$ 70,863,925	\$ 1,088,176	\$ 1,394,252	\$ 66,266,486	\$ 72,258,177
Capital assets	119,902,768	121,094,697	1,686,943	1,420,381	121,589,711	122,515,078
Total assets	185,081,078	191,958,622	2,775,119	2,814,633	187,856,197	194,773,255
Deferred outflows of resources	957,398	1,091,521	31,151	35,514	988,549	1,127,035
Liabilities						
Current liabilities	13,442,188	15,303,817	217,579	210,316	13,659,767	15,514,133
Noncurrent liabilities	7,580,960	3,476,641	3,210,593	3,007,585	10,791,553	6,484,226
Total liabilities	21,023,148	18,780,458	3,428,172	3,217,901	24,451,320	21,998,359
Deferred inflows of resources	4,120	4,790	134	156	4,254	4,946
Net Position						
Net investment in capital assets	119,276,525	116,841,170	1,686,943	1,420,381	120,963,468	118,261,551
Restricted	14,466,392	14,505,816	0	0	14,466,392	14,505,816
Unrestricted	31,268,291	42,917,909	(2,308,979)	(1,788,291)	28,959,312	41,129,618
Total net position	\$ 165,011,208	\$ 174,264,895	\$ (622,036)	\$ (367,910)	\$ 164,389,172	\$ 173,896,985

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position totaled \$164,389,172 at the close of the fiscal year.

Approximately 73.6% of Walker County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position comprises 8.8% of the total net position. This amount represents net position that is subject to external restrictions or enabling legislation on how they can be used.

Unrestricted net position, comprising the remaining 17.6%, represents resources that can be used to meet the County's ongoing obligations to citizens and creditors.

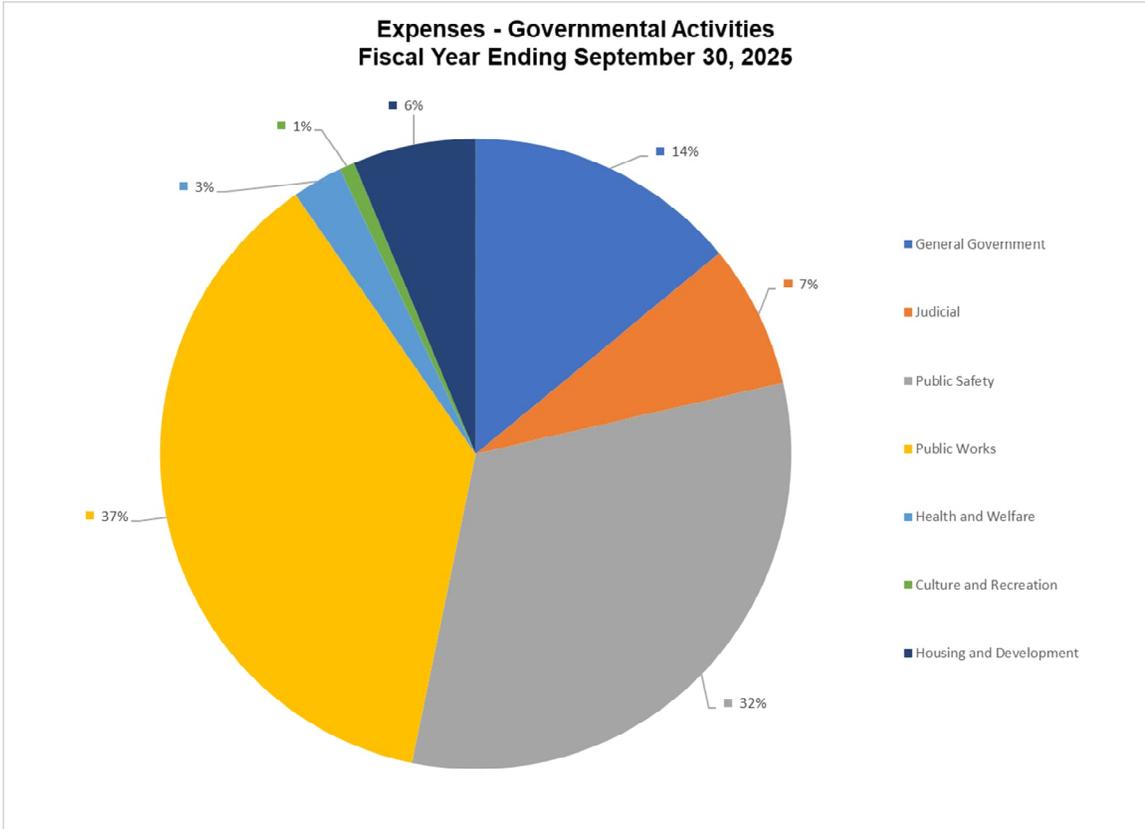
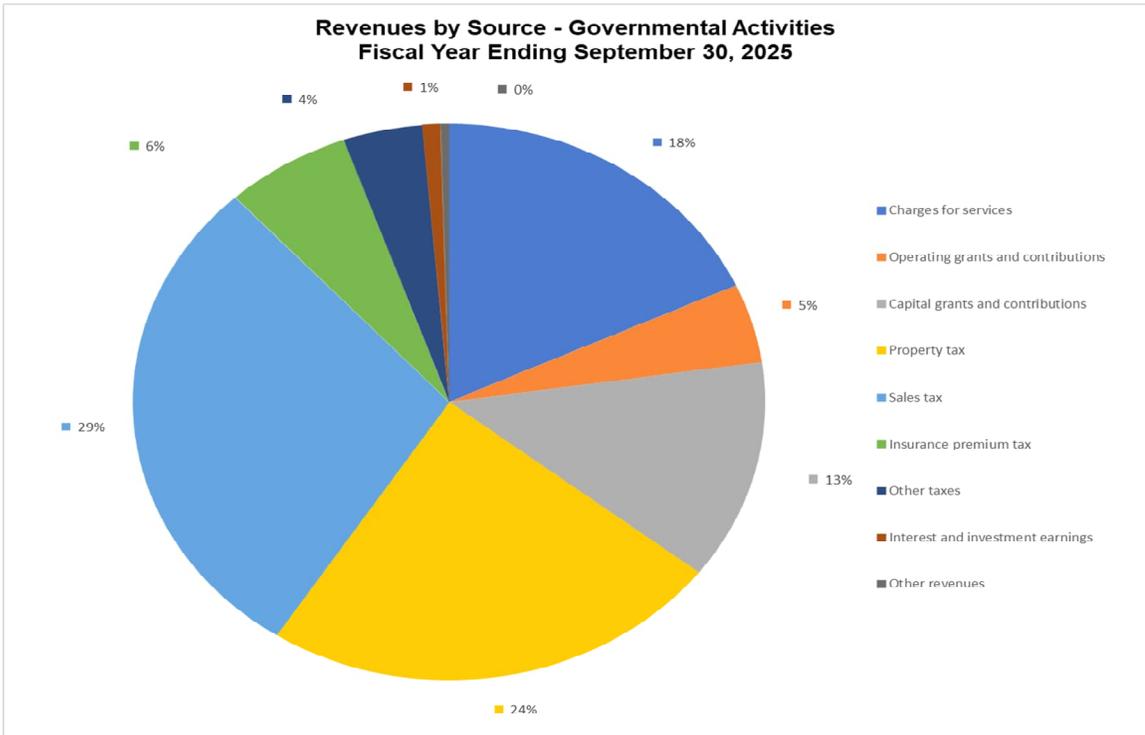
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Walker County's net position changed during the fiscal year.

**Walker County
Changes in Net Position
For the Fiscal Years 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 14,340,654	\$ 13,890,779	\$ 2,448,718	\$ 2,360,621	\$ 16,789,372	\$ 16,251,400
Operating grants and contributions	3,650,282	1,997,084	0	0	3,650,282	1,997,084
Capital grants and contributions	10,097,740	6,530,860	0	0	10,097,740	6,530,860
General revenues						
Property tax	18,728,998	18,823,523	0	0	18,728,998	18,823,523
Sales tax	22,931,151	18,042,231	0	0	22,931,151	18,042,231
Insurance premium tax	5,084,265	4,532,193	0	0	5,084,265	4,532,193
Other taxes	3,222,939	2,391,727	0	0	3,222,939	2,391,727
Interest and investment earnings	718,789	1,019,939	19,042	21,006	737,831	1,040,945
Other revenues	339,627	751,337	1,316	15,119	340,943	766,456
Total revenues	<u>79,114,445</u>	<u>67,979,673</u>	<u>2,469,076</u>	<u>2,396,746</u>	<u>81,583,521</u>	<u>70,376,419</u>
Expenses						
General Government	12,357,739	8,965,482	0	0	12,357,739	8,965,482
Judicial	6,457,684	6,222,110	0	0	6,457,684	6,222,110
Public Safety	28,050,846	18,875,717	0	0	28,050,846	18,875,717
Public Works	32,651,354	13,439,899	0	0	32,651,354	13,439,899
Health and Welfare	2,279,028	1,873,147	0	0	2,279,028	1,873,147
Culture and Recreation	683,241	576,161	0	0	683,241	576,161
Housing and Development	5,545,945	2,629,403	0	0	5,545,945	2,629,403
Interest on long-term debt	0	247,617	0	0	0	247,617
Landfill	0	0	2,712,390	2,319,279	2,712,390	2,319,279
Mountain Cove Farms	0	0	353,107	219,686	353,107	219,686
Total expenses	<u>88,025,837</u>	<u>52,829,536</u>	<u>3,065,497</u>	<u>2,538,965</u>	<u>91,091,334</u>	<u>55,368,501</u>
Increase (decrease) in net position before special items and transfers	(8,911,392)	15,150,137	(596,421)	(142,219)	(9,507,813)	15,007,918
Special item - gain on defeasance of debt	0	582,733	0	0	0	582,733
Transfers in (out)	(342,295)	(1,437,729)	342,295	1,437,729	0	0
Increase (decrease) in net position	(9,253,687)	14,295,141	(254,126)	1,295,510	(9,507,813)	15,590,651
Net position - beginning	174,264,895	159,969,754	(367,910)	(1,663,420)	173,896,985	158,306,334
Net position - ending	<u>\$ 165,011,208</u>	<u>\$ 174,264,895</u>	<u>\$ (622,036)</u>	<u>\$ (367,910)</u>	<u>\$ 164,389,172</u>	<u>\$ 173,896,985</u>

Governmental Activities –

The following charts illustrate revenues and expenses of the governmental activities for the fiscal year:



The revenue chart indicates that sales tax, followed by property tax, and charges for services were the three largest sources of revenue for governmental activities for fiscal year 2025. Total revenues of the governmental activities increased by \$11,134,772. Sales taxes increased by \$4,888,920 due to increased sales and the new TSPLOST referendum not covering the entire prior fiscal year. Operating grants and contributions increased by \$1,653,198 and capital grants and contributions increased by \$3,566,880 due predominantly to amounts received and expended from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds. Other taxes increased by \$831,212 due mostly to increased hotel/motel tax collections from McLemore. Each of the remaining revenue sources remained somewhat similar when comparing to the prior fiscal year.

The expense chart indicates that the three most significant governmental activities expenses for Walker County during fiscal year 2025 were public works followed by public safety services, such as fire, police protection, and other emergency services, and general government. Overall, governmental activities expenses increased by \$35,196,301 from the prior fiscal year. Public works expenses increased by \$19,211,455 due to significant increases in road resurfacing and repairs and maintenance that were not capitalized in the current fiscal year, as well as increased payments for water and sewer from ARPA funds and personal services. Public safety expenses increased by \$9,175,129 and general government expenses increased by \$3,392,257 due to significant increases in personal services, specifically earnings, health claims, and retirement. Overall, personal services expenses in the governmental activities are up approximately \$11,184,000, due mainly to increases in earnings, health claims, and adjustments for the net pension liability and related deferred outflows and inflows of resources.

Business-Type Activities –

The Landfill fund reported a decrease in net position of \$36,263 and Mountain Cove Farms reported a decrease in net position of \$217,863. The decreases in both were due mostly to net operating losses. The Landfill reported an operating loss of \$359,734 and Mountain Cove Farms reported an operating loss of \$255,022. Transfers from other funds decreased the overall losses in each fund.

Financial Analysis of the County's Funds

As noted earlier, Walker County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the County completed this fiscal year, its governmental funds reported a combined ending fund balance of \$39,298,776. The governmental funds reported a combined unassigned fund balance of \$20,721,752. The remainder of fund

balance is nonspendable, restricted, committed, or assigned for projects, and is not available for spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,114,548, while total fund balance reached \$30,571,369. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 68% of total General Fund expenditures, while total fund balance represents approximately 87% of that same amount.

Revenues increased \$2,112,808 from the prior fiscal year. Property taxes increased by \$593,375 due mostly to timing of collections. Local option sales taxes increased by \$465,567 due to increased sales in the County. Insurance premium taxes increased \$552,073. Intergovernmental revenues increased by \$515,215 due mostly to increased payments in lieu of taxes. Expenditures increased by \$6,632,141 from the prior fiscal year. Governing Body increased by \$500,841 due to increased personal services, contract services (mostly legal fees), and materials and supplies. Sheriff increased by \$1,965,009 due to increased personal services and capital outlay. Jail Operations increased by \$677,206 due to increased personal services. Highways and Streets increased by \$696,132 due to increased personal and contract services. The County ended the fiscal year by decreasing fund balance of the General Fund by \$688,300, or approximately 2%.

At the end of the current fiscal year, the Fire and Rescue Special Revenue Fund had total fund balance of \$525,115, of which \$455,990 is restricted for fire and rescue activities and \$69,125 is nonspendable. Fund balance decreased by \$110,235 during the current fiscal year as current year fire and rescue expenditures exceeded fees collected and transfers from other funds.

At the end of the current fiscal year, the American Rescue Plan Act Special Revenue Fund had total fund balance of \$848,187, all of which is restricted for grant specifications. Fund balance increased by \$92,348 in the current fiscal year due to interest, contributions, and transfers from other funds. Current year activity included revenues and expenditures for the American Rescue Plan Act funding.

At the end of the current fiscal year, the Development Authority Special Revenue Fund had total fund balance of \$2,790,193, of which \$2,786,484 is restricted for economic development and \$3,709 is nonspendable. Fund balance increased \$225,907 during the current fiscal year due to increased payments in lieu of taxes.

At the end of the current fiscal year, the SPLOST Capital Projects Fund had total fund balance of \$5,501,475, all of which is restricted for capital outlay. Fund balance increased \$794,137 as current year SPLOST collections exceeded expenditures in accordance with the SPLOST referendums. Further details of the SPLOST expenditures can be found in the Schedule of Projects Financed with Special Purpose Local Option Sales Tax at the end of this report.

At the end of the current fiscal year, the TSPLOST Capital Projects Fund had total fund deficit of \$3,392,796. Fund balance decreased \$4,812,181 as current

year expenditures in accordance with the TSPLOST referendum exceeded TSPLOST collections. Further details of the TSPLOST expenditures can be found in the Schedule of Projects Financed with Transportation Special Purpose Local Option Sales Tax at the end of this report.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Budgeted revenues and expenditures increased in total from original to final budgets. The County experienced decreased revenues and increased expenditures from the prior fiscal year. The County ended the fiscal year with revenues up slightly and expenditures down slightly from budgeted expectations. Overall, the General Fund's revenues and other financing sources were less than its expenditures and other financing uses due mostly to increased expenditures.

Proprietary Funds. Walker County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the County's proprietary funds totaled as follows:

- Landfill (\$1,734,759)
- Mountain Cove Farms \$1,112,723

The Landfill fund reported a decrease in net position of \$36,263 and Mountain Cove Farms reported a decrease in net position of \$217,863. The decreases in both were due mostly to net operating losses. The Landfill reported an operating loss of \$359,734 and Mountain Cove Farms reported an operating loss of \$255,022. Transfers from other funds decreased the overall losses in each fund.

Capital Assets and Debt Administration

Capital Assets. Walker County has invested \$121,589,711 in capital assets (net of accumulated depreciation). 99% of the investment is related to governmental activities and includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure.

Capital assets held by the County at the end of the fiscal year are summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 10,424,102	\$ 10,424,102	\$ 169,000	\$ 169,000	\$ 10,593,102	\$ 10,593,102
Construction in progress	5,755,462	2,335,547	743,174	743,174	6,498,636	3,078,721
Infrastructure	139,545,550	139,545,550	0	0	139,545,550	139,545,550
C&D landfill	0	0	4,985,021	4,985,021	4,985,021	4,985,021
Buildings and improvement	47,955,258	47,462,597	665,526	667,026	48,620,784	48,129,623
Machinery and equipment	22,219,981	21,111,777	2,025,920	1,840,518	24,245,901	22,952,295
Vehicles	19,824,123	17,951,303	70,204	36,971	19,894,327	17,988,274
Total	245,724,476	238,830,876	8,658,845	8,441,710	254,383,321	247,272,586
Accumulated depreciation	(125,821,708)	(117,736,179)	(6,971,902)	(7,021,329)	(132,793,610)	(124,757,508)
Net Capital Assets	<u>\$ 119,902,768</u>	<u>\$ 121,094,697</u>	<u>\$ 1,686,943</u>	<u>\$ 1,420,381</u>	<u>\$ 121,589,711</u>	<u>\$ 122,515,078</u>

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- DFCS building and parking lot improvements
- Renovations and improvements to various buildings throughout the County
- Investments in machinery, equipment, and vehicles throughout the County

Major capital asset expenditures during the current fiscal year for business-type activities included investments in machinery, equipment, and vehicles for the Landfill and a piece of equipment for Mountain Cove Farms.

Additional information on the County's capital assets can be found in Note 9 to the financial statements on pages 55-57 of this report.

Long-term Debt. On September 30, 2025, Walker County had total long-term debt in the amount of \$0, the same as in the prior fiscal year. The Series 2019 Bonds were defeased in the prior fiscal year. Additional information on the County's long-term debt can be found in Note 10 to the financial statements on pages 58-59 of this report.

Economic Condition and Outlook

Walker County continues to fair well and several factors were considered during preparation of the budget for fiscal year 2026, including the following:

- Possible increases or decreases in revenues, particularly property, sales, and other taxes
- Fluctuations in the price of fuel due to market instability.
- Plans for future capital improvements
- Unforeseen natural disasters, such as tornados, storms, etc.
- Capital outlay requirements for vehicles, equipment and program expansions to improve public services to the community

Contacting the County's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Walker County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Walker County Finance Department
PO Box 445
LaFayette, Georgia 30728

BASIC FINANCIAL STATEMENTS

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Health Department Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 32,807,642	\$ 1,004,716	\$ 33,812,358	\$ 2,095,415
Certificates of deposit	1,679,512	0	1,679,512	613,444
Receivables (net)				
Accounts	4,950,433	224,028	5,174,461	3,308
Intergovernmental	3,650,977	0	3,650,977	184,393
Taxes	21,235,372	0	21,235,372	0
Inventories	0	1,310	1,310	32,325
Prepaid items	712,496	0	712,496	633
Internal balances	141,878	(141,878)	0	0
Total current assets	65,178,310	1,088,176	66,266,486	2,929,518
Noncurrent assets				
Net OPEB asset	0	0	0	117,233
Capital assets				
Non-depreciable	16,179,564	912,174	17,091,738	0
Depreciable and amortizable (net)	103,723,204	774,769	104,497,973	18,996
Total noncurrent assets	119,902,768	1,686,943	121,589,711	136,229
Total assets	185,081,078	2,775,119	187,856,197	3,065,747
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	957,398	31,151	988,549	231,708
Deferred outflows of resources - OPEB	0	0	0	62,824
Total deferred outflows of resources	957,398	31,151	988,549	294,532
LIABILITIES				
Current liabilities				
Accounts payable	10,888,112	160,263	11,048,375	0
Retainages payable	48,534	0	48,534	0
Customer deposits payable	0	3,000	3,000	0
Accrued liabilities	698,912	10,721	709,633	0
Compensated absences	1,405,382	43,595	1,448,977	13,293
Unearned revenue	391,901	0	391,901	0
Other liabilities	9,347	0	9,347	0
Lease liabilities	0	0	0	2,665
Total current liabilities	13,442,188	217,579	13,659,767	15,958
Noncurrent liabilities				
Compensated absences	0	0	0	119,640
Net pension liability	4,799,270	156,151	4,955,421	743,167
Lease liabilities	0	0	0	2,644
Landfill closure and post-closure care costs	2,781,690	3,054,442	5,836,132	0
Total noncurrent liabilities	7,580,960	3,210,593	10,791,553	865,451
Total liabilities	21,023,148	3,428,172	24,451,320	881,409

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Health Department Component Unit
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	\$ 4,120	\$ 134	\$ 4,254	\$ 83,703
Deferred inflows of resources - OPEB	0	0	0	56,297
Total deferred inflows of resources	4,120	134	4,254	140,000
NET POSITION				
Net investment in capital assets	119,276,525	1,686,943	120,963,468	18,996
Restricted for:				
Law library operations	48,779	0	48,779	0
Judicial activities	474,320	0	474,320	0
Drug abuse treatment and education	422,894	0	422,894	0
Opioid remediation	2,310,785	0	2,310,785	0
Fire and rescue activities	834,056	0	834,056	0
Sheriff facilities, equipment, and operations	521,846	0	521,846	0
Transit system operations	91,753	0	91,753	0
Economic development	2,786,484	0	2,786,484	0
Tourism product development	2,357	0	2,357	0
Grant specifications	1,454,594	0	1,454,594	0
OPEB	0	0	0	117,233
Capital outlay	5,518,524	0	5,518,524	0
Unrestricted	31,268,291	(2,308,979)	28,959,312	2,202,641
Total net position	\$ 165,011,208	\$ (622,036)	\$ 164,389,172	\$ 2,338,870

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WALKER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	General	Fire and Rescue	American Rescue Plan Act
ASSETS			
Cash and cash equivalents	\$ 19,282,965	\$ 25,382	\$ 948
Certificates of deposit	0	0	0
Receivables (net)			
Accounts	399,445	411,146	0
Intergovernmental	904,071	0	958,340
Taxes	19,667,467	0	0
Due from other funds	6,731,035	565,137	762,574
Prepaid items	620,689	69,125	0
Total assets	\$ 47,605,672	\$ 1,070,790	\$ 1,721,862
LIABILITIES			
Accounts payable	\$ 1,882,377	\$ 105,023	\$ 812,190
Retainages payable	0	0	31,485
Accrued liabilities	600,511	62,586	0
Due to other funds	2,467,800	0	0
Unearned revenue	305,339	0	30,000
Other liabilities	0	0	0
Total liabilities	5,256,027	167,609	873,675
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	11,772,038	0	0
Unavailable revenue - fire fees	0	378,066	0
Unavailable revenue - public health fees	6,238	0	0
Unavailable revenue - fines and forfeitures	0	0	0
Total deferred inflows of resources	11,778,276	378,066	0
FUND BALANCES			
Nonspendable prepaid items	620,689	69,125	0
Restricted for:			
Law library operations	0	0	0
Judicial activities	0	0	0
Drug abuse treatment and education	0	0	0
Opioid remediation	0	0	0
Fire and rescue activities	0	455,990	0
Sheriff facilities, equipment, and operations	0	0	0
Transit system operations	0	0	0
Economic development	0	0	0
Tourism product development	0	0	0
Grant specifications	0	0	848,187
Capital outlay	0	0	0
Assigned for:			
E911 system operations	0	0	0
Landfill closure and post-closure care	5,836,132	0	0
Trade and tourism	0	0	0
Unassigned	24,114,548	0	0
Total fund balances	30,571,369	525,115	848,187
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,605,672	\$ 1,070,790	\$ 1,721,862

Development Authority	SPLOST	TSPLOST	Nonmajor Governmental Funds	Totals
\$ 745,498	\$ 7,726,826	\$ 1,191,161	\$ 3,834,862	\$ 32,807,642
1,657,364	0	0	22,148	1,679,512
2,180,614	0	0	1,959,228	4,950,433
0	0	1,435,389	353,177	3,650,977
0	817,355	575,504	175,046	21,235,372
113,188	0	0	835,804	9,007,738
3,709	0	0	18,973	712,496
<u>\$ 4,700,373</u>	<u>\$ 8,544,181</u>	<u>\$ 3,202,054</u>	<u>\$ 7,199,238</u>	<u>\$ 74,044,170</u>
\$ 1,910,180	\$ 1,102,460	\$ 4,379,662	\$ 696,220	\$ 10,888,112
0	17,049	0	0	48,534
0	0	0	35,815	698,912
0	1,923,197	2,215,188	2,259,675	8,865,860
0	0	0	56,562	391,901
0	0	0	9,347	9,347
<u>1,910,180</u>	<u>3,042,706</u>	<u>6,594,850</u>	<u>3,057,619</u>	<u>20,902,666</u>
0	0	0	0	11,772,038
0	0	0	0	378,066
0	0	0	0	6,238
0	0	0	1,686,386	1,686,386
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,686,386</u>	<u>13,842,728</u>
3,709	0	0	18,973	712,496
0	0	0	48,779	48,779
0	0	0	474,320	474,320
0	0	0	422,894	422,894
0	0	0	624,399	624,399
0	0	0	0	455,990
0	0	0	521,846	521,846
0	0	0	91,753	91,753
2,786,484	0	0	0	2,786,484
0	0	0	2,357	2,357
0	0	0	17,212	865,399
0	5,501,475	0	0	5,501,475
0	0	0	72,626	72,626
0	0	0	0	5,836,132
0	0	0	160,074	160,074
0	0	(3,392,796)	0	20,721,752
<u>2,790,193</u>	<u>5,501,475</u>	<u>(3,392,796)</u>	<u>2,455,233</u>	<u>39,298,776</u>
<u>\$ 4,700,373</u>	<u>\$ 8,544,181</u>	<u>\$ 3,202,054</u>	<u>\$ 7,199,238</u>	<u>\$ 74,044,170</u>

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WALKER COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2025

Total fund balances - total governmental funds \$ 39,298,776

Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and therefore are not reported in the funds.
 These are:

Capital assets, net of accumulated depreciation 119,902,768

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are unavailable property taxes and intergovernmental revenues. 13,842,728

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	\$ 957,398	
Deferred inflows of resources - pension	<u>(4,120)</u>	953,278

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	(1,405,382)	
Net pension liability	(4,799,270)	
Landfill post-closure care costs	<u>(2,781,690)</u>	<u>(8,986,342)</u>

Net position of governmental activities \$ 165,011,208

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2025

	General	Fire and Rescue	American Rescue Plan Act
REVENUES			
Taxes	\$ 31,362,249	\$ 0	\$ 0
Licenses and permits	741,366	0	0
Intergovernmental	1,129,229	0	6,886,688
Charges for services	1,474,298	5,866,299	0
Fines, fees and forfeitures	1,256,230	0	0
Interest	509,836	0	92,438
Contributions	63,281	0	15,000
Other	331,619	8	0
	Total revenues	5,866,307	6,994,126
EXPENDITURES			
Current			
General Government	10,221,380	0	0
Judicial	4,661,603	0	127,255
Public Safety	14,796,460	7,097,066	144,505
Public Works	3,858,205	0	5,056,357
Health and Welfare	506,565	0	0
Culture and Recreation	789,078	0	1,732,605
Housing and Development	492,941	0	0
Capital outlay	0	0	0
Intergovernmental	0	0	0
	Total expenditures	7,097,066	7,060,722
Excess (deficiency) of revenues over (under) expenditures	1,541,876	(1,230,759)	(66,596)
Other financing sources (uses)			
Transfers in	599,471	1,120,524	272,741
Transfers out	(2,829,647)	0	(113,707)
Proceeds from sale of capital assets	0	0	0
	Total other financing sources (uses)	1,120,524	159,034
Net change in fund balance	(688,300)	(110,235)	92,438
Fund balances, October 1	31,259,669	635,350	755,749
Fund balances, September 30	\$ 30,571,369	\$ 525,115	\$ 848,187

Development Authority	SPLOST	TSPLOST	Nonmajor Governmental Funds	Totals
\$ 0	\$ 9,760,060	\$ 6,826,359	\$ 1,632,860	\$ 49,581,528
0	0	0	0	741,366
2,178,114	0	2,790,001	3,359,574	16,343,606
0	0	0	1,529,845	8,870,442
0	0	0	221,866	1,478,096
78,122	192,994	209,074	38,393	1,120,857
0	32,000	0	164,557	274,838
8,000	0	0	0	339,627
<u>2,264,236</u>	<u>9,985,054</u>	<u>9,825,434</u>	<u>6,947,095</u>	<u>78,750,360</u>
0	0	0	868,179	11,089,559
0	0	0	1,175,573	5,964,431
0	0	0	2,299,287	24,337,318
0	0	0	0	8,914,562
0	0	0	1,252,534	1,759,099
0	0	0	3,500	2,525,183
2,038,429	0	0	2,723,367	5,254,737
0	5,335,530	14,637,615	0	19,973,145
0	3,513,621	0	0	3,513,621
<u>2,038,429</u>	<u>8,849,151</u>	<u>14,637,615</u>	<u>8,322,440</u>	<u>83,331,655</u>
<u>225,807</u>	<u>1,135,903</u>	<u>(4,812,181)</u>	<u>(1,375,345)</u>	<u>(4,581,295)</u>
0	0	0	1,455,853	3,448,589
0	(341,766)	0	(505,764)	(3,790,884)
100	0	0	0	100
<u>100</u>	<u>(341,766)</u>	<u>0</u>	<u>950,089</u>	<u>(342,195)</u>
225,907	794,137	(4,812,181)	(425,256)	(4,923,490)
<u>2,564,286</u>	<u>4,707,338</u>	<u>1,419,385</u>	<u>2,880,489</u>	<u>44,222,266</u>
<u>\$ 2,790,193</u>	<u>\$ 5,501,475</u>	<u>\$ (3,392,796)</u>	<u>\$ 2,455,233</u>	<u>\$ 39,298,776</u>

WALKER COUNTY, GEORGIA
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 September 30, 2025

Net change in fund balances - total governmental funds \$ (4,923,490)

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlays	\$	7,464,041	
Depreciation		<u>(8,625,209)</u>	(1,161,168)

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed		(570,441)	
Related accumulated depreciation		<u>539,680</u>	(30,761)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. 423,675

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions		881,324	
Cost of benefits earned net of employee contributions		<u>(5,053,900)</u>	(4,172,576)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences		675,829	
Landfill post-closure care costs		<u>(65,196)</u>	610,633

Change in net position of governmental activities		<u>\$ (9,253,687)</u>	
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WALKER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 30,605,346	\$ 31,362,200	\$ 31,362,249	\$ 49
Licenses and permits	604,000	604,000	741,366	137,366
Intergovernmental	474,000	1,129,200	1,129,229	29
Charges for services	1,223,600	1,474,300	1,474,298	(2)
Fines, fees and forfeitures	1,174,600	1,174,600	1,256,230	81,630
Interest	500,000	500,000	509,836	9,836
Contributions	0	63,200	63,281	81
Other	101,000	331,600	331,619	19
Total revenues	34,682,546	36,639,100	36,868,108	229,008
EXPENDITURES				
Current				
General Government				
Governing Body	794,200	1,260,000	1,259,957	43
Elections	497,460	524,800	524,740	60
Accounting	544,739	626,200	626,166	34
Licensing	5,100	5,100	4,650	450
Legal	133,160	133,160	130,087	3,073
Data Processing	1,231,350	1,407,200	1,407,154	46
Human Resources	140,875	152,200	152,146	54
Employee Health Clinic	160,000	160,000	149,099	10,901
Tax Commissioner	1,511,000	1,511,000	1,465,270	45,730
Tax Assessor	1,712,701	1,762,500	1,762,475	25
Board of Equalization	18,225	18,225	8,730	9,495
Risk Management	630,000	662,200	662,105	95
General Government Buildings and Plant	2,300,150	1,932,700	1,932,623	77
Marsh Warthen House	22,500	22,500	17,168	5,332
Records Management	127,525	127,525	59,548	67,977
General Administration Fees	60,000	60,000	59,462	538
Judicial				
Superior Court	255,275	286,200	286,175	25
Clerk of Courts	951,100	1,111,700	1,111,612	88
District Attorney	779,817	779,817	722,879	56,938
State Court	373,550	409,700	409,661	39
State Court Solicitor	258,650	258,650	251,038	7,612
Magistrate Court	491,912	522,500	522,498	2
Probate Court	413,150	413,150	364,177	48,973
Juvenile Court	542,150	608,300	608,244	56
Public Defender	390,106	390,106	385,319	4,787
Public Safety				
Codes Enforcement	537,850	433,300	433,220	80
Sheriff	8,132,837	8,652,000	8,651,938	62
Jail Operations	3,532,739	3,993,300	3,993,276	24
Coroner / Medical Examiner	115,425	183,200	183,134	66
Animal Services	970,050	1,139,400	1,139,371	29
Emergency Management	81,075	145,600	145,521	79
Medical Services	350,000	250,000	250,000	0
Public Works				
Highways and Streets	2,986,740	3,272,300	3,272,228	72
Closure and Postclosure Costs	70,000	70,000	50,396	19,604
Maintenance and Shop	856,325	535,600	535,581	19

WALKER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public Health Administration	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Welfare Payments to Others	70,000	86,800	86,771	29
DFACS Building and Plant	17,400	251,900	251,896	4
Meals on Wheels	49,200	57,800	57,713	87
Senior Center	11,400	11,400	10,185	1,215
Culture and Recreation				
Civic Center	224,450	302,400	302,390	10
Community Center	0	20,000	19,966	34
Other Recreational Facilities	57,500	57,500	55,025	2,475
Agricultural Center	16,000	16,000	10,841	5,159
Historical Preservation	10,400	10,400	4,450	5,950
Library Administration	360,000	396,500	396,406	94
Housing and Development				
County Agent	86,065	86,065	73,519	12,546
Forest Resources	13,000	13,000	12,761	239
Planning and Zoning	163,950	184,400	184,328	72
Economic Development	222,357	222,357	222,333	24
Total expenditures	33,379,458	35,636,655	35,326,232	310,423
Excess (deficiency) of revenues over expenditures	1,303,088	1,002,445	1,541,876	539,431
Other financing sources (uses)				
Transfers in	0	599,400	599,471	71
Transfers out	(1,303,088)	(2,201,845)	(2,829,647)	(627,802)
Total other financing sources (uses)	(1,303,088)	(1,602,445)	(2,230,176)	(627,731)
Net change in fund balance	0	(600,000)	(688,300)	(88,300)
Fund balances, October 1	0	600,000	31,259,669	30,659,669
Fund balances, September 30	\$ 0	\$ 0	\$ 30,571,369	\$ 30,571,369

WALKER COUNTY, GEORGIA
FIRE AND RESCUE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 5,955,000	\$ 5,955,000	\$ 5,866,299	\$ (88,701)
Other	0	0	8	8
Total revenues	<u>5,955,000</u>	<u>5,955,000</u>	<u>5,866,307</u>	<u>(88,693)</u>
EXPENDITURES				
Current				
Public Safety	5,955,000	7,098,000	7,097,066	934
Total expenditures	<u>5,955,000</u>	<u>7,098,000</u>	<u>7,097,066</u>	<u>934</u>
Excess (deficiency) of revenues over expenditures	0	(1,143,000)	(1,230,759)	(87,759)
Other financing sources (uses)				
Transfers in	0	793,000	1,120,524	327,524
Net change in fund balance	0	(350,000)	(110,235)	239,765
Fund balances, October 1	0	350,000	635,350	285,350
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525,115</u>	<u>\$ 525,115</u>

WALKER COUNTY, GEORGIA
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,577,991	\$ 6,886,000	\$ 6,886,688	\$ 688
Interest	0	4,000	92,438	88,438
Contributions	5,637,293	15,000	15,000	0
Total revenues	15,215,284	6,905,000	6,994,126	89,126
EXPENDITURES				
Current				
Judicial	242,487	128,000	127,255	745
Public Safety	0	145,000	144,505	495
Public Works	17,374,586	5,057,000	5,056,357	643
Culture and Recreation	2,200,000	1,733,000	1,732,605	395
Total expenditures	19,817,073	7,063,000	7,060,722	2,278
Excess (deficiency) of revenues over expenditures	(4,601,789)	(158,000)	(66,596)	91,404
Other financing sources (uses)				
Transfers in	3,050,000	272,000	272,741	741
Transfers out	0	(114,000)	(113,707)	293
Total other financing sources (uses)	3,050,000	158,000	159,034	1,034
Net change in fund balance	(1,551,789)	0	92,438	92,438
Fund balances, October 1	1,551,789	0	755,749	755,749
Fund balances, September 30	\$ 0	\$ 0	\$ 848,187	\$ 848,187

WALKER COUNTY, GEORGIA
DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,595,972	\$ 2,020,850	\$ 2,178,114	\$ 157,264
Interest	2,500	2,500	78,122	75,622
Other	15,100	15,100	8,000	(7,100)
Total revenues	<u>1,613,572</u>	<u>2,038,450</u>	<u>2,264,236</u>	<u>225,786</u>
EXPENDITURES				
Current				
Housing and Development	<u>1,613,572</u>	<u>2,038,450</u>	<u>2,038,429</u>	<u>21</u>
Total expenditures	<u>1,613,572</u>	<u>2,038,450</u>	<u>2,038,429</u>	<u>21</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>225,807</u>	<u>225,807</u>
Other financing sources (uses)				
Transfers in	15,000	15,000	0	(15,000)
Transfers out	(15,000)	(15,000)	0	15,000
Proceeds from sale of capital assets	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
Net change in fund balance	0	0	225,907	225,907
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>2,564,286</u>	<u>2,564,286</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,790,193</u></u>	<u><u>\$ 2,790,193</u></u>

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities		
	Landfill	Mountain Cove Farms	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 900	\$ 1,003,816	\$ 1,004,716
Accounts receivable (net)	224,028	0	224,028
Due from other funds	191,097	0	191,097
Inventories	0	1,310	1,310
Total current assets	416,025	1,005,126	1,421,151
Noncurrent assets			
Capital assets			
Non-depreciable	743,174	169,000	912,174
Depreciable (net)	472,721	302,048	774,769
Total noncurrent assets	1,215,895	471,048	1,686,943
Total assets	1,631,920	1,476,174	3,108,094
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	31,151	0	31,151
LIABILITIES			
Current liabilities			
Accounts payable	144,923	15,340	160,263
Customer deposits payable	0	3,000	3,000
Due to other funds	0	332,975	332,975
Accrued salaries and payroll liabilities	8,369	2,352	10,721
Compensated absences	33,811	9,784	43,595
Total current liabilities	187,103	363,451	550,554
Noncurrent liabilities			
Net pension liability	156,151	0	156,151
Landfill closure and post-closure care costs	3,054,442	0	3,054,442
Total noncurrent liabilities	3,210,593	0	3,210,593
Total liabilities	3,397,696	363,451	3,761,147
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	134	0	134
NET POSITION			
Investment in capital assets	1,215,895	471,048	1,686,943
Unrestricted	(2,950,654)	641,675	(2,308,979)
Total net position	\$ (1,734,759)	\$ 1,112,723	\$ (622,036)

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2025

	Business-Type Activities		
	Landfill	Mountain Cove Farms	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 2,350,932	\$ 97,786	\$ 2,448,718
Other	1,017	299	1,316
Total operating revenues	2,351,949	98,085	2,450,034
OPERATING EXPENSES			
Personal services	919,770	188,283	1,108,053
Costs of sales and services	1,721,948	153,043	1,874,991
Depreciation	69,965	11,781	81,746
Total operating expenses	2,711,683	353,107	3,064,790
Operating income (loss)	(359,734)	(255,022)	(614,756)
Nonoperating revenues (expenses)			
Interest revenue	0	19,042	19,042
Loss on disposal of capital assets	(707)	0	(707)
Total nonoperating revenues (expenses)	(707)	19,042	18,335
Net income (loss) before transfers	(360,441)	(235,980)	(596,421)
Transfers in (out)			
Transfers in	324,178	18,117	342,295
Change in net position	(36,263)	(217,863)	(254,126)
Net position, October 1	(1,698,496)	1,330,586	(367,910)
Net position, September 30	\$ (1,734,759)	\$ 1,112,723	\$ (622,036)

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2025

	Business-Type Activities		
	Landfill	Mountain Cove Farms	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 2,279,950	\$ 85,964	\$ 2,365,914
Payments to suppliers	(1,674,609)	(141,286)	(1,815,895)
Payments to employees	(757,251)	(183,464)	(940,715)
Other receipts	1,017	299	1,316
Net cash provided (used) by operating activities	<u>(150,893)</u>	<u>(238,487)</u>	<u>(389,380)</u>
Cash flows from non-capital financing activities:			
Receipts from other funds	<u>150,893</u>	<u>333,504</u>	<u>484,397</u>
Cash flows from capital and related financing activities:			
Receipts from other funds	324,178	17,588	341,766
Payments for acquisitions of capital assets	<u>(324,178)</u>	<u>(24,837)</u>	<u>(349,015)</u>
Net cash provided (used) by capital and related financing activities	<u>0</u>	<u>(7,249)</u>	<u>(7,249)</u>
Cash flows from investing activities:			
Interest received	<u>0</u>	<u>19,042</u>	<u>19,042</u>
Net increase (decrease) in cash and cash equivalents	0	106,810	106,810
Cash and cash equivalents, October 1	<u>900</u>	<u>897,006</u>	<u>897,906</u>
Cash and cash equivalents, September 30	<u><u>\$ 900</u></u>	<u><u>\$ 1,003,816</u></u>	<u><u>\$ 1,004,716</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (359,734)</u>	<u>\$ (255,022)</u>	<u>\$ (614,756)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	69,965	11,781	81,746
Landfill closure/postclosure costs and changes in estimates	71,589	0	71,589
(Increase) decrease in accounts receivable	(70,982)	0	(70,982)
(Increase) decrease in deferred outflows of resources - pension	4,363	0	4,363
Increase (decrease) in accounts payable	(24,250)	11,757	(12,493)
Increase (decrease) in customer deposits	0	(11,822)	(11,822)
Increase (decrease) in accrued salaries and payroll liabilities	2,836	916	3,752
Increase (decrease) in compensated absences	23,923	3,903	27,826
Increase (decrease) in net pension liability	131,419	0	131,419
Increase (decrease) in deferred inflows of resources - pension	(22)	0	(22)
Total adjustments	<u>208,841</u>	<u>16,535</u>	<u>225,376</u>
Net cash provided (used) by operating activities	<u><u>\$ (150,893)</u></u>	<u><u>\$ (238,487)</u></u>	<u><u>\$ (389,380)</u></u>

WALKER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2025

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 0	\$ 2,036,006
Investments, at fair value:		
Guaranteed fixed income account	2,692,535	0
Mutual funds	6,672,832	0
Taxes receivable	0	35,997,662
Total assets	9,365,367	38,033,668
LIABILITIES		
Due to others	0	36,888,707
NET POSITION		
Restricted for pension benefits	9,365,367	0
Restricted for individuals, organizations, and other governments	0	1,144,961
Total net position	\$ 9,365,367	\$ 1,144,961

WALKER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended September 30, 2025

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
ADDITIONS		
Employer contributions	\$ 910,000	\$ 0
Change in fair value of investments	899,747	0
Taxes collected for other agencies	0	46,992,489
Court fees collected for other agencies	0	2,421,105
Court individual cases	0	418,392
Sheriff inmate account deposits	0	446,538
Total additions	<u>1,809,747</u>	<u>50,278,524</u>
DEDUCTIONS		
Pension benefits paid	390,575	0
Taxes distributed to other agencies	0	47,742,110
Court fees distributed to other agencies	0	2,702,569
Payments to others	0	133,154
Payments from inmates to others	0	436,847
Total deductions	<u>390,575</u>	<u>51,014,680</u>
Change in net position	1,419,172	(736,156)
Net position, October 1	<u>7,946,195</u>	<u>1,881,117</u>
Net position, September 30	<u><u>\$ 9,365,367</u></u>	<u><u>\$ 1,144,961</u></u>

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

1. Description of Government Unit

Walker County, Georgia (the "County") was created by legislative act in 1833 and operates under a County Commissioners form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, public improvements, planning and zoning, and general administrative services.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Walker County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Walker County Development Authority – The Development Authority was created by legislative act in the state of Georgia for the purpose of developing industry in the County by assisting in the purchases and financing of property through bond issues and other debt. The board of the Development Authority is comprised of the County Commission Chairman, one representative appointed by three of the largest five municipalities within the County, and two members appointed at large by the existing board members. Walker County provides substantially all funding for the Development Authority and is also responsible for paying the Authority's debt. Separate financial statements for the Development Authority were not prepared. Financial information for the Development Authority is included in Walker County's Annual Financial Report and is reported as a special revenue fund.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Walker County Health Department – The Health Department is governed by a seven member board, of which four members are either County officials or members appointed by the governing authority of the County. The three remaining members are the superintendent of schools, an appointment by the largest municipality, and a member or appointment of the largest municipality. Although the County does not have the authority to modify and approve the Health Department's budget, the County provides financial support to the Health Department. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained at 603 E Villanow St., LaFayette, GA 30728.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While it is not considered to be a major component unit, it is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund – The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

Fire and Rescue Special Revenue Fund – This fund is used to account for fees collected by the Tax Commissioner on behalf of the County that are specifically restricted to providing fire and rescue services.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

American Rescue Plan Act Special Revenue Fund – This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

Development Authority Special Revenue Fund – This fund is used to account for the activity and operations of the Walker County Development Authority, a blended component unit.

SPLOST Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2013 and 2020 one percent Special Purpose Local Option Sales Tax.

TSPLOST Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2017 and 2023 one percent Transportation Special Purpose Local Option Sales Tax.

The County reports the following major proprietary funds:

Landfill Enterprise Fund – This fund is used to account for the operation, maintenance, and development of the County's transfer station and construction and demolition landfill.

Mountain Cove Farms Enterprise Fund – This fund is used to account for the operations of the Mountain Cove Farms convention and recreation area.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds – This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Capital Projects Funds – This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Pension Trust Fund – This fund accounts for the activities of the County's defined benefit pension plan.

Custodial Funds – Custodial Funds are fiduciary in nature and are used to account for assets that are held for others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

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 revenues of the Landfill and Mountain Cove Farms Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgetary Information

The Commission Chairman prepares a proposed budget for the upcoming fiscal year and makes it available for public inspection at the county courthouse, Commissioners' office and on the County's website. The proposed budget is also published in the local newspaper. After two public hearings on the proposed budget are held, the proposed budget is adopted by resolution of the Board of Commissioners.

The budget amounts for the fiscal year may be amended by the Board of Commissioners to actual operating figures. The County prepares an annual operating budget for all governmental funds. At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Board of Commissioners, budgetary transfers between departments can be made. The legal level of budgetary control is at the summary line-item level with summary levels designated as personnel expenses, other expenses (operating), and capital outlay. All appropriations lapse at the end of each fiscal year. The capital projects funds have project length budgets.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the proprietary fund type statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any Corporation of the U.S. Government; State of Georgia obligations and other States; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; repurchase agreements when collateralized by U.S. Government or agency obligations; prime banker's acceptances; certificates of deposit or time deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the County has reported the investments at fair value. Money market investments and those investments which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value. The fair value of all other investments are calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

All investment income including changes in the fair market value of investments has been reported as revenue in the operating statements.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories are valued at cost on the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 for governmental fund and \$500 for business-type activities and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects as constructed.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Infrastructure	30-75
C&D landfill	15-20
Buildings and improvements	20-50
Machinery and equipment	5-20
Vehicles	6

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources related to their defined benefit pension plan.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has an item that arises only 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, fire fees, public health fees, and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plan.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused Personal Time Off and Compensatory Time Off. Unused time may be carried forward from year-to-year, but not to exceed the years of service cap. The employee may not earn any more hours until this is used, and then will only earn to the cap. In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid leave pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to the employees. 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.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the period in which they are incurred.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds

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 and liabilities and deferred inflows of resources under the current financial resources management 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 County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at the end of the current fiscal year by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the County's highest level of decision making authority, which include the language “committed for the purpose of”. Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Board of Commissioners or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

Q. Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in 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 County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

R. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

S. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

T. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

2. Summary of Significant Accounting Policies (continued)

V. Management 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State statutes authorize the government to invest in obligations of the United States Treasury (100%) and of its agencies and instrumentalities (80%); bonds or certificates of indebtedness of this state and of its agencies and instrumentalities (25%); certificates of deposits of banks insured by FDIC (75%); prime bankers' acceptances (10%); the State of Georgia Local Government Investment Pool (100%); repurchase agreements (25%); bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions (0%).

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. Deposit and Investment Risk (continued)

Concentration of Credit Risk

Walker County places no limit on the amount it may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA §36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net 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 \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 45 days. At the end of the current fiscal year, the County's balance in Georgia Fund 1 was \$1,194,476.

At the end of the current fiscal year, the County's Pension Trust Fund investments consist of the following:

<u>Investment</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Guaranteed fixed income account	\$ 2,692,535	\$ 2,692,535	N/A	N/A
Mutual funds	6,672,832	6,672,832	N/A	N/A
	<u>\$ 9,365,367</u>	<u>\$ 9,365,367</u>		

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

3. Deposit and Investment Risk (continued)

Mutual funds are classified as Level 1 of the hierarchy and are valued using prices quoted in active markets. Guaranteed fixed income account investments are classified as Level 2 of the hierarchy and are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund	\$ 399,834	
Less: Allowance of Uncollectible Accounts	(389)	\$ 399,445
Fire and Rescue Special Revenue Fund	\$ 489,459	
Less: Allowance of Uncollectible Accounts	(78,313)	411,146
Development Authority Special Revenue Fund		2,180,614
Landfill Enterprise Fund	\$ 235,828	
Less: Allowance of Uncollectible Accounts	(11,800)	224,028

Nonmajor Funds

E911 Special Revenue Fund	\$ 208,587	
Multiple Grant Special Revenue Fund	40,000	
Transportation Special Revenue Fund	9,924	
Inmate Welfare Special Revenue Fund	3,705	
Opioid Settlement Special Revenue Fund	1,697,012	1,959,228

Total primary government		\$ 5,174,461
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Component Units:

Health Department		\$ 3,308
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WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund	\$ 904,071
American Rescue Plan Act Special Revenue Fund	958,340
TSPLOST Capital Projects Fund	1,435,389

Nonmajor Funds

Special Court Special Revenue Fund	\$ 68,282	
DATE Special Revenue Fund	1,761	
Multiple Grant Special Revenue Fund	115,556	
Transportation Special Revenue Fund	<u>167,578</u>	<u>353,177</u>

Total primary government		<u><u>\$ 3,650,977</u></u>
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Component Units:

Health Department		<u><u>\$ 184,393</u></u>
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6. Property Taxes

Property taxes for the current fiscal year were levied on September 4, 2025 and billed on October 17, 2025. Property values were assessed as of January 1, 2025. Bills are payable on or before December 31, 2025, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

7. Interfund Receivables and Payables

A summary of interfund receivables and payables at the end of the current fiscal year follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	SPLOST	\$ 1,923,197
	TSPLOST	2,215,188
	Nonmajor Governmental	2,259,675
	Mountain Cove Farms	332,975
Fire and Rescue	General	565,137
American Rescue Plan Act	General	762,574
Development Authority	General	113,188
Nonmajor Governmental	General	835,804
Landfill	General	191,097
		<u>\$ 9,198,835</u>

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

8. Interfund Transfers

A summary of interfund transfers for the current fiscal year follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Fire and Rescue	\$ 1,120,524
	American Rescue Plan Act	272,741
	Nonmajor Governmental	1,435,853
	Mountain Cove Farms	529
American Rescue Plan Act	General	113,707
SPLOST	Landfill	324,178
	Mountain Cove Farms	17,588
Nonmajor Governmental	General	485,764
	Nonmajor Governmental	20,000
		<u>\$ 3,790,884</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 10,424,102	\$ 0	\$ 0	\$ 10,424,102
Construction in progress	2,335,547	3,427,115	(7,200)	5,755,462
Total non-depreciable assets	<u>12,759,649</u>	<u>3,427,115</u>	<u>(7,200)</u>	<u>16,179,564</u>
Depreciable assets				
Infrastructure	139,545,550	0	0	139,545,550
Buildings and improvements	47,462,597	492,661	0	47,955,258
Machinery and equipment	21,111,777	1,438,096	(329,892)	22,219,981
Vehicles	17,951,303	2,106,169	(233,349)	19,824,123
Total depreciable assets	<u>226,071,227</u>	<u>4,036,926</u>	<u>(563,241)</u>	<u>229,544,912</u>
Less accumulated depreciation				
Infrastructure	(74,447,220)	(4,833,555)	0	(79,280,775)
Buildings and improvements	(15,806,596)	(1,037,014)	0	(16,843,610)
Machinery and equipment	(13,986,424)	(1,310,615)	306,331	(14,990,708)
Vehicles	(13,495,939)	(1,444,025)	233,349	(14,706,615)
Total accumulated depreciation	<u>(117,736,179)</u>	<u>(8,625,209)</u>	<u>539,680</u>	<u>(125,821,708)</u>
Total depreciable assets, net	<u>108,335,048</u>	<u>(4,588,283)</u>	<u>(23,561)</u>	<u>103,723,204</u>
Governmental activities capital assets, net	<u>\$ 121,094,697</u>	<u>\$ (1,161,168)</u>	<u>\$ (30,761)</u>	<u>\$ 119,902,768</u>

Decreases in construction in progress for the governmental activities consist of projects abandoned in the amount of \$7,200.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

9. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Non-depreciable assets				
Land	\$ 169,000	\$ 0	\$ 0	\$ 169,000
Construction in progress	743,174	0	0	743,174
Total non-depreciable assets	912,174	0	0	912,174
Depreciable assets				
C&D landfill	4,985,021	0	0	4,985,021
Buildings and improvements	667,026	0	(1,500)	665,526
Machinery and equipment	1,840,518	302,482	(117,080)	2,025,920
Vehicles	36,971	46,533	(13,300)	70,204
Total depreciable assets	7,529,536	349,015	(131,880)	7,746,671
Less accumulated depreciation				
C&D landfill	(4,985,021)	0	0	(4,985,021)
Buildings and improvements	(303,402)	(13,882)	1,500	(315,784)
Machinery and equipment	(1,695,935)	(60,108)	116,373	(1,639,670)
Vehicles	(36,971)	(7,756)	13,300	(31,427)
Total accumulated depreciation	(7,021,329)	(81,746)	131,173	(6,971,902)
Total depreciable assets, net	508,207	267,269	(707)	774,769
Business-type activities capital assets, net	<u>\$ 1,420,381</u>	<u>\$ 267,269</u>	<u>\$ (707)</u>	<u>\$ 1,686,943</u>

Capital asset activity for the discretely presented component units for the respective year ends follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Walker County Health Department				
Depreciable/amortizable assets				
Machinery and equipment	\$ 60,194	\$ 0	\$ 0	\$ 60,194
Right-to-use intangible assets				
Machinery and equipment	11,111	0	0	11,111
Total depreciable/amortizable assets	71,305	0	0	71,305
Less accumulated depreciation/amortization				
Machinery and equipment	(43,153)	(3,370)	0	(46,523)
Right-to-use intangible assets				
Machinery and equipment	(3,255)	(2,531)	0	(5,786)
Total accumulated depreciation/amortization	(46,408)	(5,901)	0	(52,309)
Health Department capital assets, net	<u>\$ 24,897</u>	<u>\$ (5,901)</u>	<u>\$ 0</u>	<u>\$ 18,996</u>

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

9. Capital Assets (continued)

Depreciation and amortization expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 313,743
Judicial	134,433
Public Safety	1,939,531
Public Works	5,366,062
Health and Welfare	275,875
Culture and Recreation	187,090
Housing and Development	<u>408,475</u>
Total depreciation expense for governmental activities	<u><u>\$ 8,625,209</u></u>

Business-type activities

Landfill	\$ 69,965
Mountain Cove Farms	<u>11,781</u>
Total depreciation expense for business-type activities	<u><u>\$ 81,746</u></u>

Discretely presented component units

Walker County Health Department	<u><u>\$ 5,901</u></u>
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WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

10. Long-Term Liabilities

Governmental Activities

Bonds from Direct Placements

Walker County Development Authority (Georgia) Economic Development Taxable Refunding Revenue Bonds, Series 2019: On August 22, 2019, the Walker County Development Authority issued \$14,505,000 revenue bonds maturing in August 2033, with interest rates ranging between 2.00% and 3.00%. Principal payments range in amounts from \$445,000 to \$1,250,000. Interest is due semi-annually while principal payments are due on an annual basis. The bonds were issued to refund all of the outstanding Series 2015 Bonds and pay issuance costs. The bonds are secured by an intergovernmental contract with the County that requires the County to pay the principal and interest on the bonds. Upon the happening and continuance of an event of default, the holders of not less than 55% in principal amount of the bonds then outstanding may declare the principal of all bonds outstanding to be due and payable immediately. During the previous fiscal year, the remaining balance of the bonds were defeased.

In July 2024, the County paid \$10,197,947 to pay transaction costs of \$26,000 and irrevocably place \$10,171,947 in a trust to purchase U.S. government securities to be used solely for satisfying scheduled payments of both principal and interest on the Series 2019 Bonds. The U.S. government securities purchased in connection with the defeased and advance refunded bonds are deposited in irrevocable trusts with escrow agents to provide for all future debt service payments of the affected bonds. As a result, the bonds are considered to be defeased in-substance and the liability has been removed from long-term debt. The in-substance defeasance resulted in a gain of \$582,733 for the difference between the reacquisition price (amount required to be placed in the trust) and the net carrying amount of the debt defeased in-substance. At the end of the current fiscal year, the remaining principal balance of the defeased Series 2019 Bonds was \$8,540,000.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

10. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Landfill post-closure care costs	\$ 2,716,494	\$ 65,196	\$ 0	\$ 2,781,690	\$ 0
Compensated absences	2,081,211	0	(675,829)	1,405,382	1,405,382
Total governmental activities	<u>\$ 4,797,705</u>	<u>\$ 65,196</u>	<u>\$ (675,829)</u>	<u>\$ 4,187,072</u>	<u>\$ 1,405,382</u>
Business-type activities					
Landfill closure and post-closure care costs	\$ 2,982,853	\$ 71,589	\$ 0	\$ 3,054,442	\$ 0
Compensated absences	15,769	27,826	0	43,595	43,595
Total business-type activities	<u>\$ 2,998,622</u>	<u>\$ 99,415</u>	<u>\$ 0</u>	<u>\$ 3,098,037</u>	<u>\$ 43,595</u>
Component Units					
Health Department					
Lease liabilities	\$ 7,854	\$ 0	\$ (2,545)	\$ 5,309	\$ 2,665
Compensated absences	36,321	96,612	0	132,933	13,293
Total Health Department	<u>\$ 44,175</u>	<u>\$ 96,612</u>	<u>\$ (2,545)</u>	<u>\$ 138,242</u>	<u>\$ 15,958</u>

In accordance with GASB Statement No. 101, *Compensated Absences*, the additions and deductions noted for compensated absences reflect the net change for the period.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

11. Conduit Debt

Walker County Development Authority

The Development Authority has special limited obligations related to various projects that represent conduit debt obligations. Conduit debt obligations are limited-obligation bonds or similar instruments issued by a governmental unit to provide capital financing for a third party that is not part of the reporting entity. Debt proceeds are typically used to finance development of industry, hospital, or environmental facilities within the governmental unit's jurisdiction that are transferred to the third party by sale or lease. The governmental unit has no obligation for the debt beyond the resources received from the third party by sale or lease. The obligations issued by the Development Authority do not constitute an indebtedness or pledge of the faith and credit of the Development Authority or the County. Accordingly, the limited obligations are not reported as liabilities on the accompanying financial statements. The original and outstanding amounts of conduit debt at the end of the current fiscal year were \$360,500,000 and \$347,199,287, respectively.

12. Landfill Closure and Post-Closure Care Costs

The County currently owns a solid waste landfill and a construction and demolition disposal area. State and federal laws and regulations require the County to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years. Although certain closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. At the end of the current fiscal year, the County had incurred a liability of approximately \$3,054,442 for the construction and demolition disposal area which represents the amount of costs reported to date based on approximately 100 percent of landfill capacity used to date. The estimated costs of closure and post-closure care, as determined by the Georgia Environmental Protection Division, are subject to change including the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

12. Landfill Closure and Post-Closure Care Costs (continued)

The County also owns a solid waste landfill which discontinued operations in June 1998. The solid waste is accepted at a transfer station and transported to a location out of the County by an outside contractor. The landfill will continue to incur costs associated with the closing of the landfill in order to comply with Environmental Protection Agency requirements. In addition, the County will be required to monitor various wells for a period of time. At the end of the current fiscal year, a liability for post-closure care costs is recorded in the amount of \$2,781,690, which is based on engineering reports, for maintaining the landfill site in future years. However, management's estimate of post closure costs is contingent upon its ability to satisfy EPA requirements, and costs could be significantly higher if full compliance is not achieved. These costs will be met with future County revenues.

13. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cost of capital assets	\$ 245,724,476	\$ 8,658,845
Accumulated depreciation	(125,821,708)	(6,971,902)
Capital assets net book value	119,902,768	1,686,943
Capital-related accounts payable	(577,709)	0
Capital-related retainages payable	(48,534)	0
Net investment in capital assets	<u>\$ 119,276,525</u>	<u>\$ 1,686,943</u>

14. Deficit Equity Balances

At the end of the current fiscal year, the TSPLOST Capital Projects Fund has a deficit fund balance of \$3,392,796. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

At the end of the current fiscal year, the Landfill Enterprise Fund has a deficit net position of \$1,734,759. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans

County Defined Benefit Pension Plan

Plan Description. Forty (40) of the County's full time employees are covered by the Pension Plan for Employees of the Walker County Commissioner and Sheriff's Department. This self-administered plan is a single employer, noncontributory, defined benefit plan established January 1, 1973, restated effective January 1, 1984 and amended effective December 31, 2005. Authority to establish, amend or discontinue the plan is assigned to the County. The plan is included in this report because the County has oversight responsibility as prescribed by the GASB. The plan does not issue separate financial statements but includes the financial statements and required supplementary information in the County's annual financial report.

As of January 1, 2025, the date of the most recent actuarial valuation, the plan membership included the following categories of participants:

Retirees, beneficiaries and disabled	24
Terminated plan participants entitled to but not yet receiving benefits	28
Active employees - below retirement age	32
Active employees - at or above retirement age	7
	7
Total number of plan participants	91

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Benefits Provided. The plan provides retirement, disability, and death benefits to all employees hired prior to December 31, 2005, and their beneficiaries, that have been employed full time for one year. Employees begin vesting after 3 years of service and are fully vested after 7 years. Members may retire at age 65 with 3 years of service, age 60 with 20 years of service, or age 55 with 25 years of service. Benefits are calculated at 1.10% of five years average earnings multiplied by credited service plus 0.65% of average earnings in excess of \$10,000 multiplied by credited service up to 35 years. Disability retirement benefits are determined in the same manner as retirement benefits but are payable after 6 months of disablement. Death benefits before retirement are payable on an insured death benefit equal to the greater of 60 times his monthly projected benefit, \$10,000, or the lump sum value of the vested benefit commencing at normal retirement age. No death benefit is payable after retirement unless an optional form of benefit had been elected which provides one. The plan was amended effective December 31, 2005, and participation was frozen for individuals who were not active employees or participants on that date and who were hired or rehired after that date. The plan was amended effective January 1, 2025 to unfreeze the pensionable earnings.

Contributions. Contribution requirements are actuarially determined and may be amended by the County. Plan members are not allowed to contribute to the plan. The funding policy for the plan is to make annual contributions at least equal to the minimum contribution required for public retirement systems under Section 47-20-10 of the Official Code of Georgia Annotated. This minimum contribution is equal to the normal cost for the year plus annual payments to amortize increases (decreases) in the unfunded actuarial accrued liability over 15 years. During the current fiscal year, the County made actual contributions of \$910,000, or 35.31% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the County reported a net pension liability of \$4,955,421. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. For the current fiscal year, the County recognized pension expense of \$5,218,336. For the governmental activities, the net pension liability is liquidated by the General Fund.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2023	<u>\$ 7,862,792</u>	<u>\$ 7,077,913</u>	<u>\$ 784,879</u>
Changes for the year:			
Service cost	90,047	0	90,047
Interest	391,121	0	391,121
Changes of benefit terms	4,948,916	0	4,948,916
Difference between expected and actual experience	(7,173)	0	(7,173)
Change of assumptions	85,417	0	85,417
Employer contributions	0	840,000	(840,000)
Net investment income	0	497,786	(497,786)
Benefit payments	(264,059)	(264,059)	0
Net changes	<u>5,244,269</u>	<u>1,073,727</u>	<u>4,170,542</u>
Balances at December 31, 2024	<u><u>\$ 13,107,061</u></u>	<u><u>\$ 8,151,640</u></u>	<u><u>\$ 4,955,421</u></u>
Plan fiduciary net position as a percentage of the total pension liability		62.19%	
Covered payroll		\$ 2,530,631	
Net pension liability as a percentage of covered payroll		195.82%	

At the end of the current fiscal year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 236,949	\$ 0
Change of assumptions	50,666	0
Differences between expected and actual experience	934	(4,254)
County contributions subsequent to measurement date	700,000	0
Totals	<u><u>\$ 988,549</u></u>	<u><u>\$ (4,254)</u></u>

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The \$700,000 of deferred outflows of resources resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30		
2026	\$	152,290
2027		107,762
2028		50,174
2029		<u>(25,931)</u>
Totals	\$	<u>284,295</u>

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.00%
Future salary increases	4.00% per year
Cost of living adjustments	N/A
Net investment rate of return	5.00% per year, net of investment expenses
Healthy mortality rates were based on the PubG-2016 Mortality Table (2010 base year) projected using improvement Scale MP-2021 applied on a generational basis. Disabled mortality rates were based on the PubG-2016 Disabled Mortality Table (2010 base year) projected using improvement Scale MP-2021 applied on a generational basis.	

The mortality and economic actuarial assumptions used in the January 1, 2025 valuation were selected by the County. Given the size of the population, there is not enough creditable experience available to perform a detailed experience study. Therefore, the demographic, as well as the economic assumptions with respect to salary increase, have been based upon recent experience measured through gain/loss analysis, anticipated future experience, and industry standards.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The long-term expected rate of return on pension plan investments was based upon a review of the existing portfolio structure, a review of recent experience, and future long-term expectations of rates of return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income	5.00%	97.00%
Domestic Large Equities	9.00%	3.00%

Discount Rate. The discount rate used to measure the total pension liability was 5.00%. The projection of cash flows used to determine the discount rate assumed that Walker County contributions will continue to follow the current funding policy of contributing in excess of the employer normal cost plus a 8-year closed amortization of unfunded liabilities. 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. Had there been a point where assets were projected to be depleted, a municipal bond rate of 4.08% would have been used in the development of the blended GASB discount rate after that point. The Bond Buyer GO 20-Year Municipal Bond Index rate was 4.08% as of December 31, 2024.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4%) or 1 percentage-point higher (6% percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	4.00%	\$ 5,913,948
Current discount rate	5.00%	4,955,421
1% increase	6.00%	4,119,378

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Investments. The investments in the pension plan are held by the Lincoln Financial Group and invested in compliance with the plan document. A summary of these investments at the end of the current fiscal year is as follows:

	Fair Value	Percent of Total
Guaranteed fixed income	\$ 2,692,535	52.33%
Balanced funds	3,005	0.02%
Government / corporate bond funds	1,734,266	2.24%
Equity growth funds	4,935,561	45.41%
	<u>\$ 9,365,367</u>	<u>100.00%</u>

County Defined Contribution Plan

Employees of Walker County and certain elected or appointed officials as defined in the plan document are allowed to participate in the Association County Commissioners of Georgia (“ACCG”) 401(a) Defined Contribution Plan for Walker County Employees. This plan is intended to qualify under the Internal Revenue Code Section 401(a). Plan provisions and contribution requirements are established and may be amended by the Walker County Board of Commissioners. The County is required to contribute 5% of compensation and matching contributions equal to 100% of the first 3% on amounts employees contribute to the 457(b) Eligible Deferred Compensation Plan. Participants’ vesting in the ACCG 401(a) Defined Contribution Plan for Walker County Employees is based on years of credited service, as defined. A participant becomes 100% vested after seven years of credited service. Total County contributions for the current fiscal year were \$1,264,295.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

County Deferred Compensation Plan

The County also offers its employees a deferred compensation plan created under Internal Revenue Code Section 457. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEBCORP) as the third party service provider and The Charles Schwab Trust Company serves as the trustee of the trust fund under the Plan. Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employee contributions are limited to the maximum allowed by the Internal Revenue Code.

Funds are vested 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency. During the current fiscal year, Plan members made voluntary contributions of \$629,269.

The County has no fiduciary relationship with the plan, and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commission provides for the policy through a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

Other County Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

15. Retirement Plans (continued)

Walker County Health Department Retirement Plan

Eligible employees of the Walker County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide cost-sharing multiple-employer defined benefit public employee retirement system. During the fiscal year ended June 30, 2025, the Health Department contributed \$160,656. As of June 30, 2025, the Health Department reported a liability in the amount of \$743,167 for its proportionate share (0.016508%) of the net pension liability. The Health Department recognized pension expense of \$76,205 for the fiscal year ended June 30, 2025. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Walker County Health Department, 603 E Villanow St., LaFayette, GA 30728.

16. Other Post-Employment Benefits

Walker County Health Department OPEB Plans

Eligible employees of the Walker County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment benefit plan. During the fiscal year ended June 30, 2025, the Health Department contributed \$29,114. As of June 30, 2025, the Health Department reported a net OPEB asset in the amount of \$117,233 for its proportionate share (0.015311% for the State of Georgia OPEB Fund and 0.014011% for the SEAD-OPEB Fund) of the net OPEB asset (liability). The Health Department recognized OPEB expense of (\$35,735) for the fiscal year ended June 30, 2025. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Walker County Health Department, 603 E Villanow St., LaFayette, GA 30728.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

17. Hotel/Motel Lodging Tax

The County has levied an 8% lodging tax in accordance with OCGA 48-13-51(b). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	\$1,632,860
Disbursements for trade and tourism	\$ 764,476 47% of tax receipts
Disbursements for tourism product development	\$ 708,891 43% of tax receipts
Transfers to the General Fund	\$ 485,764 30% of tax receipts

18. Tax Abatements

The County enters into property tax abatement agreements in order to induce individuals or entities to take specific actions that contribute to the economic development or otherwise benefit the County or its citizens. Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the County discloses the following information related to its tax abatement agreements. For the current fiscal year, the County abated ad valorem property taxes totaling \$1,366,306. Individual tax abatement agreements that each exceeded ten percent of the total amount abated are as follows:

- 100% property tax abatement for a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$430,796.
- 100% property tax abatement for a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$686,315.
- 100% property tax abatement for a local business in the hospitality industry for continued investment in operations and local employment. The abatement amounted to \$219,722.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

19. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the RC financial statements can be obtained from Northwest Georgia Regional Commission, PO Box 1798, Rome, Georgia 30162.

20. Risk Management

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Being unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable, the County joined together with other counties in the state in participation in the Association of County Commissioners of Georgia - Group Self-Insured Workers' Compensation Fund (the Fund). These are public entity risk pools currently operating as a common risk management and insurance program for many of the counties in the State. The County pays an annual premium to the Fund for workers' compensation insurance coverage. The agreement between the members of the public entity risk pools provides that members may be required to pay additional assessments as shall be established by the board of the pool. However, no additional assessments have been required of the members since formation of the pools.

The County is obligated to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the Fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the Fund being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

20. Risk Management (continued)

The Fund is to defend and protect the members of the Fund against liability or loss as prescribed in the member government's contracts and in accordance with the workers' compensation laws of Georgia. The Fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

The County continues to carry commercial insurance for general liability, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The County maintains a medical benefit plan to self-insure claims up to \$110,000 per year for each individual covered; claims above \$110,000 are covered by a stop-loss insurance policy. The County also had an aggregate stop-loss insurance policy which covers claims above \$204,147 monthly and \$2,449,759 annually. The County and its covered employees contribute to the fund to pay the claims and stop-loss insurance premiums. At the end of the current fiscal year, management believes that the County has made provisions sufficient to cover estimated claims, including claims incurred but not yet reported.

A summary of the changes in claims liability for the current fiscal year is as follows:

Beginning balance	\$ 111,455
Incurred claims, net of any changes	4,501,408
Payments	<u>(4,388,261)</u>
Ending balance	<u><u>\$ 224,602</u></u>

21. Commitments and Contingencies

Commitments

At the end of the current fiscal year, the County has outstanding agreements with contractors for future work on existing construction projects in the approximate amount of \$14,334,240.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

21. Commitments and Contingencies (continued)

Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

22. Transportation Expenditures

Amounts expended on transportation include transportation maintenance and operation costs and correspond with classifications and subclassifications specified in the local government uniform chart of accounts under subsection (e) of Code Section 36-81-3 within section 4200, including noncapital expenditures within sections 4210-4290.

Total general fund expenditures within these categories totaled \$3,272,228 for the current fiscal year.

23. New Accounting Pronouncements

The County implemented GASB Statement No. 101, *Compensated Absences*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2023.

The County implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

WALKER COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
September 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	2024	2023	2022
Total pension liability				
Service cost	\$ 90,047	\$ 92,546	\$ 121,670	\$ 122,238
Interest	391,121	392,287	396,613	414,219
Changes in benefit terms	4,948,916	0	0	0
Difference between expected and actual experience	(7,173)	4,340	(15,064)	(512,752)
Changes of assumptions	85,417	0	0	8,370
Benefit payments	(264,059)	(749,985)	(375,840)	(391,212)
Net change in total pension liability	5,244,269	(260,812)	127,379	(359,137)
Total pension liability - beginning	7,862,792	8,123,604	7,996,225	8,355,362
Total pension liability - ending (a)	\$ 13,107,061	\$ 7,862,792	\$ 8,123,604	\$ 7,996,225
Plan fiduciary net position				
Contributions - employer	\$ 840,000	\$ 840,000	\$ 840,000	\$ 910,000
Net investment income	497,786	(27,549)	118,080	168,404
Benefit payments	(264,059)	(749,985)	(375,840)	(391,212)
Administrative expense	0	0	0	0
Net change in plan fiduciary net position	1,073,727	62,466	582,240	687,192
Plan fiduciary net position - beginning	7,077,913	7,015,447	6,433,207	5,746,015
Plan fiduciary net position - ending (b)	\$ 8,151,640	\$ 7,077,913	\$ 7,015,447	\$ 6,433,207
Net pension liability - ending : (a) - (b)	\$ 4,955,421	\$ 784,879	\$ 1,108,157	\$ 1,563,018
Plan's fiduciary net position as a percentage of the total pension liability	62.19%	90.02%	86.36%	80.45%
Covered payroll	\$ 2,530,631	\$ 2,467,453	\$ 2,660,326	\$ 2,563,758
Net pension liability as a percentage of covered payroll	195.82%	31.81%	41.65%	60.97%

Fiscal Year End

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 134,539	\$ 138,054	\$ 155,675	\$ 170,632	\$ 251,876	\$ 226,555
395,401	367,748	373,305	370,165	397,057	505,649
0	0	0	0	352,565	0
212,632	333,886	(178,288)	27,320	586,414	7,761
(17,436)	(16,465)	(16,977)	(68,704)	(35,676)	681,701
(283,068)	(250,619)	(599,570)	(425,759)	(3,502,918)	(413,705)
442,068	572,604	(265,855)	73,654	(1,950,682)	1,007,961
7,913,294	7,340,690	7,606,545	7,532,891	9,483,573	8,475,612
\$ 8,355,362	\$ 7,913,294	\$ 7,340,690	\$ 7,606,545	\$ 7,532,891	\$ 9,483,573
\$ 771,717	\$ 910,000	\$ 840,000	\$ 786,726	\$ 859,582	\$ 790,436
222,524	203,293	259,531	192,153	126,602	122,382
(283,068)	(250,619)	(599,570)	(425,759)	(3,502,918)	(413,705)
0	0	0	(16,726)	(19,582)	(20,436)
711,173	862,674	499,961	536,394	(2,536,316)	478,677
5,034,842	4,172,168	3,672,207	3,135,813	5,672,129	5,193,452
\$ 5,746,015	\$ 5,034,842	\$ 4,172,168	\$ 3,672,207	\$ 3,135,813	\$ 5,672,129
\$ 2,609,347	\$ 2,878,452	\$ 3,168,522	\$ 3,934,338	\$ 4,397,078	\$ 3,811,444
68.77%	63.63%	56.84%	48.28%	41.63%	59.81%
\$ 2,591,754	\$ 2,855,304	\$ 2,836,012	\$ 3,027,577	\$ 3,271,128	\$ 4,536,786
100.68%	100.81%	111.72%	129.95%	134.42%	84.01%

WALKER COUNTY, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	2024	2023	2022
Actuarially determined contribution	\$ 904,233	\$ 204,973	\$ 240,685	\$ 315,923
Contributions in relation to the actuarially determined contribution	<u>(910,000)</u>	<u>(840,000)</u>	<u>(840,000)</u>	<u>(840,000)</u>
Contribution deficiency (excess)	<u>\$ (5,767)</u>	<u>\$ (635,027)</u>	<u>\$ (599,315)</u>	<u>\$ (524,077)</u>
Covered payroll	\$ 2,577,020	\$ 2,492,648	\$ 2,450,055	\$ 2,557,399
Contributions as a percentage of covered payroll	35.31%	33.70%	34.28%	32.85%

Fiscal Year End

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 422,751	\$ 447,694	\$ 465,053	\$ 542,501	\$ 597,452	\$ 573,095
<u>(910,000)</u>	<u>(910,000)</u>	<u>(840,000)</u>	<u>(786,726)</u>	<u>(859,582)</u>	<u>(790,436)</u>
<u>\$ (487,249)</u>	<u>\$ (462,306)</u>	<u>\$ (374,947)</u>	<u>\$ (244,225)</u>	<u>\$ (262,130)</u>	<u>\$ (217,341)</u>
\$ 2,522,676	\$ 2,855,304	\$ 2,836,012	\$ 3,027,577	\$ 3,271,128	\$ 4,536,786
36.07%	31.87%	29.62%	25.99%	26.28%	17.42%

WALKER COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2025

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2025, with an interest adjustment to the fiscal year.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 8 years

Asset valuation method = Market value

Net investment rate of return = 5.00% per year, net of investment expenses

Future salary increases = 4.00% per year

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the PubG-2016 Mortality Table (2010 base year) projected using improvement Scale MP-2021 applied on a generational basis. Disabled mortality rates were based on the PubG-2016 Disabled Mortality Table (2010 base year) projected using improvement Scale MP-2021 applied on a generational basis.

3. Changes in Benefits

The Plan has been amended to unfreeze the pensionable earnings effective January 1, 2025. The impact of the plan change increased the actuarial accrued liability by \$4,948,916.

WALKER COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2025

4. Changes of Assumptions

The base mortality was updated from the RP-2014 (2006 base year) Headcount Weighted to the PubG-2016 Below Median Amount Weighted. The impact of the change to the base mortality table assumption increased the actuarial accrued liability by \$85,417.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

**WALKER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025**

Special Revenue													
	Law Library	Court Supervision	E911	Special Court	DATE	Multiple Grant	Hotel / Motel Tax	Transportation	Forfeiture	Inmate Welfare	Sheriff Special Projects	Opioid Settlement	Total Nonmajor Governmental Funds
ASSETS													
Cash and cash equivalents	\$ 48,779	\$ 29,030	\$ 0	\$ 507,911	\$ 345,182	\$ 1,920,522	\$ 623,835	\$ 0	\$ 9,347	\$ 266,594	\$ 83,662	\$ 0	\$ 3,834,862
Certificates of deposit	0	0	0	0	0	0	0	0	0	0	22,148	0	22,148
Receivables													
Accounts	0	0	208,587	0	0	40,000	0	9,924	0	3,705	0	1,697,012	1,959,228
Intergovernmental	0	0	0	68,282	1,761	115,556	0	167,578	0	0	0	0	353,177
Taxes	0	0	0	0	0	0	175,046	0	0	0	0	0	175,046
Due from other funds	0	0	0	0	75,951	0	0	0	146,080	0	0	613,773	835,804
Prepaid items	0	0	0	0	0	0	0	18,973	0	0	0	0	18,973
Total assets	\$ 48,779	\$ 29,030	\$ 208,587	\$ 576,193	\$ 422,894	\$ 2,076,078	\$ 798,881	\$ 196,475	\$ 155,427	\$ 270,299	\$ 105,810	\$ 2,310,785	\$ 7,199,238
LIABILITIES AND FUND BALANCES													
Liabilities													
Accounts payable	\$ 0	\$ 452	\$ 3,539	\$ 51,681	\$ 0	\$ 42,509	\$ 596,433	\$ 1,263	\$ 343	\$ 0	\$ 0	\$ 0	\$ 696,220
Accrued liabilities	0	0	18,453	7,029	0	0	0	10,333	0	0	0	0	35,815
Due to other funds	0	930	113,969	70,811	0	1,959,795	40,017	74,153	0	0	0	0	2,259,675
Unearned revenue	0	0	0	0	0	56,562	0	0	0	0	0	0	56,562
Other liabilities	0	0	0	0	0	0	0	0	9,347	0	0	0	9,347
Total liabilities	0	1,382	135,961	129,521	0	2,058,866	636,450	85,749	9,690	0	0	0	3,057,619
Deferred inflows of resources													
Unavailable revenue - fines and forfeitures	0	0	0	0	0	0	0	0	0	0	0	1,686,386	1,686,386
Fund balances													
Nonspendable prepaid items	0	0	0	0	0	0	0	18,973	0	0	0	0	18,973
Restricted for:													
Law library operations	48,779	0	0	0	0	0	0	0	0	0	0	0	48,779
Judicial activities	0	27,648	0	446,672	0	0	0	0	0	0	0	0	474,320
Drug abuse treatment and education	0	0	0	0	422,894	0	0	0	0	0	0	0	422,894
Opioid remediation	0	0	0	0	0	0	0	0	0	0	0	624,399	624,399
Sheriff facilities, equipment, and operations	0	0	0	0	0	0	0	0	145,737	270,299	105,810	0	521,846
Transit system operations	0	0	0	0	0	0	0	91,753	0	0	0	0	91,753
Tourism product development	0	0	0	0	0	0	2,357	0	0	0	0	0	2,357
Grant specifications	0	0	0	0	0	17,212	0	0	0	0	0	0	17,212
Assigned for:													
E911 system operations	0	0	72,626	0	0	0	0	0	0	0	0	0	72,626
Trade and tourism	0	0	0	0	0	0	160,074	0	0	0	0	0	160,074
Total fund balances	48,779	27,648	72,626	446,672	422,894	17,212	162,431	110,726	145,737	270,299	105,810	624,399	2,455,233
Total liabilities, deferred inflows of resources, and fund balances	\$ 48,779	\$ 29,030	\$ 208,587	\$ 576,193	\$ 422,894	\$ 2,076,078	\$ 798,881	\$ 196,475	\$ 155,427	\$ 270,299	\$ 105,810	\$ 2,310,785	\$ 7,199,238

WALKER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2025

	Special Revenue												Total Nonmajor Governmental Funds
	Law Library	Court Supervision	E911	Special Court	DATE	Multiple Grant	Hotel/ Motel Tax	Transportation	Forfeiture	Inmate Welfare	Sheriff Special Projects	Opioid Settlement	
REVENUES													
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,632,860	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,632,860
Intergovernmental	0	0	0	555,914	0	2,323,375	0	480,285	0	0	0	0	3,359,574
Charges for services	0	0	1,256,112	88,126	0	0	0	130,472	0	55,135	0	0	1,529,845
Fines, fees, and forfeitures	19,408	810	0	0	59,591	0	0	0	2,040	0	0	140,017	221,866
Interest	140	485	0	4,359	6,717	0	25,601	0	15	0	1,076	0	38,393
Contributions	0	0	0	29,230	0	40,733	0	0	0	0	94,594	0	164,557
Total revenues	19,548	1,295	1,256,112	677,629	66,308	2,364,108	1,658,461	610,757	2,055	55,135	95,670	140,017	6,947,095
EXPENDITURES													
Current													
General Government	0	0	0	0	0	868,179	0	0	0	0	0	0	868,179
Judicial	9,714	1,307	0	854,251	0	310,301	0	0	0	0	0	0	1,175,573
Public Safety	0	0	1,762,394	0	0	268,698	0	0	55	27,380	63,310	177,450	2,299,287
Health and Welfare	0	0	0	0	0	0	0	1,252,534	0	0	0	0	1,252,534
Culture and Recreation	0	0	0	0	0	3,500	0	0	0	0	0	0	3,500
Housing and Development	0	0	0	0	0	1,250,000	1,473,367	0	0	0	0	0	2,723,367
Total expenditures	9,714	1,307	1,762,394	854,251	0	2,700,678	1,473,367	1,252,534	55	27,380	63,310	177,450	8,322,440
Excess (deficiency) of revenues over (under) expenditures	9,834	(12)	(506,282)	(176,622)	66,308	(336,570)	185,094	(641,777)	2,000	27,755	32,360	(37,433)	(1,375,345)
Other financing sources (uses)													
Transfers in	0	0	499,048	20,000	0	314,360	0	622,445	0	0	0	0	1,455,853
Transfers out	0	0	0	0	(20,000)	0	(485,764)	0	0	0	0	0	(505,764)
Total other financing sources (uses)	0	0	499,048	20,000	(20,000)	314,360	(485,764)	622,445	0	0	0	0	950,089
Net change in fund balances	9,834	(12)	(7,234)	(156,622)	46,308	(22,210)	(300,670)	(19,332)	2,000	27,755	32,360	(37,433)	(425,256)
Fund balances, October 1	38,945	27,660	79,860	603,294	376,586	39,422	463,101	130,058	143,737	242,544	73,450	661,832	2,880,489
Fund balances, September 30	\$ 48,779	\$ 27,648	\$ 72,626	\$ 446,672	\$ 422,894	\$ 17,212	\$ 162,431	\$ 110,726	\$ 145,737	\$ 270,299	\$ 105,810	\$ 624,399	\$ 2,455,233

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for the fines and forfeitures received that are restricted for providing a County Law Library.

Court Supervision Fund – This fund is used to account for fines and fees restricted for juvenile programs in the justice system.

E911 Fund – This fund is used to account for receipt of fees imposed on land and wireless telephone lines in the County used to offset the operation and personnel costs of providing emergency services.

Special Court Fund – This fund is used to account for grant revenues for the court system.

DATE Fund – This fund is used to account for fines and fees restricted for drug abuse treatment and education.

Multiple Grant Fund – This fund is used to account for grant monies received from various Federal and State agencies and the expenditure of these monies for the purposes intended.

Hotel / Motel Tax Fund – This fund is used to account for hotel/motel tax collections that are restricted for tourism in the County.

Transportation Fund – This fund is used to account for the operations of the Walker County Transit System.

Forfeiture Fund – This fund is used to account for forfeitures that are restricted for law enforcement.

Inmate Welfare Fund – This fund is used to account for receipts from commissary sales restricted for use of the benefit of inmates in the County jail.

Sheriff Special Projects Fund – This fund is used to account for contributions restricted for Sheriff programs.

Opioid Settlement Fund – This fund is used to account for the County's share of opioid settlement payment funds that are restricted for opioid remediation efforts.

WALKER COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 26,500	\$ 19,408	\$ (7,092)
Interest	0	140	140
Total revenues	<u>26,500</u>	<u>19,548</u>	<u>(6,952)</u>
EXPENDITURES			
Current			
Judicial			
Contract services	20,150	9,714	10,436
Materials and supplies	6,350	0	6,350
Total expenditures	<u>26,500</u>	<u>9,714</u>	<u>16,786</u>
Net change in fund balances	0	9,834	9,834
Fund balances, October 1	<u>0</u>	<u>38,945</u>	<u>38,945</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 48,779</u></u>	<u><u>\$ 48,779</u></u>

WALKER COUNTY, GEORGIA
COURT SUPERVISION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 2,800	\$ 810	\$ (1,990)
Interest	500	485	(15)
Total revenues	<u>3,300</u>	<u>1,295</u>	<u>(2,005)</u>
EXPENDITURES			
Current			
Judicial			
Contract services	<u>20,000</u>	<u>1,307</u>	<u>18,693</u>
Total expenditures	<u>20,000</u>	<u>1,307</u>	<u>18,693</u>
Net change in fund balances	(16,700)	(12)	16,688
Fund balances, October 1	<u>16,700</u>	<u>27,660</u>	<u>10,960</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 27,648</u></u>	<u><u>\$ 27,648</u></u>

WALKER COUNTY, GEORGIA
E911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,252,700	\$ 1,256,112	\$ 3,412
Total revenues	<u>1,252,700</u>	<u>1,256,112</u>	<u>3,412</u>
EXPENDITURES			
Current			
Public Safety			
Personal services	1,517,100	1,535,977	(18,877)
Contract services	210,800	202,914	7,886
Materials and supplies	<u>34,500</u>	<u>23,503</u>	<u>10,997</u>
Total expenditures	<u>1,762,400</u>	<u>1,762,394</u>	<u>6</u>
Excess (deficiency) of revenues over (under) expenditures	(509,700)	(506,282)	3,418
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>509,700</u>	<u>499,048</u>	<u>(10,652)</u>
Net change in fund balances	0	(7,234)	(7,234)
Fund balances, October 1	<u>0</u>	<u>79,860</u>	<u>79,860</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 72,626</u></u>	<u><u>\$ 72,626</u></u>

WALKER COUNTY, GEORGIA
SPECIAL COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 719,200	\$ 555,914	\$ (163,286)
Charges for services	52,500	88,126	35,626
Interest	300	4,359	4,059
Contributions	0	29,230	29,230
	<u>772,000</u>	<u>677,629</u>	<u>(94,371)</u>
EXPENDITURES			
Current			
Judicial			
Personal services	706,034	532,325	173,709
Contract services	106,266	208,972	(102,706)
Materials and supplies	24,500	63,069	(38,569)
Payments to others	17,500	49,885	(32,385)
	<u>854,300</u>	<u>854,251</u>	<u>49</u>
Excess (deficiency) of revenues over (under) expenditures	(82,300)	(176,622)	(94,322)
Other financing sources (uses)			
Transfers in (out)			
General Fund	82,300	20,000	(62,300)
Net change in fund balances	0	(156,622)	(156,622)
Fund balances, October 1	0	603,294	603,294
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 446,672</u>	<u>\$ 446,672</u>

WALKER COUNTY, GEORGIA
DATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 45,000	\$ 59,591	\$ 14,591
Interest	6,500	6,717	217
Total revenues	<u>51,500</u>	<u>66,308</u>	<u>14,808</u>
EXPENDITURES			
Current			
Public Safety			
Payments to others	<u>51,500</u>	<u>0</u>	<u>51,500</u>
Total expenditures	<u>51,500</u>	<u>0</u>	<u>51,500</u>
Excess (deficiency) of revenues over (under) expenditures	0	66,308	66,308
Other financing sources (uses)			
Transfers in (out)			
Special Court Fund	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net change in fund balances	0	46,308	46,308
Fund balances, October 1	<u>0</u>	<u>376,586</u>	<u>376,586</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 422,894</u></u>	<u><u>\$ 422,894</u></u>

WALKER COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental Contributions	\$ 2,192,032	\$ 2,323,375	\$ 131,343
	384,141	40,733	(343,408)
Total revenues	<u>2,576,173</u>	<u>2,364,108</u>	<u>(212,065)</u>
EXPENDITURES			
Current			
General Government			
Contract services	400,000	378,090	21,910
Capital outlay	469,000	490,089	(21,089)
Judicial			
Personal services	0	56,983	(56,983)
Contract services	308,000	246,348	61,652
Materials and supplies	3,000	6,970	(3,970)
Public Safety			
Personal services	20,700	108,104	(87,404)
Contract services	0	38,296	(38,296)
Materials and supplies	70,846	103,406	(32,560)
Capital outlay	177,454	18,892	158,562
Culture and Recreation			
Contract services	3,500	3,500	0
Housing and Development			
Payments to others	<u>1,250,000</u>	<u>1,250,000</u>	<u>0</u>
Total expenditures	<u>2,702,500</u>	<u>2,700,678</u>	<u>1,822</u>
Excess (deficiency) of revenues over (under) expenditures	(126,327)	(336,570)	(210,243)
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>126,327</u>	<u>314,360</u>	<u>188,033</u>
Net change in fund balances	0	(22,210)	(22,210)
Fund balances, October 1	<u>0</u>	<u>39,422</u>	<u>39,422</u>
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 17,212</u>	<u>\$ 17,212</u>

WALKER COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 1,760,000	\$ 1,632,860	\$ (127,140)
Interest	12,000	25,601	13,601
	<u>1,772,000</u>	<u>1,658,461</u>	<u>(113,539)</u>
Total revenues			
EXPENDITURES			
Current			
Housing and Development			
Contract services	1,192,000	1,320,280	(128,280)
Materials and supplies	0	20,963	(20,963)
Capital outlay	580,000	132,124	447,876
	<u>1,772,000</u>	<u>1,473,367</u>	<u>298,633</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	0	185,094	185,094
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(485,764)	(485,764)
Net change in fund balances	0	(300,670)	(300,670)
Fund balances, October 1	0	463,101	463,101
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 162,431</u>	<u>\$ 162,431</u>

WALKER COUNTY, GEORGIA
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 972,717	\$ 480,285	\$ (492,432)
Charges for services	<u>174,000</u>	<u>130,472</u>	<u>(43,528)</u>
Total revenues	<u>1,146,717</u>	<u>610,757</u>	<u>(535,960)</u>
EXPENDITURES			
Current			
Health and Welfare			
Personal services	978,450	904,945	73,505
Contract services	86,100	79,267	6,833
Materials and supplies	185,600	268,322	(82,722)
Capital outlay	<u>399,719</u>	<u>0</u>	<u>399,719</u>
Total expenditures	<u>1,649,869</u>	<u>1,252,534</u>	<u>397,335</u>
Excess (deficiency) of revenues over (under) expenditures	(503,152)	(641,777)	(138,625)
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>503,152</u>	<u>622,445</u>	<u>119,293</u>
Net change in fund balances	0	(19,332)	(19,332)
Fund balances, October 1	<u>0</u>	<u>130,058</u>	<u>130,058</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 110,726</u></u>	<u><u>\$ 110,726</u></u>

WALKER COUNTY, GEORGIA
FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 25,200	\$ 2,040	\$ (23,160)
Interest	0	15	15
Total revenues	<u>25,200</u>	<u>2,055</u>	<u>(23,145)</u>
EXPENDITURES			
Current			
Public Safety			
Contract services	5,000	55	4,945
Materials and supplies	10,000	0	10,000
Capital outlay	60,000	0	60,000
Total expenditures	<u>75,000</u>	<u>55</u>	<u>74,945</u>
Net change in fund balances	(49,800)	2,000	51,800
Fund balances, October 1	<u>49,800</u>	<u>143,737</u>	<u>93,937</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 145,737</u></u>	<u><u>\$ 145,737</u></u>

WALKER COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 75,000	\$ 55,135	\$ (19,865)
Total revenues	<u>75,000</u>	<u>55,135</u>	<u>(19,865)</u>
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	<u>75,000</u>	<u>27,380</u>	<u>47,620</u>
Total expenditures	<u>75,000</u>	<u>27,380</u>	<u>47,620</u>
Net change in fund balances	0	27,755	27,755
Fund balances, October 1	<u>0</u>	<u>242,544</u>	<u>242,544</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 270,299</u></u>	<u><u>\$ 270,299</u></u>

WALKER COUNTY, GEORGIA
SHERIFF SPECIAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 0	\$ 1,076	\$ 1,076
Contributions	75,000	94,594	19,594
Total revenues	<u>75,000</u>	<u>95,670</u>	<u>20,670</u>
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	75,000	63,310	11,690
Total expenditures	<u>75,000</u>	<u>63,310</u>	<u>11,690</u>
Net change in fund balances	0	32,360	32,360
Fund balances, October 1	<u>0</u>	<u>73,450</u>	<u>73,450</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 105,810</u></u>	<u><u>\$ 105,810</u></u>

WALKER COUNTY, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 300,000	\$ 140,017	\$ (159,983)
Total revenues	<u>300,000</u>	<u>140,017</u>	<u>(159,983)</u>
EXPENDITURES			
Current			
Public Safety			
Contract services	300,000	37,355	262,645
Materials and supplies	0	17,834	(17,834)
Capital outlay	0	12,012	(12,012)
Payments to others	0	110,249	(110,249)
Total expenditures	<u>300,000</u>	<u>177,450</u>	<u>122,550</u>
Net change in fund balances	0	(37,433)	(37,433)
Fund balances, October 1	<u>0</u>	<u>661,832</u>	<u>661,832</u>
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 624,399</u>	<u>\$ 624,399</u>

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CUSTODIAL FUNDS

These funds are used to account for assets held by the County as a custodian to be expended in accordance with the conditions of its custodial capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Clerk of Courts, Probate Judge, and Magistrate Judge - These funds account for assets and related liabilities for the collection of court related fees.

Sheriff - This fund accounts for deposits held for incarcerated inmates.

**WALKER COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2025**

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Judge</u>	<u>Magistrate Judge</u>	<u>Sheriff</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and cash equivalents	\$ 800,676	\$ 1,127,028	\$ 4,368	\$ 22,864	\$ 81,070	\$ 2,036,006
Taxes receivable	<u>35,997,662</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,997,662</u>
Total assets	<u>36,798,338</u>	<u>1,127,028</u>	<u>4,368</u>	<u>22,864</u>	<u>81,070</u>	<u>38,033,668</u>
LIABILITIES						
Due to others	<u>36,320,962</u>	<u>533,868</u>	<u>4,368</u>	<u>22,361</u>	<u>7,148</u>	<u>36,888,707</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 477,376</u>	<u>\$ 593,160</u>	<u>\$ 0</u>	<u>\$ 503</u>	<u>\$ 73,922</u>	<u>\$ 1,144,961</u>

**WALKER COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended September 30, 2025**

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Judge</u>	<u>Magistrate Judge</u>	<u>Sheriff</u>	<u>Total Custodial Funds</u>
ADDITIONS						
Taxes collected for other agencies	\$ 46,992,489	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,992,489
Court fees collected for other agencies	0	2,252,248	42,109	126,748	0	2,421,105
Court individual cases	0	418,392	0	0	0	418,392
Sheriff inmate account deposits	0	0	0	0	446,538	446,538
Total additions	<u>46,992,489</u>	<u>2,670,640</u>	<u>42,109</u>	<u>126,748</u>	<u>446,538</u>	<u>50,278,524</u>
DEDUCTIONS						
Taxes distributed to other agencies	47,742,110	0	0	0	0	47,742,110
Court fees distributed to other agencies	0	2,533,842	42,109	126,618	0	2,702,569
Payments to others	0	133,154	0	0	0	133,154
Payments from inmates to others	0	0	0	0	436,847	436,847
Total deductions	<u>47,742,110</u>	<u>2,666,996</u>	<u>42,109</u>	<u>126,618</u>	<u>436,847</u>	<u>51,014,680</u>
Change in net position	(749,621)	3,644	0	130	9,691	(736,156)
Net position, October 1	<u>1,226,997</u>	<u>589,516</u>	<u>0</u>	<u>373</u>	<u>64,231</u>	<u>1,881,117</u>
Net position, September 30	<u>\$ 477,376</u>	<u>\$ 593,160</u>	<u>\$ 0</u>	<u>\$ 503</u>	<u>\$ 73,922</u>	<u>\$ 1,144,961</u>

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SINGLE AUDIT SECTION

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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*

Honorable Chairman and Members
of the Board of Commissioners
Walker County, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Walker County, Georgia’s basic financial statements and have issued our report thereon dated March 13, 2026. Our report includes a reference to other auditors who audited the financial statements of Walker County Health Department, as described in our report on Walker County, Georgia’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Walker County, Georgia’s internal control over financial reporting (internal control) as a basis for designing 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 Walker County, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of Walker County, Georgia’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 to 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

Walker County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Walker County, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Walker County, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Walker County, Georgia'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.

Rushton, LLC

Gainesville, Georgia
March 13, 2026

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Chairman and Members
of the Board of Commissioners
Walker County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Walker County, Georgia’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Walker County, Georgia’s major federal programs for the year ended September 30, 2025. Walker County, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Walker County, Georgia 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 September 30, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Walker County, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Walker County, Georgia’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Walker County, Georgia’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Walker County, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Walker County, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Walker County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Walker County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Walker County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Rushton, LLC

Gainesville, Georgia
March 13, 2026

WALKER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2025

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Forest Service Schools and Roads Cluster Schools and Roads - Grants to States	10.665	N/A	\$ 1,602	\$ 0
<u>U.S. Department of the Interior</u>				
Payments in Lieu of Taxes	15.226	N/A	334,433	0
Passed through the Georgia Department of Community Affairs: Historic Preservation Fund Grants-In-Aid	15.904	GA-24-10021	3,500	0
Passed through the Georgia Department of Natural Resources: Outdoor Recreation Acquisition, Development and Planning	15.916	P24 AP 01281 13-01093	229,944	0
Total U.S. Department of the Interior			<u>567,877</u>	<u>0</u>
<u>U.S. Department of Justice</u>				
Treatment Court Discretionary Grant Program	16.585	N/A	115,468	0
Bulletproof Vest Partnership Program	16.607	N/A	10,971	0
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	34,487	0
Passed through the Criminal Justice Coordinating Council: Edward Byrne Memorial Justice Assistance Grant Program	16.738	B75-8-009	68,286	0
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>102,773</u>	<u>0</u>
Total U.S. Department of Justice			<u>229,212</u>	<u>0</u>
<u>U.S. Department of Transportation</u>				
Passed through the Georgia Department of Transportation: Formula Grants for Rural Areas and Tribal Transit Program	20.509	T008436 T008437	312,707 167,577	0 0
Total U.S. Department of Transportation			<u>480,284</u>	<u>0</u>

WALKER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2025

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
<u>U.S. Department of the Treasury</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 4,871,590	\$ 4,871,590
Passed through the Georgia Governor's Office of Planning and Budget: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0013869 GA-0013777	86,135 1,600,232	0 0
			<u>1,686,367</u>	<u>0</u>
Passed through the Judicial Council of Georgia: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2024-25_ARPA_3Y035	240,962	0
Total U.S. Department of the Treasury			<u>6,798,919</u>	<u>4,871,590</u>
<u>Appalachian Regional Commission</u>				
Passed through the Georgia Department of Community Affairs: Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	GA-21649	87,768	0
<u>U.S. Environmental Protection Agency</u>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	363,090	0
<u>U.S. Department of Homeland Security</u>				
Passed through the Georgia Emergency Management Agency: Hazard Mitigation Grant	97.039	HMGP-4501-0016	18,750	0
Emergency Management Performance Grants	97.042	OEM23-148 OEM24-148	20,627 20,627	0 0
Total Emergency Management Performance Grants			<u>41,254</u>	<u>0</u>
Total U.S. Department of Homeland Security			<u>60,004</u>	<u>0</u>
Total Federal Awards			<u>\$ 8,588,756</u>	<u>\$ 4,871,590</u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

WALKER COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Walker County, Georgia, under programs for the federal government for the fiscal year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

Walker County, Georgia has elected to use the 15-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2025

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	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 the Uniform Guidance?	None reported
Identification of major programs:	
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$1,000,000
Auditee qualified as low-risk auditee?	Yes

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2025

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2025-001

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments, component units, and constitutional offices of the County.

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the County to a greater risk of loss due to fraud.

Cause: There are several departments, component units, and constitutional offices of the County in which the segregation of duties could be improved.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management has provided a copy of this finding to the appropriate Elected Officials and Department Heads and they concur with this finding. The County Administration will work to continually improve and implement as many procedures as possible to improve internal controls in this area. This action was taken immediately upon receipt of the comment from our auditors.

2025-002

Condition: While performing audit procedures at the Clerk of Court, we noted deposits were not made timely.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Cause: Staff is not depositing receipts at least once per week.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2025

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups

2024-001

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments, component units, and constitutional offices of the County.

Not Corrected

2024-002

Condition: While performing audit procedures at the Clerk of Court, we noted deposits were not made timely.

Not Corrected

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2025

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2013 Issue					
Industrial Park	\$ 6,600,000	\$ 6,600,000	\$ 4,268,831	\$ 0	\$ 4,268,831
Road resurfacing and other capital roadwork improvements	9,100,000	9,100,000	6,452,365	0	6,452,365
Equipment and vehicles for law enforcement	1,900,000	1,900,000	455,353	0	455,353
Bridges and right of way acquisitions and maintenance	250,000	250,000	45,960	0	45,960
Emergency services equipment including vehicles, fire hydrants and radio repeater for E-911	1,000,000	1,000,000	973,188	0	973,188
Shooting range for Sheriff's office	30,000	30,000	0	0	0
State patrol bar code readers and 10 assault rifles	30,000	30,000	30,000	0	30,000
Industrial Park Development	1,300,000	1,300,000	9,101,025	0	9,101,025
Library - LaFayette project	300,000	300,000	507,173	0	507,173
Library - Rossville project	600,000	600,000	0	0	0
Multipurpose emergency facility - Mt. Pleasant community	400,000	400,000	0	0	0
Multipurpose emergency facility - Hinkle community	250,000	250,000	1,094,897	0	1,094,897
Emergency facility and community center - Cedar Grove	1,500,000	1,500,000	1,447,308	0	1,447,308
Recreational Facilities	1,000,000	1,000,000	617,584	0	617,584
Water and Sewer improvements, including Armuchee	2,000,000	2,000,000	2,464,526	0	2,464,526
Office equipment and furnishings	100,000	100,000	172,117	0	172,117
City of LaFayette	2,904,660	2,904,660	2,725,481	0	2,725,481
City of Rossville	1,674,420	1,674,420	1,282,825	0	1,282,825
City of Chickamauga	1,265,220	1,265,220	968,860	0	968,860
City of Lookout Mountain	653,400	653,400	511,291	0	511,291
City of Ft. Oglethorpe	102,300	102,300	74,871	0	74,871
Total	\$ 32,960,000	\$ 32,960,000	\$ 33,193,655	\$ 0	\$ 33,193,655

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2025

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2020 Issue</u>					
Equipment for additional 911 communication radio tower	\$ 750,000	\$ 750,000	\$ 750,000	\$ 0	\$ 750,000
Emergency management and first responder radio communication and computer technology	1,000,000	1,000,000	539,460	365,768	905,228
Emergency generators for facilities and critical systems	850,000	850,000	101,840	1,500	103,340
Equipment, technology, and facilities upgrades for the 911 center operations	425,000	425,000	323,232	555,849	879,081
Law enforcement vehicles, including outfitting of vehicles	2,500,000	2,530,019	1,648,318	414,532	2,062,850
Law enforcement body & vehicle cameras	400,000	400,000	557,460	0	557,460
Emergency services equipment including emergency vehicles, outfitting of vehicles, and fire station facilities improvements	3,750,000	3,750,000	1,597,745	705,910	2,303,655
Facility completion of the Hinkle fire department on Lookout Mountain	300,000	300,000	10,675	5,975	16,650
Public works equipment, roadside mowers, and vehicles	3,000,000	3,000,000	2,235,069	725,958	2,961,027
Right of way improvement, road paving, bridge replacement/upgrades	6,000,000	6,000,000	5,436,160	466,640	5,902,800
Equipment and facility improvements to the LaFayette / Walker Senior Citizen Center	200,000	200,000	10,798	0	10,798
Equipment and building addition / expansion to the agriculture center	1,200,000	1,200,000	139,728	121,800	261,528
Technology advancements, books, and facility improvements for the three public libraries	150,000	150,000	107,689	5,905	113,594
Improvements to the Historic Marsh House	90,000	90,000	11,756	678	12,434
Recreational improvements for the civic center campus	350,000	350,000	423,472	0	423,472
Additional fire hydrants	250,000	282,000	265,616	4,029	269,645
Improvements / investment of county facilities including Courthouse and Courthouse Annex	4,100,000	4,100,000	1,183,701	1,323,766	2,507,467
Computer systems and technology advancements	325,000	325,000	122,224	49,745	171,969
Equipment for transportation maintenance facility	175,000	175,000	48,274	0	48,274
County vehicles	700,000	700,000	58,035	438,406	496,441

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2025

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2020 Issue, continued</u>					
Equipment and facility improvements for the animal shelter	\$ 145,000	\$ 145,000	\$ 108,843	\$ 0	\$ 108,843
Equipment and facility improvements for county landfill operations	1,500,000	1,500,000	946,547	490,835	1,437,382
City of LaFayette	5,632,000	5,632,000	4,147,169	1,249,288	5,396,457
City of Rossville	3,991,680	3,991,680	2,939,308	885,432	3,824,740
City of Chickamauga	3,446,080	3,446,080	2,537,549	764,408	3,301,957
City of Lookout Mountain	2,632,960	2,632,960	1,938,802	584,042	2,522,844
City of Ft. Oglethorpe	137,280	137,280	101,087	30,451	131,538
Total	<u>\$ 44,000,000</u>	<u>\$ 44,062,019</u>	<u>\$ 28,290,557</u>	<u>\$ 9,190,917</u>	<u>\$ 37,481,474</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH TRANSPORTATION
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2025

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2023 Issue</u>					
Improving, repairing, resurfacing, extending roads, sidewalks, pedestrian crossings, walking trails, bicycle paths, bridge projects and improvements, and culvert replacement and other transportation related repairs	<u>\$ 33,750,000</u>	<u>\$ 39,194,948</u>	<u>\$ 4,406,791</u>	<u>\$ 14,637,615</u>	<u>\$ 19,044,406</u>

WALKER COUNTY, GEORGIA
SCHEDULE OF SUPPLEMENTAL OFFICIAL INCOME
For the fiscal year ended September 30, 2025

County Constitutional Officer	Supplemental Income Type	Amount Collected	Amount Disbursed	Amount Retained by County Officer
Clerk of Courts	GSCCCA Copy Fees	\$ 41,992	\$ 55,444	\$ 0

WALKER COUNTY, GEORGIA
ONEGEORGIA SPECIAL PURPOSE AWARD
PROJECT COST SCHEDULE
For the year fiscal ended September 30, 2025

Project Cost Schedules:

OneGeorgia Special Purpose Award

Award Number 23si-146-5-5135

	<u>Activity Number</u>	<u>Last Approved Budget</u>	<u>Accumulated Expenditures to Date</u>	<u>Questioned Costs</u>
Site Preparation	G70-1101-I	\$ 23,050	\$ 23,050	None
Construct/Rehab of Buildings/Other Facilities	G70-1302-I	<u>75,885</u>	<u>75,885</u>	None
		<u>\$ 98,935</u>	<u>\$ 98,935</u>	

WALKER COUNTY, GEORGIA
ONEGEORGIA SPECIAL PURPOSE AWARD
SOURCE AND APPLICATION OF FUNDS SCHEDULE
For the fiscal year ended September 30, 2025

OneGeorgia Special Purpose Award

Award Number 23si-146-5-5135

Total program year September 30, 2025 funds allocated to recipient	\$ 15,000
Less: Total program year September 30, 2025 funds drawn by recipient	15,000
Funds still available from program year September 30, 2025 resources	\$ 0
Total program year September 30, 2025 funds drawn and received by recipient	\$ 15,000
Less: Funds applied and expended to program year ended September 30, 2025	15,000
Total program year September 30, 2025 funds held by recipient	\$ 0

WALKER COUNTY, GEORGIA
ONEGEORGIA EDGE FUND AWARD
PROJECT COST SCHEDULE
For the year fiscal ended September 30, 2025

Project Cost Schedules:

OneGeorgia EDGE Fund Award

Award Number 24ge-146-5-5168

	<u>Activity Number</u>	<u>Last Approved Budget</u>	<u>Accumulated Expenditures to Date</u>	<u>Questioned Costs</u>
Purchase or Lease of Machinery and Equipment	G80-1501-I	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	None

WALKER COUNTY, GEORGIA
ONEGEORGIA EDGE FUND AWARD
SOURCE AND APPLICATION OF FUNDS SCHEDULE
For the fiscal year ended September 30, 2025

OneGeorgia EDGE Fund Award

Award Number 24ge-146-5-5168

Total program year September 30, 2025 funds allocated to recipient	\$ 1,250,000
Less: Total program year September 30, 2025 funds drawn by recipient	1,250,000
Funds still available from program year September 30, 2025 resources	\$ 0
Total program year September 30, 2025 funds drawn and received by recipient	\$ 1,250,000
Less: Funds applied and expended to program year ended September 30, 2025	1,250,000
Total program year September 30, 2025 funds held by recipient	\$ 0