WAYNE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Wayne County, Georgia
Jesup, Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wayne County, Georgia as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wayne County, Georgia management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Hospital Authority of Wayne County, which represents 94 percent, 88.7 percent and 97.7 percent, respectively, of the assets, net assets, and revenues of the county's aggregate discretely presented component units or the Wayne County Board of Health, which represents 1.2 percent, 2.1 percent and 1.5 percent, respectively, of the assets, net assets, and revenues of the county's aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for The Hospital Authority of Wayne County and the Wayne County Board of Health, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wayne County, Georgia as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2012, on our consideration of Wayne County, Georgia's internal control over financial reporting and on 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 the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 59 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wayne County, Georgia's financial statements as a whole. The combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit* Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Jesup, Georgia
June 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As county administrator of Wayne County, Georgia, I offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2011.

Financial Highlights

- **Wayne County's assets exceeded its liabilities at December 31, 2011 by $42,403,208 (net assets). Unrestricted net assets which may be used to meet the County's ongoing obligations to citizens and creditors was a negative ($11,233,430) at December 31, 2011.**

- **As of December 31, 2011, the County's general fund revenues exceeded expenditures by $520,788. This is a 53.6% decrease from a 2010 excess of revenues over expenditures of $1,123,467.**

- **At December 31, 2011, Wayne County's governmental funds balance sheet reports combined ending fund balances of $17,521,806, an increase of $1,271,133 over the previous fiscal year. Of this amount, $5,624,157 or (32.1%) remains in the various fund types of the County as unassigned.**

- **Wayne County has long-term liabilities totaling $18,069,936 with $2,924,760 due within one year as shown in note III. F.**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Wayne County Government's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements which may be of interest to the reader.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide the reader with a broad overview of the financial position of Wayne County and are similar to private-sector financial statements. The government-wide statements include a Statement of Net Assets and a Statement of Activities.

The statement of net assets shows the County's assets less its liabilities at December 31, 2011. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net assets and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows. Some included items, such as uncollected taxes will produce changes in cash in a future fiscal period.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, judiciary, public safety, public works, health and welfare, culture and recreation, and housing and development.

The County's statement of net assets can be found at Exhibit A of this report.

The County's government-wide statement of activities can be found at Exhibit B of this report.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wayne County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wayne County can be divided into categories: (1) governmental funds, (2) fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wayne County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the special purpose local option sales tax fund which are considered to be major funds. The general fund is used to account for all activities of the general government not accounted for in some other fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements presented as Schedules 3 and 4.

The County adopts an annual appropriated budget for its general fund and special revenue funds. All unencumbered annual appropriations lapse at fiscal year end. All encumbered appropriations are carried forward in the following year's budget. Project length financial plans are adopted for all capital projects funds.

The basic governmental fund financial statements can be found on pages 15-26 of this report.

Proprietary Funds

Wayne County has no proprietary fund.

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 statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of combining statements on page 26 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements 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 basic financial statements can be found on pages 27-57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a budgetary comparison schedule for the general fund as required supplementary information and can be found on pages 59-68 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 76-89 of this report.

Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. As noted earlier, the County's combined net assets totaled $42,403,208 as of December 31, 2011. The following table presents a summary of Wayne County's net assets for the years ended December 31, 2011 and 2010:

Wayne County's Net Assets

	Governmental Activities		Total	
	2011	2010	2011	2010
Current assets	$19,626,777	$18,868,096	$19,626,777	$18,868,096
Capital assets, net	41,825,417	41,373,746	41,825,417	41,373,746
Total assets	61,452,194	60,241,842	61,452,194	60,241,842
Current liabilities	979,050	1,661,152	979,050	1,661,152
Noncurrent liabilities	18,069,936	20,116,629	18,069,936	20,116,629
Total liabilities	19,048,986	21,777,781	19,048,986	21,777,781
Net assets				
Invested in capital assets, net of related debt	41,825,417	41,373,746	41,825,417	41,373,746
Restricted	11,811,221	11,035,201	11,811,221	11,035,201
Unrestricted	(11,233,430)	(13,944,886)	(11,233,430)	(13,944,886)
Total net assets	$42,403,208	$38,464,061	$42,403,208	$38,464,061

There was an increase of $3,939,147 in net assets reported for the County's governmental activities. Net assets for 2010 was reported at $38,464,061 and 2011 reported net assets at $42,403,208. The increase in net assets is attributed to the County's increase in total assets.

There was an increase of $2,186,340 in cash in the combined governmental funds. The increase is attributed to an increase in revenues.

The largest portion of the County's net assets (98.64%) reflects its investment in capital assets such as land, buildings, and equipment, net of related debt. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County does not incur any long-term indebtedness for capital improvement projects, rather it utilizes special restricted funds to pay for the projects. 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.

An additional portion of the County's net assets (27.86%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (a negative 26.49%) may be used to meet the County's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

At the end of the current fiscal year, the County is able to report positive balances in all two of the three categories of net assets for the government as a whole.

Governmental Activities

The following table presents a summary of the changes in net assets for the years ended December 31, 2011 and 2010:

Wayne County's Changes in Net Assets

	Governmental Activities		Total	
	2011	2010	2011	2010
Revenues:				
Program revenues:				
Charges for services	$ 4,827,917	$ 5,015,593	$ 4,827,917	$ 5,015,593
Operating grants and contributions	283,114	201,969	283,114	201,969
Capital grants and contributions	957,349	562,567	957,349	562,567
General revenues:				
Property taxes	10,627,156	11,693,894	10,627,156	11,693,894
Other taxes	7,164,613	7,162,132	7,164,613	7,162,132
Other revenues	349,922	453,539	349,922	453,539
Total revenues	24,210,071	25,089,694	24,210,071	25,089,694
Expenses:				
General government	2,170,775	1,645,653	2,170,775	1,645,653
Judicial	2,214,424	2,243,607	2,214,424	2,243,607
Public safety	6,767,536	6,457,557	6,767,536	6,457,557
Public works	5,105,707	5,886,620	5,105,707	5,886,620
Health and welfare	807,701	865,094	807,701	865,094
Culture and recreation	1,136,771	1,334,646	1,136,771	1,334,646
Housing and development	1,150,881	1,084,883	1,150,881	1,084,883
Interest on long-term debt	917,129	1,027,167	917,129	1,027,167
Total expenses	20,270,924	20,545,227	20,270,924	20,545,227
Change in net assets	3,939,147	4,544,467	3,939,147	4,544,467
Net assets, beginning	38,464,061	33,919,594	38,464,061	33,919,594
Net assets, ending	$42,403,208	$38,464,061	$42,403,208	$38,464,061

The County reported an increase in net assets of $3,939,147 for 2011, compared to an increase in net assets of $4,544,467 for 2010. Revenues decreased by $999,623 and expenses decreased by $274,303 from 2010.

Business-type Activities

Wayne County has no business-type activities.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

Wayne County's governmental funds balance sheet is presented as Exhibit C on page 21 of this report. Most of the County's basic services are included under this fund category. Basic services consist of general government, public safety, public works, judicial, culture and recreation, health and welfare, and housing and development. The balance sheet's focus is on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. The governmental fund's balance sheet shows the County's overall funds financial status as of December 31, 2011.

The general fund is the chief operating fund of the County. The general fund's ending total fund balance was $5,872,052 of which $5,624,157 was unassigned. This is a 9.7% increase from the 2010 ending total fund balance of $5,331,264.

General Fund Budgetary Highlights

During the year, revenues collected exceeded the budgetary estimates and expenditures also exceeded the budgetary estimates. The following are major areas where expenditures exceeded budget:

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over
GENERAL FUND				
General Government:				
Financial administration –				
Debt service			$133,940	$133,940
Tax commissioner –				
Interdepartmental charges	$ 50,000	$ 50,000	$117,921	$ 67,921
Tax assessor –				
Purchased/contract services	$120,635	$120,635	$240,333	$119,698
Government buildings & plants:				
Supplies	$ 55,500	$ 55,500	$ 85,421	$ 29,921
Interdepartmental charges	$ 10,000	$ 10,000	$ 94,579	$ 84,579

General Fund Budgetary Highlights (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over
Judiciary:				
Judicial administration:				
Personal services and employee benefits	$ 250,000	$ 250,000	$262,584	$ 12,584
Purchased/contract services			$75,515	$ 75,515
Supplies			$28,491	$ 28,941
Other costs			$28,478	$ 28,478
Probate court –				
Interdepartmental charges	$ 30,000	$ 30,000	$ 56,202	$ 26,202
Public defender –				
Other costs	$ 170,000	$ 170,000	$ 205,783	$ 35,783
Public safety:				
Sheriff:				
Personal services and Employee benefits	$1,498,700	$1,498,700	$1,554,672	$ 55,972
Supplies	$ 195,350	$ 195,350	$ 248,460	$ 53,110
Capital outlays	$ 148,500	$ 148,500	$ 162,919	$ 14,419
Interdepartmental charges	$ 125,000	$ 125,000	$ 231,822	$106,822
Jail –				
Supplies	$ 416,650	$ 416,650	$ 504,359	$ 87,709
Rural fire department –				
Other costs	$ 19,500	$ 19,500	$ 31,574	$ 12,074
Emergency medical services:				
Personal services and employee benefits	$ 697,270	$ 697,270	$ 734,611	$ 37,341
Purchased/contract services	$ 107,880	$ 107,880	$ 132,253	$ 24,373
Supplies	$ 80,100	$ 80,100	$ 106,474	$ 26,374
Public works:				
Highways and streets –				
Supplies	$ 353,200	$ 353,200	$ 381,738	$ 28,538
Health and welfare:				
Community services:				
Supplies	$ 78,150	$ 78,150	$ 137,001	$ 58,851
Capital outlays	$ 1,250	$ 1,250	$ 11,798	$ 10,548
Culture and recreation:				
Recreation –				
Supplies	$ 244,700	$ 244,700	$ 284,946	$ 40,246
Parks –				
Capital outlays	$ 208,000	$ 208,000	$ 241,305	$ 33,305

General Fund Budgetary Highlights (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over
Housing and development:				
Conservation –				
Interdepartmental charges	$22,000	$22,000	$ 78,497	$56,497
Economic development –				
Personal services and				
employee benefits	$86,200	$86,200	$107,740	$21,540
EMERGENCY TELEPHONE SYSTEM				
Interdepartmental charges	$55,000	$55,000	$ 90,388	$35,388

In all departments listed above, the overages in interdepartmental charges were due to excessive medical bills for current and/or retired employees. Such costs are difficult to anticipate and budget and vary greatly from year to year.

Other variances are explained by departments below:

Financial administration – Debt service. The overage was due to an error in the budgeting process. This item was budged in another department.

Tax assessor – Purchased/contract services. The overage was due to appraisers and legal fees incurred due to reappraisal.

Government buildings & plants – Supplies. The overage was due to increased cost in fuel prices.

Judicial administration – Overages due to error in budget process with several items not budgeted.

Public defender – Other costs. Increase in costs in operating the public defender program caused this overage.

Sheriff – Personal services overage was caused by overtime pay, supplies overage was due to the increased cost of gasoline and the capital outlays overage was caused by the purchase of additional equipment not budgeted.

Jail – The supplies overage was caused by increased cost of meals, water and sewer fees, and electricity due to an increased jail population.

Rural fire departments – Other costs. The overage was due to an increase in the cost of fire protection for the City of Odum.

Emergency Medical Services – Personnel services was over primarily due to overtime pay. Purchased/contract services was over due to the purchase of additional technical services and the supplies overage was due to the increase in the cost of gasoline.

Highways and streets – Supplies. The overage was caused by the increase in the cost of gasoline.

Community Services – The increase in supplies was caused by the increase in the cost of gasoline. Capital outlays overage was caused by the equipment purchased that was not budgeted.

Recreation – Supplies. The overage was caused by the increase in the cost of gasoline.

General Fund Budgetary Highlights (Continued)

Parks – Capital outlays. The overage was caused by additional expenditures on the Jaycee Landing Go Fish Project.

Economic Development – Personal services overage was caused by the hiring of an additional person.

In all instances above, the overages were paid because actual revenues of $18,414,186 exceeded the budgeted revenues of $18,221,304, resulting in $192,882 available to pay the excess expenditures. Also, budgeted expenditures of $17,964,464 were more than actual expenditures of $17,655,641 by $308,823.

Capital Asset and Debt Administration

Capital Asset

Wayne County's investments in capital assets for its governmental activities as of December 31, 2011 amounts to $41,825,417 (net of accumulated depreciation). This investment in capital assets consists of land, improvements, construction in progress, buildings, machinery and equipment. The total increase in investment in capital assets for the current fiscal year was $451,671 or 1.1%.

Major capital asset events during the current year included the following:

- **Purchase of two motorgraders.**
- **Paving of roads with proceeds from SPLOST.**
- **Construction continues on upgrading and increasing recreation facilities at Bill Morris Park.**
- **Construction of law enforcement complex building.**
- **Purchase of sheriff vehicles and equipment.**
- **Improvement of Jaycee Landing.**
- **Airport improvements.**

Wayne County's Capital Assets
(net of depreciation)

	2011	2010
Land	$ 2,013,499	$ 2,013,499
Buildings	6,410,470	6,580,604
Improvements	2,618,408	2,695,823
Equipment, furniture and vehicles	1,725,024	1,778,547
Infrastructure	23,413,132	23,762,081
Construction in progress	5,644,884	4,543,192
Total	$41,825,417	$41,373,746

Additional information on Wayne County's capital assets can be found in note III. C. on pages 43-44 of this report.

Long-Term Debt

At the end of 2011, Wayne County had total long-term debts outstanding of $18,069,936. Of this amount, $1,183,700 in estimated postclosure care costs, $1,446,236 in net postemployment benefits obligation, and $15,440,000 on general obligation bond issues.

In 2011, Wayne County's long-term debt decreased by $2,046,693 (10.17%). Additional information on the long-term debt activity can be found in note III. F. on pages 45-48.

Future Year Budget Projections

Wayne County will continue work on the law enforcement building and cost to the County should be approximately ten thousand dollars ($10,000) during the year. Health care for county employees is projected at 2.3 million dollars.

We plan to complete the grant awarded by the governor for the go fish initiative at a cost of $50,000. Total cost of the project is $800,000. Various road projects are estimated at $2.1 million. In addition, we estimate the airport extension project to cost an additional $348,000 in 2012.

Request For Information

This financial report is designed to provide a general overview of Wayne County, Georgia's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to County Administrator, Wayne County Board of Commissioners, P. O. Box 270, Jesup, Georgia 31598, telephone number 912-427-5900.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government		Component Units	
			Major	Nonmajor
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
ASSETS				
Cash	$12,590,453	$12,590,453		$ 850,074
Receivables (net of allowance for uncollectibles)	5,230,435	5,230,435	$ 4,728,000	
Inventory			1,386,000	
Prepaids	86,428	86,428	2,598,000	
Deferred charges	300,671	300,671		
Restricted cash	161,467	161,467	7,496,000	
Intergovernmental	1,257,323	1,257,323		54,526
Capital assets not being depreciated:				
Land	2,013,499	2,013,499	445,000	2,048,245
Construction in progress	5,644,884	5,644,884		
Capital assets net of accumulated depreciation:				
Buildings	6,410,470	6,410,470	39,717,000	1,146,421
Improvements other than buildings	2,618,408	2,618,408		
Equipment, vehicles and furniture	1,725,024	1,725,024	5,066,000	28,218
Infrastructure	23,413,132	23,413,132		
Other assets			2,849,000	
Total assets	61,452,194	61,452,194	64,285,000	4,127,484
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	765,164	765,164	7,884,000	17,420
Accrued interest payments	213,886	213,886		
Non-current liabilities:				
Due within one year	2,924,760	2,924,760	1,737,000	
Due in more than one year	15,145,176	15,145,176	22,397,000	17,419
Total liabilities	19,048,986	19,048,986	32,018,000	34,839

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government		Component Units	
			Major	Nonmajor
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
NET ASSETS				
Invested in capital assets, net of related debt	$41,825,417	$41,825,417	$21,904,000	$3,222,884
Restricted for:				
Juvenile services	63,697	63,697		
Drug interdiction	14,163	14,163		
Drug education	11,833	11,833		
DFACS expenditures	71,774	71,774		
Prior year program income				201,159
Debt service	3,703,729	3,703,729	2,672,000	
Capital projects	7,946,025	7,946,025		
Unrestricted	(11,233,430)	(11,233,430)	7,691,000	668,602
Total net assets	$42,403,208	$42,403,208	$32,267,000	$4,092,645

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT B

WAYNE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Component Units: Major: Hospital Authority of Wayne County	Component Units: Nonmajor: Other Component Unit Combined
Primary Government:							
Governmental activities:							
General government	$ 2,170,775	$ 454,471	$ 8,411		$ (1,707,893)		
Judicial	2,214,424	880			(2,213,544)		
Public safety	6,767,536	2,613,328	22,160	$ 478	(4,131,570)		
Public works	5,105,707	1,189,597	90,872		(3,825,238)		
Health and welfare	807,701	291,021	34,420	73,276	(408,984)		
Culture and recreation	1,136,771	138,776		216,747	(781,248)		
Housing and development	1,150,881	139,844	127,251	666,848	(216,938)		
Interest on long-term debt	917,129				(917,129)		
Total primary government	$20,270,924	$4,827,917	$283,114	$957,349	(14,202,544)		
Component units:							
Hospital Authority of Wayne County	$48,433,000	$48,007,000	$ 35,000			$(391,000)	
Other Component Units combined	927,734	201,159	783,639				$57,064
Total component units	$49,360,734	$48,208,159	$ 818,639			(391,000)	57,064

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT B

WAYNE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government	Component Units	
		Major	Nonmajor
	Governmental Activities	Hospital Authority of Wayne County	Other Component Units Combined
Total primary government net (expense) revenue	$(14,202,544)	$(391,000)	$ 57,064
General revenues:			
Property taxes	10,627,156		
Sales taxes for general purposes	2,090,701		
Special purpose local option sales taxes	3,918,672		
Other taxes	1,155,240		
Unrestricted investment earnings	1,282	98,000	327
Miscellaneous revenues	348,640		145,284
Total general revenues	18,141,691	98,000	145,611
Change in net assets	3,939,147	(293,000)	202,675
Net assets, beginning	38,464,061	32,560,000	3,889,970
Net assets, ending	$42,403,208	$32,267,000	$4,092,645

The accompanying notes to the basic financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EXHIBIT C

WAYNE COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011

	GENERAL	2006 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$1,794,380	$8,558,557	$2,237,516		$12,590,453
Receivables (net of allowances for uncollectibles)	4,754,086		476,349		5,230,435
Intergovernmental	558,367	698,956			1,257,323
Prepaid expenditures	86,428				86,428
Restricted cash	161,467				161,467
TOTAL ASSETS	$7,354,728	$9,257,513	$2,713,865		$19,326,106
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 510,048	$ 59,738			$ 569,786
Other accruals and deferrals	195,378		$ 213,886		409,264
Deferred revenue	777,250		48,000		825,250
Total liabilities	1,482,676	59,738	261,886		1,804,300
Fund Balances:					
Nonspendable -					
Prepaid expenditures	86,428				86,428
Restricted for:					
Infrastructure		5,883,937			5,883,937
Intergovernmental road and sewer		2,062,088			2,062,088
Debt service		1,251,750	2,451,979		3,703,729
Committed to:					
Drug interdiction	14,163				14,163
Drug education	11,833				11,833
Juvenile services	63,697				63,697
DFACS expenditures	71,774				71,774
Unassigned	5,624,157				5,624,157
Total fund balances	5,872,052	9,197,775	2,451,979		17,521,806
TOTAL LIABILITIES AND FUND BALANCES	$7,354,728	$9,257,513	$2,713,865		$19,326,106

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT D

WAYNE COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011

Total Governmental Fund Balances		**$ 17,521,806**
Amounts reported for government activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of $19,105,026		**41,825,417**
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds		**825,250**
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postclosure care costs	**$ 1,183,700**	
General obligation bonds	**15,440,000**	
Other postemployment benefits	**1,446,236**	
Combined adjustment		**(18,069,936)**
Bond issuance costs are recorded as expenditures in the governmental funds but are considered as deferred charges and amortized in the statement of net assets		**300,671**
Net assets of Governmental Activities		**$ 42,403,208**

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT E

WAYNE COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	GENERAL	2006 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes	$ 9,275,424		$ 1,144,732		$10,420,156
Other taxes	3,234,414	$ 3,918,672		$ 11,527	7,164,613
Licenses and permits	100,127				100,127
Intergovernmental revenues	1,192,670				1,192,670
Charges for services	3,534,863			463,749	3,998,612
Fines and fees	729,178				729,178
Investment income	1,282	21,222	15,322		37,826
Other revenue	346,228				346,228
Total revenues	18,414,186	3,939,894	1,160,054	475,276	23,989,410
EXPENDITURES:					
Current:					
General government	2,224,776				2,224,776
Judiciary	2,139,246				2,139,246
Public safety	5,784,210			703,918	6,488,128
Public works	3,755,651				3,755,651
Health and welfare	753,517				753,517
Culture and recreation	1,352,449				1,352,449
Housing and development	1,645,792			11,527	1,657,319
Debt service:					
Principal			2,590,000		2,590,000
Interest			734,590		734,590
Capital outlay -					
Public works		596,410			596,410
Intergovernmental -					
Public works		428,603			428,603
Total expenditures	17,655,641	1,025,013	3,324,590	715,445	22,720,689
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	758,545	2,914,881	(2,164,536)	(240,169)	1,268,721
OTHER FINANCING SOURCES (USES):					
Transfers in			1,571,996	240,169	1,812,165
Transfers (out)	(240,169)	(1,571,996)			(1,812,165)
Sale of assets	2,412				2,412
Total other financing sources (uses)	(237,757)	(1,571,996)	1,571,996	240,169	2,412

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT E

WAYNE COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	GENERAL	2006 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
NET CHANGE IN FUND BALANCES	$ 520,788	$1,342,885	$ (592,540)		$ 1,271,133
FUND BALANCES, BEGINNING	5,351,264	7,854,890	3,044,519		16,250,673
FUND BALANCES, ENDING	$5,872,052	$9,197,775	$2,451,979		$17,521,806

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT F

WAYNE COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances – Total governmental funds		**$1,271,133**
Amounts reported for governmental activities in the Statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	**$ 2,174,473**	
Depreciation expense	**(1,722,802)**	**451,671**
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		**2,653,044**
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Deferred revenues increased by this amount this year		**218,250**
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Amortization of bond issuance costs	**(48,600)**	
Other postemployment benefits	**(606,351)**	
Combined adjustment		**(654,951)**
Change in net assets of Governmental Activities		**$3,939,147**

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT G

WAYNE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2011

	AGENCY FUNDS
ASSETS	
Cash	$ 840,705
Receivables	4,982,545
Total assets	$5,823,250
LIABILITIES	
Due to others	$5,823,250
Total liabilities	$5,823,250

The accompanying notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

WAYNE COUNTY, GEORGIA
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WAYNE COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The significant changes in the GASB 34 Statement include the following:

a. A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.

b. Financial statements prepared using full accrual accounting for all of the County's activities, including infrastructure (road, bridges, etc.).

c. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County has implemented the general provisions of the Statement in the December 31, 2003 year and has retroactively reported infrastructure (assets acquired prior to January 1, 2003) in the year ending December 31, 2007.

A. Reporting entity

The County is a political subdivision of the State of Georgia and is governed by a five member board of county commissioners. The five members represent geographical districts within the County. There are additional officers elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's legal entity. These elected officials are the sheriff, tax commissioner, state court judges, magistrate court judge, probate court judge and superior court clerk. The offices of the independently elected officials are separate from the County and therefore are reported as part of the primary government.

The state constitution and state law pertaining to county government provide for the independent election of the superior court judges and the district attorney. The cost of operations of the superior court judges and the district attorney offices is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in these financial statements.

The County has implemented the Governmental Accounting Standards Board Statement 14 "The Financial Reporting Entity". The financial reporting entity consists of (a) primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government; however, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or another stand alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

The County has met the criteria for classification as a primary government. The County has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments. All funds, organizations, institutions, agencies, departments, and officers that are not legally separate of the primary government, for financial reporting purposes, are part of the primary government and are included in the financial statements of the County.

a. Discretely Presented Component Units

The Hospital Authority of Wayne County (the "Authority"), created pursuant to the hospital authority laws of the State of Georgia, was established August 7, 1956 by the Board of Commissioners of Wayne County, Georgia. The Authority owns and operates Wayne Memorial Hospital, which provides short-term medical, surgical, obstetrical, pediatric, and emergency care to residents of Wayne County and the surrounding area. The Authority is governed by a seven-member board of trustees appointed by the Wayne County Board of Commissioners. The Authority meets the criteria for inclusion as a component unit.

Complete audited financial statements of this discretely presented component unit can be obtained directly from their administrative office. The fiscal year-end of the Authority is June 30. The address for the administrative office is as follows:

The Hospital Authority of Wayne County
P. O. Box 408
Jesup, Georgia 31598

The Wayne County Development Authority is a corporate and political body created and existing under the laws of the State of Georgia. The Authority was established for the general purpose of developing and promoting economic growth. The seven member governing board of the Authority is appointed by the Wayne County Board of Commissioners. The Authority meets the criteria for inclusion as a component unit.

Complete unaudited financial statements of this discretely presented component unit can be obtained directly from their administrative office. The year end of the Authority is December 31. The address for the administrative office is as follows:

Wayne County Development Authority
P. O. Box 448
Jesup, Georgia 31598

The Wayne County Board of Health is a political body created and existing under the laws of the State of Georgia. The Board was established for the general purpose of providing public health services to the residents of Wayne County, Georgia. Four of the seven members are appointed by the Wayne County Board of Commissioners. The Board of Health meets the GASB 14 criteria for inclusion as a component unit.

Complete audited financial statements of this discretely presented component unit can be obtained directly from their administrative office. The fiscal year-end of the Board of Health is June 30. The address for the administrative office is as follows:

Wayne County Board of Health
P. O. Drawer A
Jesup, Georgia 31598

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statements. 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.

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 and susceptible to accrual 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.

Property 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Business-type/Proprietary Funds). The major fund (2006 SPLOST) is where the proceeds of a special one cent sales tax, adopted by referendum, are expended for road, drainage, and other improvements.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Agency funds are used to report assets held in an agency capacity for others and therefore are not available to support County programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Agency funds are used to account for agencies, which are custodial in nature. The County does not have any trust funds. There are five agency funds, which account for the receipts and disbursements of funds by the tax commissioner and various clerks of court.

Non-Current Governmental Assets/Liabilities:

GASB Statement 34 eliminates the presentation of accounts groups, but provides for these reports to be maintained and incorporates the information into the governmental column in the government-wide statement of net assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and net assets or equity

1. Deposits

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

State statutes authorize the County to invest in obligations of, or obligations guaranteed by the U. S. Government and agencies of corporations of the U. S. Government obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Georgia Fund 1.

The County, during the year, invested funds in the certificates of deposits and time deposits of local banks, and the Georgia Fund 1.

2. Receivables and payables

In the fund financial statements, material receivables in governmental funds include revenue accounts such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The major receivable for the County is property taxes receivable. Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied by the last quarter of the year in which they are assessed, or as soon after as deemed practical. Taxes are due and payable when levied. Property taxes are levied on all taxable real, public utility and personal property (including vehicles) located within the County. Assessed values for property tax purposes are determined by the Wayne County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia. Wayne County may place liens on property once the related tax payments become delinquent. Property tax millage rates are usually adopted in August and tax bills are rendered by September 15.

The property tax calendar is as follows:

Beginning of fiscal year for taxes	**January 1, 2011**
Millage rate adopted by resolution	**September 26, 2011**
County tax digest approved by the State of Georgia	**September 27, 2011**
Real and personal property tax bills rendered	**October 5, 2011**
Real property tax payment due	**December 5, 2011**
Tax sales 2003-2010 delinquent real property tax and other assessments	**Various**

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

General Fund – Restricted cash is held by various financial institutions in the County's name to pay medical claims of its employees, to purchase equipment and supplies to combat drug use, and to purchase equipment and supplies for the juvenile court.

5. Capital Assets

Capital assets purchased in the government fund types are recorded as expenditures at the time of purchase. Such assets are capitalized at cost if a unit cost is $5,000 or more in the general capital assets. The County's policy is to capitalize significant interest costs incurred during construction as a part of the cost of capital assets. Gifts or contributions are recorded at their estimated fair market value on the date donated. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Building	25-50
Improvements	25
Equipment, vehicles and furniture	7-10
Infrastructure	20-50

General infrastructure assets acquired prior to January 1, 2003 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

6. Compensated absences

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, etc. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. In governmental funds, compensated absences are recognized as expenditures, using the modified accrual basis of accounting. In the proprietary fund, compensated absences are recorded as an expense and liability of the fund that will pay for them.

The County does not record the cost of annual leave until such benefits are paid, GASB standards require annual leave to be accrued when:

1) **The employer's obligation to an employees' right to receive compensation for future benefits is attributable to the employees' service already rendered.**
2) **The obligation is related to rights that vest or accumulate.**
3) **The payment of the compensation is probable, and**
4) **The amount can be reasonably estimated.**

Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee and the amount of such payments cannot be reasonably estimated.

7. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements equity is classified as net assets and displayed in three components as follows:

a. **Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.**
b. **Restricted net assets consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.**
c. **Unrestricted net assets consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".**

9. Expenditures and expenses

In the government-wide financial statements, expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. In the fund financial statements, governmental fund expenditures are classified as by character i.e. current (further classified by function), debt service, and capital outlay.

In the fund financial statements, governmental funds report expenditures of current financial resources.

10. Interfund transactions

Interfund transactions are reflected as either loans, services provided, reimbursement or transfer. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

11. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function, and department. The County manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The commissioners made several supplemental budgetary appropriations throughout the year.

B. Excess of expenditures over appropriations

For the year ended December 31, 2011, expenditures did not exceed appropriations in the general and hotel/motel tax funds. Budget violations did occur within the various departments. The Commissioners of Wayne County review the budget report monthly and meet with the various departments and review budget violations. The necessary action is taken to try to correct the budget violations within the current year. The budget violations were as follows:

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GOVERNMENTAL FUNDS:			
GENERAL FUND			
GENERAL GOVERNMENT:			
Elections –			
Supplies	$ 2,700	$ 3,145	$ 445
Registrar:			
Personal services and employee benefits	37,553	37,950	397
Purchased/contract services	4,160	5,032	872
Financial administration:			
Purchased/contract services	278,240	332,245	54,005
Supplies	17,200	24,712	7,512
Capital outlays	1,500	4,173	2,673
Interdepartmental charges	60,000	77,924	17,924
Debt service		133,940	133,940
Tax commissioner:			
Purchased/contract services	49,780	52,151	2,371
Supplies	2,300	3,132	832
Capital outlays	1,000	5,247	4,247
Interdepartmental charges	50,000	117,921	67,921
Tax assessor:			
Purchased/contract services	120,635	240,333	119,698
Interdepartmental charges	55,000	59,508	4,508
Government buildings & plant:			
Supplies	55,500	85,421	29,921
Capital outlay	5,500	6,524	1,024
Interdepartmental charges	10,000	94,579	84,579

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
JUDICIARY:			
Judiciary Administration:			
Personal services and employee benefits	**$ 250,000**	**$ 262,584**	**$ 12,584**
Purchased/contract services		**75,515**	**75,515**
Supplies		**28,491**	**28,491**
Capital outlays		**5,270**	**5,270**
Other costs		**28,478**	**28,478**
State and superior courts –			
Capital outlays	**38,000**	**41,142**	**3,142**
Magistrate court –			
Purchased/contract services	**16,480**	**16,556**	**76**
Probate court:			
Purchased/contract services	**25,500**	**29,997**	**4,497**
Supplies	**2,800**	**4,423**	**1,623**
Interdepartmental charges	**30,000**	**56,202**	**26,202**
Juvenile court:			
Personal services and employee benefits	**15,602**	**15,610**	**8**
Purchased/contract services	**10,482**	**12,596**	**2,114**
Public defender –			
Other costs	**170,000**	**205,783**	**35,783**
Drug court:			
Purchased/contract services		**11,907**	**11,907**
Supplies		**1,146**	**1,146**
Other costs		**60,000**	**60,000**
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	**1,498,700**	**1,554,672**	**55,972**
Supplies	**195,350**	**248,460**	**53,110**
Capital outlays	**148,500**	**162,919**	**14,419**
Interdepartmental charges	**125,000**	**231,822**	**106,822**

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
PUBLIC SAFETY: (Continued)			
Law enforcement building:			
Purchased/contract services		$ 161	$ 161
Supplies		232	232
Jail:			
Supplies	$416,650	504,359	87,709
Capital outlays	13,500	22,857	9,357
Other costs		10,010	10,010
Other public safety –			
Supplies	11,500	11,624	124
Rural fire departments:			
Capital outlays	16,100	16,934	834
Other costs	19,500	31,574	12,074
Emergency medical services:			
Personal services and employee benefits	697,270	734,611	37,341
Purchased/contract services	107,880	132,253	24,373
Supplies	80,100	106,474	26,374
Coroner –			
Supplies	1,925	4,307	2,382
Emergency management agency –			
Supplies	11,400	14,815	3,415
PUBLIC WORKS:			
Highways and streets –			
Supplies	353,200	381,738	28,528
County shop:			
Personal services and employee benefits	256,142	260,576	4,434
Interdepartmental charges	40,000	49,493	9,493

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE -			
Community services:			
Personal services and employee benefits	$182,353	$189,995	$ 7,642
Supplies	78,150	137,001	58,851
Capital outlays	1,250	11,798	10,548
CULTURE AND RECREATION:			
Recreation:			
Supplies	244,700	284,946	40,246
Other costs	18,000	18,577	577
Parks:			
Supplies	14,100	14,415	315
Capital outlays	208,000	241,305	33,305
HOUSING AND DEVELOPMENT:			
Conservation –			
Interdepartmental charges	22,000	78,497	56,497
Economic development:			
Personal services and employee benefits	86,200	107,740	21,540
Purchased/contract services	23,950	24,327	377
Airport -			
Purchased/contract services	31,660	39,718	8,058

C. Deficit fund equity

The County did not have any funds with a deficit fund balance as of December 31, 2011.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

As of December 31, 2011, the County had the following investments:

Investment	Rating	Average Maturity (Days)	Fair Value
Georgia Fund 1	AAAm	46 WAM	$ 4,961,039
Total investments			4,961,039
Cash-checking and certificates of deposit			8,631,586
Total cash and investments			$13,592,625
Reconciliation of financial statements to notes:			
Primary Government:			
Cash and investments:			
Governmental activities			$12,590,453
Restricted cash			161,467
Agency funds			840,705
Total cash and investments			$13,592,625

1. Interest Rate Risk

The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

2. Credit Risk

State law limits investment to (1) obligations of this state or other states, (2) obligations issued by the U. S. Government, (3) obligations fully insured or guaranteed by the U. S. Government or a government agency of the United States, (4) obligations of any corporation of the U. S. Government, (5) prime bankers' acceptances, (6) the local government investment pool established by state law, (7) repurchase agreements, and (8) obligations of other political subdivisions of this state. The County has no investment policy that would further limit its investment choices. The County's investment in Georgia Fund 1 is an investment pool managed by the Office of the State Treasurer. Georgia Fund 1 is a money market fund rated AAAm by Standard & Poor's and is managed to maintain a constant asset value of 1.00.

A. Deposits (Continued)

3. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover the value of its cash and investments or collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. As of December 31, 2011, all of the county's monies were either insured or collateralized.

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor and agency funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

Receivables:	Taxes	Accounts and Notes	Agencies	Gross Receivables	Less Allowance for Uncollectibles	Net Receivables	Intergovernmental
General	$4,560,819	$188,994	$184,273	$4,934,086	$(180,000)	$4,754,086	$ 558,367
Capital Projects-2006 SPLOST							698,956
Debt service	530,113		1,236	531,349	(55,000)	476,349	
Total	5,090,932	188,994	185,509	5,465,435	$(235,000)	$5,230,435	$1,257,323
Less allowance for uncollectibles	(235,000)			(235,000)			
Net receivables	$4,855,932	$188,994	$185,509	$5,230,435			

C. Capital Assets

Capital assets activity for the year ended December 31, 2011 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,013,499			$ 2,013,499
Construction in progress	4,543,192	$1,101,692		5,644,884
Total capital assets, not being depreciated	6,556,691	1,101,692		7,658,383
Capital assets, being depreciated:				
Improvements	4,203,346	98,666		4,302,012
Buildings	9,410,188			9,410,188
Equipment, vehicles and furniture	6,311,734	360,133		6,671,867
Infrastructure	32,274,011	613,982		32,887,993
Total assets, being depreciated	52,199,279	1,072,781		53,272,060
Less accumulated depreciation for:				
Improvements	1,507,523	176,081		1,683,604
Buildings	2,829,584	170,134		2,999,718
Equipment, vehicles and furniture	4,533,187	413,656		4,946,843
Infrastructure	8,511,930	962,931		9,474,861
Total accumulated depreciation	(17,382,224)	1,722,802		(19,105,026)
Total capital assets, being depreciated, net	34,817,055	(650,021)		34,167,034
Net Governmental Activities Capital Assets	$ 41,373,746	$ 451,671		$ 41,825,417

C. Capital assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	$ 13,995
Judiciary	23,841
Public safety	321,445
Public works	1,062,568
Health and welfare	39,025
Culture/recreation	90,347
Housing and development	171,581
Total depreciation expense	$1,722,802

Construction commitments

The County has active construction projects as of December 31, 2011. At year-end the government's major commitments are as follows:

	Contract Balance December 31, 2011
GENERAL FUND:	
Law Enforcement Complex	$ 10,000
Airport expansion	$348,443
Jaycee Landing	$ 50,000

D. Interfund receivables, payables, and transfers

There were no interfund receivable and payable balances at December 31, 2011.

A summary of interfund transfers by fund type is as follows:

	Transfers In	Transfers Out
Major Fund:		
General to emergency telephone system		$ 240,169
Capital projects to debt service		1,571,996
Debt service from capital projects	$1,571,996	
Nonmajor Fund:		
Special revenue – Emergency telephone system from general	240,169	
Total	$1,812,165	$1,812,165

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) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

Operating Leases

The County is committed under various leases which are considered for accounting purposes to be operating leases. Total costs associated with these leases were $60,279 for 2011.

Future minimum lease payments are as follows:

Year	Amount
2012	$25,171
2013	20,296
2014	7,297
2015	555
2016	
Total	$53,319

Capital Leases

The County has not entered into any new capital lease agreements for the current year. Capital leases are recorded at the present value of their future minimum lease payments as of the inception date. No balances are outstanding on capital leases as of December 31, 2011.

F. Long-term debt

Governmental Activities:

General Fund – Public Works

The County has accrued $1,772,966 in estimated postclosure care costs to provide for the postclosure costs of a landfill. The amount outstanding is $1,183,700 payable annually through 2027, non-interest bearing.

General Fund – Health and Welfare

The County issued $15,150,000 in general obligation bonds July 18, 2007 for the costs of constructing and equipping a new hospital. The bonds are general obligations of the County. The amount outstanding is $13,165,000, payable in annual payments varying from $1,162,877 to $1,277,544 commencing March 1, 2008 through March 1, 2026; interest from 4.0% to 4.5%. Interest of $569,209 has been included as an indirect expense.

F. Long-term debt (Continued):

General Fund – Health and Welfare (Continued)

The County issued $9,285,000 in general obligation sales tax bonds March 27, 2007 for the costs of constructing and equipping a new hospital. The bonds are general obligations of the County. Principal and interest on the bonds are payable first from the receipts of a special county one percent (1%) sales and use tax which began being collected July 1, 2006. If such receipts are insufficient to make the principal and interest payments, the debt service on the bonds shall be paid from the general fund or from an ad valorem tax to be levied for bond debt service purposes. The amount outstanding is $2,275,000 payable in annual payments varying from $1,852,000 to $2,377,000 commencing October 1, 2007 through October 1, 2012; interest at 4.0%. Interest of $163,500 has been included as an indirect expense.

The annual requirements to amortize postclosure care costs outstanding of the primary government at December 31, 2011 are as follows:

	Governmental Activities		
Year Ending	Estimated Postclosure Care Costs		
December 31	Principal	Interest	Total
2012	$ 74,760		$ 74,760
2013	74,760		74,760
2014	74,760		74,760
2015	74,760		74,760
2016	74,760		74,760
2017	74,760		74,760
2018	74,760		74,760
2019	74,760		74,760
2020	74,760		74,760
2021	74,760		74,760
2022	74,760		74,760
2023	74,760		74,760
2024	74,760		74,760
2025	74,760		74,760
2026	74,760		74,760
2027	62,300		62,300
Total	$1,183,700		$1,183,700

F. Long-term debt (Continued)

The annual requirements to amortize the general obligation bonds of the primary government at December 31, 2011 including interest payments of $4,910,733 are as follows:

	Government Activities				
Year Ending	General Obligation Sales Tax Bonds (Series 2007)		General Obligation Bonds (Series 2007)		
December 31	Principal	Interest	Principal	Interest	Total
2012	$2,275,000	$102,000	$ 575,000	$ 552,221	$ 3,504,221
2013			615,000	525,446	1,140,446
2014			650,000	496,984	1,146,984
2015			695,000	468,459	1,163,459
2016			740,000	439,389	1,179,389
2017			775,000	408,234	1,183,234
2018			810,000	375,037	1,185,037
2019			850,000	339,550	1,189,550
2020			895,000	302,256	1,197,256
2021			950,000	263,050	1,213,050
2022			1,000,000	221,613	1,221,613
2023			1,060,000	177,837	1,237,837
2024			1,120,000	130,813	1,250,813
2025			1,180,000	80,500	1,260,500
2026			1,250,000	27,344	1,277,344
Total	$2,275,000	$102,000	$13,165,000	$4,808,733	$20,350,733

F. Long-term debt (Continued)

Changes in long-term liabilities:

The following is a summary of changes in long-term liabilities of the County's governmental funds for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Estimated postclosure care costs	$1,246,744		$ 63,044	$1,183,700	$ 74,760
Net OPEB obligation	839,885	$ 666,208	59,857	1,446,236	
Total	2,086,629	666,208	122,901	2,629,936	74,760
General obligation sales tax bonds (Series 2007)	4,325,000		2,050,000	2,275,000	2,275,000
General obligation bonds (Series 2007)	13,705,000		540,000	13,165,000	575,000
Total	18,030,000		2,590,000	15,440,000	2,850,000
Total governmental activities	$20,116,629	$666,208	$2,712,901	$18,069,936	$2,924,760

All of the above debts (except for the general obligation bonds) are generally liquidated by the general fund. Payments on the general obligation bonds are made by the debt service fund. The general obligation sales tax bonds are paid from proceeds of a special purpose local option sales tax.

G. Postclosure Care Costs

State and federal laws and regulations require that the Wayne County Solid Waste Authority perform certain maintenance and monitoring functions at the site for thirty years after closure. The Authority closed the Goose Creek landfill in 1994 and a final cover has been placed on the site. The postclosure care costs are estimated to be $1,183,700 and this amount is reflected as a liability at December 31, 2011. This amount is based on the estimated cost to monitor and maintain this landfill during the postclosure period. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Postclosure Care Costs (Continued)

The County will fund the postclosure care costs with revenues from the general fund. As of December 31, 2011, no assets have been restricted for the payment of postclosure care costs. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

The Georgia EPD has determined that financial assurance reporting is no longer required for the closed landfills of Wayne County, Georgia.

H. Short-term debt

On January 3, 2011 the County borrowed $6,000,000 with a tax anticipation note (TAN). The TAN was paid December 30, 2011, along with $133,940 in interest at 2.22%.

I. Reservation of fund balances and restricted asset accounts

Governmental Fund Types

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriate for expenditure or is legally segregated for a specific future use. The following reserves are used by the County:

General, Special Revenue, and Capital Projects Funds:

Reserve for prepaid expenditures – restricted for contracts already purchased.

Reserve for drug interdiction – restricted for purchase of equipment and supplies to combat drug use.

Reserve for drug education – restricted for expenditures to educate and treat drug abusers.

Reserve for juvenile services – restricted for purchases of equipment and supplies for the juvenile court.

Reserve for DFACS expenditures – restricted for expenditures for the DFACS building.

Reserve for capital outlay – restricted for projects financed by SPLOST revenues.

Reserve for debt service – restricted for principal and interest payments on general obligation bonds.

I. Reservation of fund balances and restricted asset accounts (Continued):

Changes in reserve fund balances are as follows:

	Nonspendable	Committed				Restricted	
	Reserve for Prepaid Expenditures	Reserve for Drug Interdiction	Reserve for Drug Education	Reserve for Juvenile Services	Reserve for DFACS Expenditures	Reserve for Capital Outlay	Debt Service
Reserved fund balance, beginning of year	$87,881	$ 24,226	$ 3,155	$61,553	$46,858	$7,854,890	$3,044,519
Increase (decrease) in reserve	(1,453)	(10,063)	8,678	2,144	24,916	91,135	659,210
Reserved fund balance, end of year	$86,428	$ 14,163	$11,833	$63,697	$71,774	$7,946,025	$3,703,729

Restricted assets are comprised of the following:

	2011
General Fund:	
Wayne County Drug interdiction - Cash	$ 14,163
Wayne County Drug education – Cash	11,833
Wayne County Juvenile Services - Cash	63,697
Wayne County DFACS building - Cash	71,774
Total General Fund	161,467
Total restricted assets	$161,467

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In previous years, the County was unable to obtain general liability insurance at a cost it considered to be economically justifiable. The County joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool, currently operating as a common risk management and insurance program for member local governments. The County pays an annual premium to the pool for its insurance coverage. The agreement for formation of ACCG-Interlocal Risk Management Agency provides that the pool will be self-sustaining through member premiums.

The policy with ACCG has a $2,500 deductible option with a $1,000,000 liability limit. There has not been any significant reduction in coverage during the past year. No settlements in excess of coverage have been made in any of the three prior fiscal years. The County's only risk of loss would occur if the loss exceeded the limit of liability as stated in the policy.

A. Risk Management (Continued):

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's 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.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are 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 of defense.

The pooling agreement allows for ACCG to make any additional assessments necessary to meet any financial deficiency, subject to the approval of the Georgia Insurance Commissioner. It is not possible to estimate the amount of such additional assessments. At December 31, 2011 the County was not aware of any asserted claims that exceed the County's insurance coverage. Settled claims in the past three years have not exceeded the coverages.

ACCG has published its own financial report, which can be obtained from the Association of County Commissioners of Georgia, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Group Health:

The County is self-insured for medical claims. Under the plan, the County will pay 80% of the first $5,000 in claims with a $500 deductible. The County maintains an excess coverage policy for claims in excess of $55,000 and is responsible for paying 100% of all claims over $5,000 until an aggregate of $55,000 in claims has been accumulated. After $55,000 in claims has been aggregated, the insurance carrier will pay 100% of all claims in excess of the $55,000 limit up to the lifetime benefit amount of $2,000,000. All claims have been paid as incurred. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the reported liability since December 31, 2009 resulted from the following:

December 31	Beginning Liability	Current Year Claims and changes in Estimates	Claim Payments	Ending Liability
2009	$166,229	$1,413,126	$1,509,960	$69,395
2010	$ 69,395	$1,594,495	$1,640,114	$23,776
2011	$ 23,776	$1,482,053	$1,464,058	$41,771

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

State laws provide that the County may guarantee the repayment of certain borrowings of the Hospital Authority of Wayne County. The County has never been called upon to make any direct payments pursuant to such guarantee. As of December 31, 2011, the County-guaranteed bonds outstanding were as follows:

Description	Balance
Series 2006 revenue bonds of Hospital Authority of Wayne County	$22,745,000

Wayne County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Joint venture

Wayne County, Georgia, in conjunction with cities and counties in the seventeen (17) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. Each County paid annual dues in the amount of $18,157 to the RDC for the year ended December 31, 2011. The RDC board membership includes the chief elected official of each county and chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the nonpublic board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources (O.C.G.A. 50-8-39.1).

Financial statements of the RDC may be obtained directly from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023

D. Sales tax revenue

2001 SPLOST

On March 20, 2001 Wayne County voters approved a five year sales tax referendum to raise $20 million dollars for (a) road, street, and bridge purposes within the County and (b) sewer improvement and drainage, paving, curbing and guttering projects within the cities of Jesup, Odum, and Screven.

The sales tax levy took effect on July 1, 2001 and the County received its first check in August 2001. The referendum calls for the tax to be levied for 5 years or up to 20 million dollars whichever comes first. This revenue is reported in the sales tax capital projects fund.

2006 SPLOST

On September 21, 2004 Wayne County voters approved a six year referendum to raise $22,465,591 for (a) road, street and bridge purposes within the County (b) sewer improvement and drainage, paving, curbing and guttering projects within the cities of Jesup, Odum, and Screven and (c) to construct a new hospital.

The sales tax levy took effect on July 1, 2006 and the County received its first check in August 2006. The referendum calls for the tax to be levied for six years or up to $22,465,591 whichever comes first. This revenue is reported in the sales tax capital projects fund.

2011 SPLOST

On November 8, 2011 Wayne County voters approved a six year referendum to raise an estimated $22,000,000 for (a) payment in 2007 general obligation bonds (b) road, street, bridge, projects and road equipment (c) Emergency vehicles and fire equipment and (d) water and sewer projects, streets and drainage projects, recreation projects and fire equipment within the cities of Jesup, Odum, and Screven.

The sales tax levy will take effect on July 1, 2012 and the County will receive its first check in August 2012. The referendum calls for the tax to be levied for six years until the expiration date without regard to the monetary amount. This revenue will be reported in the sales tax capital projects fund.

E. Hotel/Motel excise tax

The County is in compliance with all significant finance-related legal and contractual provisions. The County levies and collects a five percent hotel/motel tax in accordance with the provisions of O.C.G.A. 48-13-51. The County has complied with the expenditure requirements of this code section as required under Code Section 36-81-7. Listed below is a summary of the transactions for the year ended December 31, 2011.

	Amount	Percentage
Lodging tax receipts	$11,527	100%
Disbursements to Wayne County Board of Tourism for promotion of tourism	11,527	100%
Balance of lodging tax funds on hand at end of year		

F. Employee retirement systems

1. Defined Contribution Plan

a. Plan Description

The Wayne County, Georgia Board of Commissioners established a defined contribution plan under section 401 of the Internal Revenue Code effective July 1, 1998. The Wayne County Money Purchase Plan is a defined contribution pension plan established by the County to provide benefits at retirement to employees of the County. At December 31, 2011, there were 260 plan members. Plan members are not allowed to contribute to the money purchase plan. The contributions of plan members are directed to a 457 deferred compensation plan. The County will contribute 1% of each eligible employee's compensation. In addition, the County will contribute another 4.5% of each eligible employee's compensation if the employee contributes 5.5% to the County's 457 deferred compensation plan. The amount the County will contribute to the money purchase plan will increase based on the schedule below:

Number of Years of Continuous Service	County's Percent of Contribution
1 month thru 4 years	5.5%
5 years thru 14 years	6.0%
15 years thru 24 years	6.5%
25 years thru 29 years	7.0%
30 years thru 39 years	8.5%
40 years and over	10.0%

During the 2011 year, the County contributed $328,496 to the money purchase pension plan. Plan provisions and contribution requirements are established and may be amended by the commissioners of Wayne County, Georgia. The plan is funded through a trust. The assets of the trust are invested in group annuity contracts issued by Nationwide Life Insurance Company.

b. Basis of Accounting

The financial statements of Wayne County Money Purchase Plan are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

c. Valuation of Investments

Plan investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. CBIZ Benefits and Insurance Services administers the plan and issues a financial report. Their address is 44 Baltimore Street, Cumberland, Maryland, 21502.

2. Deferred Compensation Plan

The County also has a deferred compensation plan under section 457 of the Internal Revenue Code. One hundred and two (102) plan members invest their contributions ($260,495 for 2011) in annuity contracts with Nationwide Insurance Company. Forty-nine (49) plan members invest their contributions ($107,450 for 2011) in various mutual funds held in trust by the Charles Schwab Trust Company administered by GEBCorp. A financial report can be obtained from GEBCorp at 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia, 30339.

In addition to the defined contribution and deferred compensation plans of the County, the following pension and retirement plans are in effect but are not under the direct control of the County:

(a) PROBATE JUDGES' RETIREMENT FUND OF GEORGIA
The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(b) CLERK OF SUPERIOR COURT RETIREMENT FUND
The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(c) SHERIFF'S RETIREMENT FUND/PEACE OFFICERS' ANNUITY AND BENEFIT FUND
The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

G. Other Postemployment Benefits

Description

Effective January 1, 2008, the County adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". In addition to the relevant disclosures within this note related to the implementation of GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of $1,446,236 in governmental activities resulting from the adoption. The County's OPEB plan is a single-employer plan.

The County provides postretirement healthcare benefits and life insurance, in accordance with state statutes, to all employees who retire from the County with at least twenty-five (25) years of service. Currently fifteen (15) retirees meet those eligibility requirements. The policy for paying insurance premiums and medical costs for retirees and their dependents is the same as it is for its regular employees as described in Note IV (A). The County is under no statutory or contractual obligation to provide these postretirement healthcare benefits. No stand-alone financial report is either available or generated.

G. Other Postemployment Benefits (Continued)

Fund Policy

Premiums for postemployment healthcare benefits are funded by the retirees desiring such coverage via co-pays paid to the County in accordance with rates established by the County. For the year ended December 31, 2011, retirees receiving benefits paid $35,229, which was used to offset the County's total outlays for insurance premiums and claims equaling for the current year. The net outlay from the County, which equaled $59,857, represents the County's net cost paid for the current year. These benefits are financed on pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table illustrates the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation:

Annual required contribution	$ 620,014
Interest on net OPEB obligation	46,194
Adjustment to annual required contribution	
Annual OPEB cost	666,208
Contributions made	(59,857)
Increase in net OPEB obligation	606,351
Net OPEB obligation – beginning of year	839,885
Net OPEB obligation – end of year	$1,446,236

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2008 thru 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation – End of Year
12/31/08	$367,200	82.48%	$ 64,330
12/31/09	$376,440	14.51%	$ 386,155
12/31/10	$630,553	28.04%	$ 839,885
12/31/11	$666,208	8.98%	$1,446,236

Because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of the years preceding 2008.

G. Other Postemployment Benefits (Continued)

Funding Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits equaled $9,747,416, resulting in an unfunded actuarial accrued liability (UAAL) of $9,747,416. The covered payroll (annual payroll of active employees covered by the Plan) equaled $5,545,434, and the ratio of the UAAL to the covered payroll equaled 175.8%.

Actuarial valuation of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as RSI following the notes to the financial statements, is to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, because the County maintains no plan assets, information relative to plan asset required disclosures is not applicable. Additionally, because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the RSI does not reflect similar information respective of the years preceding 2008.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the actuarial valuation dated January 1, 2010, the projected unit credit cost actuarial method was used. Because the County funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4% discount rate, which approximates the expected rate of return on non-pension investments held by the County. Actuarial assumptions also included healthcare and prescription drug cost trend rate of 10.5%, initially, reduced by decrements to an ultimate rate of 5% after seven years. The UAAL is being amortized as a level dollar amount over thirty years on an open basis.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$10,102,500	$10,102,500	$9,275,424	$ (827,076)
Other taxes	3,112,000	3,112,000	3,234,414	122,414
Licenses and permits	106,900	106,900	100,127	(6,773)
Intergovernmental revenue	1,163,900	1,163,900	1,192,670	28,770
Charges for services	2,780,000	2,780,000	3,534,863	754,863
Fines and fees	591,300	591,300	729,178	137,878
Investment income	10,000	10,000	1,282	(8,718)
Other revenue	354,704	354,704	346,228	(8,476)
TOTAL REVENUES	18,221,304	18,221,304	18,414,186	192,882
EXPENDITURES:				
GENERAL GOVERNMENT:				
ELECTIONS:				
Personal services and employee benefits	27,745	27,745	14,436	(13,309)
Purchased/contract services	25,750	25,750	4,539	(21,211)
Supplies	2,700	2,700	3,145	445
Capital outlays	3,700	3,700		(3,700)
Total elections	59,895	59,895	22,120	(37,775)
REGISTRAR:				
Personal services and employee benefits	37,553	37,553	37,950	397
Purchased/contract services	4,160	4,160	5,032	872
Supplies	900	900	601	(299)
Capital outlays	700	700	597	(103)
Interdepartmental charges	10,000	10,000	2,908	(7,092)
Total registrar	53,313	53,313	47,088	(6,225)
FINANCIAL ADMINISTRATION:				
Personal services and employee benefits	271,923	271,923	268,680	(3,243)
Purchased/contract services	278,240	278,240	332,245	54,005
Supplies	17,200	17,200	24,712	7,512
Capital outlays	1,500	1,500	4,173	2,673
Interdepartmental charges	60,000	60,000	77,924	17,924

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
FINANCIAL ADMININISTRATION (Continued):				
Other costs	$ 207,131	$ 207,131		$(207,131)
Debt service			$ 133,940	133,940
Total financial administration	835,994	835,994	841,674	5,680
TAX COMMISSIONER:				
Personal services and employee benefits	264,835	264,835	258,152	(6,683)
Purchased/contract services	49,780	49,780	52,151	2,371
Supplies	2,300	2,300	3,132	832
Capital outlays	1,000	1,000	5,247	4,247
Interdepartmental charges	50,000	50,000	117,921	67,921
Total tax commissioner	367,915	367,915	436,603	68,688
TAX ASSESSOR:				
Personal services and employee benefits	261,450	261,450	256,194	(5,256)
Purchased/contract services	120,635	120,635	240,333	119,698
Supplies	8,300	8,300	4,324	(3,976)
Capital outlays	9,000	9,000	913	(8,087)
Interdepartmental charges	55,000	55,000	59,508	4,508
Total tax assessor	454,385	454,385	561,272	106,887
GOVERNMENT BUILDINGS & PLANTS:				
Personal services and employee benefits	125,010	125,010	84,021	(40,989)
Purchased/contract services	52,544	52,544	45,474	(7,070)
Supplies	55,500	55,500	85,421	29,921
Capital outlay	5,500	5,500	6,524	1,024
Interdepartmental charges	10,000	10,000	94,579	84,579
Total government buildings	248,554	248,554	316,019	67,465
TOTAL GENERAL GOVERNMENT	2,020,056	2,020,056	2,224,776	204,720
JUDICARY:				
Judicial Administration:				
Personal services and employee benefits	250,000	250,000	262,584	12,584
Purchased/contract services			75,515	75,515
Supplies			28,491	28,491
Capital outlays			5,270	5,270

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Judicial Administration (Continued):				
Other costs			$ 28,478	$ 28,478
Total judicial administration	$250,000	$250,000	400,338	150,338
STATE AND SUPERIOR COURTS:				
Personal services and employee benefits	565,100	565,100	518,769	(46,331)
Purchased/contract services	185,850	185,850	136,372	(49,478)
Supplies	34,300	34,300	28,622	(5,678)
Capital outlays	38,000	38,000	41,142	3,142
Interdepartmental charges	140,000	140,000	104,888	(35,112)
Total state and superior courts	963,250	963,250	829,793	(133,457)
DISTRICT ATTORNEY:				
Personal services and employee benefits	52,610	52,610	8,644	(43,966)
Purchased/contract services	11,540	11,540	946	(10,594)
Other costs	151,000	151,000	150,175	(825)
Total district attorney	215,150	215,150	159,765	(55,385)
MAGISTRATE COURT:				
Personal services and employee benefits	160,983	160,983	159,790	(1,193)
Purchased/contract services	16,480	16,480	16,556	76
Supplies	2,150	2,150	1,485	(665)
Capital outlays	2,500	2,500	480	(2,020)
Interdepartmental charges	40,000	40,000	13,002	(26,998)
Total magistrate court	222,113	222,113	191,313	(30,800)
PROBATE COURT:				
Personal services and employee benefits	158,690	158,690	155,570	(3,120)
Purchased/contract services	25,500	25,500	29,997	4,497
Supplies	2,800	2,800	4,423	1,623
Capital outlays	1,700	1,700	788	(912)
Interdepartmental charges	30,000	30,000	56,202	26,202
Total probate court	218,690	218,690	246,980	28,290

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JUVENILE COURT:				
Personal services and employee benefits	$ 15,602	$ 15,602	$ 15,610	$ 8
Purchased/contract services	10,482	10,482	12,596	2,114
Supplies	3,800	3,800	3,562	(238)
Total juvenile court	29,884	29,884	31,768	1,884
PUBLIC DEFENDER:				
Purchased/contract services	1,430	1,430	453	(977)
Other costs	170,000	170,000	205,783	35,783
Total public defender	171,430	171,430	206,236	34,806
DRUG COURT:				
Purchased/contract services			11,907	11,907
Supplies			1,146	1,146
Other costs			60,000	60,000
Total drug court			73,053	73,053
TOTAL JUDICIARY	2,070,517	2,070,517	2,139,246	68,729
PUBLIC SAFETY:				
SHERIFF:				
Personal services and employee benefits	1,498,700	1,498,700	1,554,672	55,972
Purchased/contract services	213,747	213,747	207,061	(6,686)
Supplies	195,350	195,350	248,460	53,110
Capital outlays	148,500	148,500	162,919	14,419
Interdepartmental charges	125,000	125,000	231,822	106,822
Total sheriff	2,181,297	2,181,297	2,404,934	223,637
LAW ENFORCEMENT BUILDING:				
Purchased/contract services			161	161
Supplies			232	232
Capital outlays	250,000	250,000	166,593	(83,407)
Total law enforcement building	250,000	250,000	166,986	(83,014)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JAIL:				
Personal services and employee benefits	$1,012,770	$1,012,770	$ 978,838	$ (33,932)
Purchased/contract services	352,840	352,840	343,718	(9,122)
Supplies	416,650	416,650	504,359	87,709
Capital outlays	13,500	13,500	22,857	9,357
Interdepartmental charges	85,000	85,000	53,776	(31,224)
Other costs			10,010	10,010
Total jail	1,880,760	1,880,760	1,913,558	32,798
OTHER PUBLIC SAFETY:				
Purchased/contract services	468	468	68	(400)
Supplies	11,500	11,500	11,624	124
Total other public safety	11,968	11,968	11,692	(276)
RURAL FIRE DEPARTMENTS:				
Personal services and employee benefits	12,480	12,480	10,630	(1,850)
Purchased/contract services	32,960	32,960	27,853	(5,107)
Supplies	28,900	28,900	25,088	(3,812)
Capital outlays	16,100	16,100	16,934	834
Other costs	19,500	19,500	31,574	12,074
Total rural fire departments	109,940	109,940	112,079	2,139
EMERGENCY MEDICAL SERVICES:				
Personal services and employee benefits	697,270	697,270	734,611	37,341
Purchased/contract services	107,880	107,880	132,253	24,373
Supplies	80,100	80,100	106,474	26,374
Capital outlays	119,000	119,000	20,422	(98,578)
Interdepartmental charges	60,000	60,000	32,930	(27,070)
Total emergency medical services	1,064,250	1,064,250	1,026,690	(37,560)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
CORONER:				
Personal services and employee benefits	$ 18,750	$ 18,750	$ 14,413	$ (4,337)
Purchased/contract services	12,925	12,925	10,634	(2,291)
Supplies	1,925	1,925	4,307	2,382
Capital outlays	18,000	18,000	14,031	(3,969)
Total coroner	51,600	51,600	43,385	(8,215)
EMERGENCY MANAGEMENT AGENCY:				
Personal services and employee benefits	60,039	60,039	59,738	(301)
Purchased/contract services	21,420	21,420	20,357	(1,063)
Supplies	11,400	11,400	14,815	3,415
Capital outlays	14,500	14,500	9,976	(4,524)
Total emergency management agency	107,359	107,359	104,886	(2,473)
TOTAL PUBLIC SAFETY	5,657,174	5,657,174	5,784,210	127,036
PUBLIC WORKS:				
HIGHWAYS AND STREETS:				
Personal services and employee benefits	1,486,180	1,486,180	1,468,963	(17,217)
Purchased/contract services	473,450	473,450	407,565	(65,885)
Supplies	353,200	353,200	381,738	28,538
Capital outlays	338,440	338,440	242,731	(95,709)
Interdepartmental charges	330,000	330,000	245,288	(84,712)
Total highways and streets	2,981,270	2,981,270	2,746,285	(234,985)
SOLID WASTE & RECYCLING –				
Purchased/contract services	778,100	778,100	630,336	(147,764)
Total solid waste & recycling	778,100	778,100	630,336	(147,764)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
COUNTY SHOP:				
Personal services and employee benefits	$ 256,142	$ 256,142	$ 260,576	$ 4,434
Purchased/contract services	22,980	22,980	17,768	(5,212)
Supplies	42,550	42,550	41,022	(1,528)
Capital outlays	11,200	11,200	10,171	(1,029)
Interdepartmental charges	40,000	40,000	49,493	9,493
Total county shop	372,872	372,872	379,030	6,158
TOTAL PUBLIC WORKS	4,132,242	4,132,242	3,755,651	(376,591)
HEALTH AND WELFARE:				
PUBLIC HEALTH ADMINISTRATION:				
Purchased/contract services	3,100	3,100	2,561	(539)
Other costs	103,218	103,218	102,145	(1,073)
Total public health administration	106,318	106,318	104,706	(1,612)
WELFARE ADMINISTRATION:				
Purchased/contract services	298,888	298,888	279,069	(19,819)
Capital outlays	2,500	2,500		(2,500)
Other costs	6,500	6,500	1,766	(4,734)
Total welfare administration	307,888	307,888	280,835	(27,053)
COMMUNITY SERVICES:				
Personal services and employee benefits	182,353	182,353	189,995	7,642
Purchased/contract services	32,450	32,450	28,613	(3,837)
Supplies	78,150	78,150	137,001	58,851
Capital outlays	1,250	1,250	11,798	10,548
Interdepartmental charges	1,000	1,000	569	(431)
Total community services	295,203	295,203	367,976	72,773
TOTAL HEALTH AND WELFARE	709,409	709,409	753,517	44,108

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
CULTURE AND RECREATION:				
RECREATION:				
Personal services and employee benefits	$ 333,730	$ 333,730	$ 327,866	$ (5,864)
Purchased/contract services	138,610	138,610	118,560	(20,050)
Supplies	244,700	244,700	284,946	40,246
Capital outlays	155,900	155,900	114,215	(41,685)
Interdepartmental charges	90,000	90,000	17,163	(72,837)
Other costs	18,000	18,000	18,577	577
Total recreation	980,940	980,940	881,327	(99,613)
PARKS:				
Personal services and employee benefits	73,642	73,642	38,221	(35,421)
Purchased/contract services	13,300	13,300	8,336	(4,964)
Supplies	14,100	14,100	14,415	315
Capital outlays	208,000	208,000	241,305	33,305
Interdepartmental charges	58,000	58,000	18,145	(39,855)
Total parks	367,042	367,042	320,422	(46,620)
LIBRARY -				
Other costs	150,700	150,700	150,700	
Total library	150,700	150,700	150,700	
TOTAL CULTURE AND RECREATION	1,498,682	1,498,682	1,352,449	(146,233)
HOUSING AND DEVELOPMENT:				
CONSERVATION:				
Personal services and employee benefits	127,451	127,451	116,534	(10,917)
Purchased/contract services	51,310	51,310	42,908	(8,402)
Supplies	18,470	18,470	16,818	(1,652)
Capital outlays	12,000	12,000	9,559	(2,441)
Interdepartmental charges	22,000	22,000	78,497	56,497
Other costs	89,431	89,431	79,541	(9,890)
Total conservation	320,662	320,662	343,857	23,195

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
BUILDING INSPECTION:				
Personal services and employee benefits	$ 54,852	$ 54,852	$ 54,493	$ (359)
Purchased/contract services	13,500	13,500	5,411	(8,089)
Supplies	4,050	4,050	3,158	(892)
Capital outlay	2,100	2,100	140	(1,960)
Interdepartmental charges	10,500	10,500	2,575	(7,925)
Total building inspection	85,002	85,002	65,777	(19,225)
ECONOMIC DEVELOPMENT:				
Personal services and employee benefits	86,200	86,200	107,740	21,540
Purchased/contract services	23,950	23,950	24,327	377
Interdepartmental charges	5,000	5,000	938	(4,062)
Other costs	254,000	254,000	250,000	(4,000)
Total economic development	369,150	369,150	383,005	13,855
AIRPORT:				
Purchased/contract services	31,660	31,660	39,718	8,058
Supplies	117,100	117,100	112,828	(4,272)
Capital outlays	952,810	952,810	700,607	(252,203)
Total airport	1,101,570	1,101,570	853,153	(248,417)
TOTAL HOUSING AND DEVELOPMENT	1,876,384	1,876,384	1,645,792	(230,592)
Total expenditures	17,964,464	17,964,464	17,655,641	(308,823)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	256,840	256,840	758,545	501,705
OTHER FINANCING SOURCES (USES):				
Sale of assets	10,000	10,000	2,412	(7,588)
Transfers (out)	(266,840)	(266,840)	(240,169)	26,671
Total other financing sources and (uses)	(256,840)	(256,840)	(237,757)	19,083

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
NET CHANGE IN FUND BALANCES			$ 520,788	$520,788
FUND BALANCES, BEGINNING	$5,351,264	$5,351,264	5,351,264	
FUND BALANCES, ENDING	$5,351,264	$5,351,264	$5,872,052	$520,788

SCHEDULE 2

WAYNE COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS-POSTEMPLOYMENT HEALTHCARE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	0	$3,623,800	$3,623,800	0%	$6,331,672	52.4%
1/1/2009	0	$3,623,800	$3,623,800	0%	$6,331,672	52.4%
1/1/2010	0	$9,747,416	$9,747,416	0%	$5,545,434	175.8%
1/1/2011	0	$9,747,416	$9,747,416	0%	$5,545,434	175.8%

Because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of years preceding 2008.

WAYNE COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in this report. Budgets are prepared on a basis consistent with generally accepted accounting principles.

1. **Departments submit detailed budget requests to the County Manager who reviews and compiles the requests.**

2. **The County Manager submits a proposed budget to the Board of County Commissioners no later than January 1.**

3. **The Board of County Commissioners holds such public workshops as it deems necessary and holds an advertised public hearing on the proposed budget at which the first reading of the budget resolution occurs. The budget is finally adopted at a regular or called Board meeting in January of the year prior to which it applies.**

4. **Annual budgets are adopted for the general fund and special revenue funds for legal budgetary control. Project length budgets are adopted for capital projects funds.**

5. **The County Manager is authorized to transfer budgeted amounts within departments. The Board of Commissioners may transfer amounts between departments and approve appropriations of additional resources in accordance with Georgia State Laws.**

6. **Supplemental increases and decreases in budget appropriations were properly approved by the County Commissioners. For the year ended December 31, 2011, the following supplemental increases and decreases in budget appropriations were approved:**

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$17,964,464	$0	$0	$17,964,464
Special Revenue	$ 715,340	$0	$0	$ 715,340
Debt Service	$ 3,363,609	$0	$0	$ 3,363,609

B. Material excesses of expenditures over appropriations in individual funds.

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GOVERNMENTAL FUNDS:			
GENERAL FUND:			
GENERAL GOVERNMENT:			
Elections –			
Supplies	$ 2,700	$ 3,145	$ 445
Registrar:			
Personal services and employee benefits	37,553	37,950	397
Purchased/contract services	4,160	5,032	872

B. Material excesses of expenditures over appropriations in individual funds. (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
Financial administration:			
Purchased/contract services	$ 278,240	$ 332,245	$ 54,005
Supplies	17,200	24,712	7,512
Capital outlays	1,500	4,173	2,673
Interdepartmental charges	60,000	77,924	17,924
Debt service		133,940	133,940
Tax commissioner:			
Purchased/contract services	49,780	52,151	2,371
Supplies	2,300	3,132	832
Capital outlays	1,000	5,247	4,247
Interdepartmental charges	50,000	117,921	67,921
Tax assessor:			
Purchased/contract services	120,635	240,333	119,698
Interdepartmental charges	55,000	59,508	4,508
Government buildings & plant:			
Supplies	55,500	85,421	29,921
Capital outlay	5,500	6,524	1,024
Interdepartmental charges	10,000	94,579	84,579
JUDICIARY:			
Judiciary Administration:			
Personal services and employee benefits	250,000	262,584	12,584
Purchased/contract services		75,515	75,515
Supplies		28,491	28,491
Capital outlays		5,270	5,270
Other costs		28,478	28,478
State and superior courts –			
Capital outlays	38,000	41,142	3,142
Magistrate court –			
Purchased/contract services	16,480	16,556	76
Probate court:			
Purchased/contract services	25,500	29,997	4,497
Supplies	2,800	4,423	1,623
Interdepartmental charges	30,000	56,202	26,202

B. Material excesses of expenditures over appropriations in individual funds. (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
Judicial Administration: (Continued)			
Juvenile court:			
Personal services and employee benefits	$ 15,602	$ 15,610	$ 8
Purchased/contract services	10,482	12,596	2,114
Public defender –			
Other costs	170,000	205,783	35,783
Drug court:			
Purchased/contract services		11,907	11,907
Supplies		1,146	1,146
Other costs		60,000	60,000
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	1,498,700	1,554,672	55,972
Supplies	195,350	248,460	53,110
Capital outlays	148,500	162,919	14,419
Interdepartmental charges	125,000	231,822	106,822
Law enforcement building:			
Purchased/contract services		161	161
Supplies		232	232
Jail:			
Supplies	416,650	504,359	87,709
Capital outlays	13,500	22,857	9,357
Other costs		10,010	10,010
Other public safety –			
Supplies	11,500	11,624	124
Rural fire departments:			
Capital outlays	16,100	16,934	834
Other costs	19,500	31,574	12,074
Emergency medical services:			
Personal services and employee benefits	697,270	734,611	37,341
Purchased/contract services	107,880	132,253	24,373
Supplies	80,100	106,474	26,374

B. Material excesses of expenditures over appropriations in individual funds. (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
PUBLIC SAFETY: (Continued)			
Coroner –			
Supplies	$ 1,925	$ 4,307	$ 2,382
Emergency management agency–			
Supplies	11,400	14,815	3,415
PUBLIC WORKS:			
Highways and streets –			
Supplies	353,200	381,738	28,538
County shop:			
Personal services and employee benefits	256,142	260,576	4,434
Interdepartmental charges	40,000	49,493	9,493
HEALTH AND WELFARE -			
Community services:			
Personal services and employee benefits	182,353	189,995	7,642
Supplies	78,150	137,001	58,851
Capital outlays	1,250	11,798	10,548
CULTURE AND RECREATION:			
Recreation:			
Supplies	244,700	284,946	40,246
Other costs	18,000	18,577	577
Parks:			
Supplies	14,100	14,415	315
Capital outlays	208,000	241,305	33,305
HOUSING AND DEVELOPMENT:			
Conservation –			
Interdepartmental charges	22,000	78,497	56,497
Economic development:			
Personal services and employee benefits	86,200	107,740	21,540
Purchased/contract services	23,950	24,327	377
Airport -			
Purchased/contract services	31,660	$39,718	8,058

C. Deficit fund equity

The County did not have any funds with a deficit fund balance as of December 31, 2011.

SUPPLEMENTARY DATA – COMBINING FUND FINANCIAL SCHEDULES

SCHEDULE 3

WAYNE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Special Revenue		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Emergency Telephone System	
ASSETS			
Cash	0	0	0
TOTAL ASSETS	0	0	0
LIABILITIES AND FUND BALANCE			
FUND BALANCES:			
Reserved for capital outlay	0	0	0
Unreserved	0	0	0
Total fund balance	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	0	0	0

SCHEDULE 4

WAYNE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Emergency Telephone System	
REVENUES:			
Taxes	$11,527		$ 11,527
Charges for services		$ 463,749	463,749
Total revenues	11,527	463,749	475,276
EXPENDITURES:			
Current:			
Public safety		703,918	703,918
Housing and development	11,527		11,527
Capital outlay -			
Public works			
Total expenditures	11,527	703,918	715,445
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITUES		(240,169)	(240,169)
OTHER FINANCING SOURCES (USES):			
Transfers in		240,169	240,169
Transfers (out)			
Total other financing sources (uses)		240,169	240,169
NET CHANGES IN FUND BALANCES			
FUND BALANCE, Beginning			
FUND BALANCE, Ending			

SCHEDULE 5

WAYNE COUNTY, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Taxes	$13,500	$13,500	$11,527	$(1,973)
Total revenues	13,500	13,500	11,527	(1,973)
EXPENDITURES -				
Housing and development-				
Other costs	13,500	13,500	11,527	(1,973)
EXCESS OF REVENUES OVER EXPENDITURES				
NET CHANGE IN FUND BALANCE				
FUND BALANCE, Beginning of year				
FUND BALANCE, End of year				

SCHEDULE 6

WAYNE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Charges for services	$ 435,000	$ 435,000	$ 463,749	$ 28,749
Total revenues	435,000	435,000	463,749	28,749
EXPENDITURES:				
Personal services and employee benefits	441,565	441,565	423,500	(18,065)
Purchased/contract services	153,625	153,625	143,462	(10,163)
Supplies	46,250	46,250	43,482	(2,768)
Capital outlays	5,400	5,400	3,086	(2,314)
Interdepartmental charges	55,000	55,000	90,388	35,388
Total expenditures	701,840	701,840	703,918	2,078
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(266,840)	(266,840)	(240,169)	26,671
OTHER FINANCING SOURCES (USES) -				
Transfer in	266,840	266,840	240,169	(26,671)
NET CHANGE IN FUND BALANCE				
FUND BALANCE, Beginning of year				
FUND BALANCE, End of year				

SCHEDULE 7

WAYNE COUNTY, GEORGIA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 1,787,616	$ 1,787,616	$ 1,144,732	$(642,884)
Investment income	4,000	4,000	15,322	11,322
Total revenues	1,791,616	1,791,616	1,160,054	(631,562)
EXPENDITURES:				
Debt service:				
Interest and fiscal charges	669,459	669,459	734,590	65,131
Principal	2,694,150	2,694,150	2,590,000	(104,150)
Total expenditures	3,363,609	3,363,609	3,324,590	(39,019)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,571,993)	(1,571,993)	(2,164,536)	(592,543)
OTHER FINANCING SOURCES – Transfer in	1,571,993	1,571,993	1,571,996	3
NET CHANGE IN FUND BALANCE			(592,540)	(592,540)
FUND BALANCE, Beginning	3,044,519	3,044,519	3,044,519	
FUND BALANCE, Ending	$ 3,044,519	$ 3,044,519	$ 2,451,979	$(592,540)

SCHEDULE 8

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2011

	AGENCY FUNDS					
	Tax Commissioner	Clerk of Court	Sheriff's Department	Magistrate Court	Probate Court	Total
ASSETS						
Cash	$ 27,202	$676,166	$104,589	$25,968	$6,780	$ 840,705
Taxes receivable	4,982,545					4,982,545
Total assets	$5,009,747	$676,166	$104,589	$25,968	$6,780	$5,823,250
LIABILITIES						
Due to others	$5,009,747	$676,166	$104,589	$25,968	$6,780	$5,823,250
Total liabilities	$5,009,747	$676,166	$104,589	$25,968	$6,780	$5,823,250

SCHEDULE 9

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
TAX COMMISSIONER				
Assets:				
Cash	$ 29,255	$26,731,065	$26,733,118	$ 27,202
Taxes receivable	11,732,104	19,981,506	26,731,065	4,982,545
Total assets	$11,761,359	$46,712,571	$53,464,183	$5,009,747
Liabilities –				
Due to others	$11,761,359	$46,712,571	$53,464,183	$5,009,747
CLERK OF COURT				
Assets –				
Cash	$ 739,439	$ 2,827,624	$ 2,890,897	$ 676,166
Liabilities –				
Due to others	$ 739,439	$ 2,827,624	$ 2,890,897	$ 676,166
SHERIFF'S DEPARTMENT				
Assets –				
Cash	$ 66,799	$ 517,194	$ 479,404	$ 104,589
Liabilities –				
Due to others	$ 66,799	$ 517,194	$ 479,404	$ 104,589
MAGISTRATE COURT				
Assets –				
Cash	$ 35,088	$ 321,034	$ 330,154	$ 25,968
Liabilities –				
Due to others	$ 35,088	$ 321,034	$ 330,154	$ 25,968
PROBATE COURT				
Assets –				
Cash	$ 8,728	$ 94,669	$ 96,617	$ 6,780
Liabilities –				
Due to others	$ 8,728	$ 94,669	$ 96,617	$ 6,780
TOTALS – AGENCY FUNDS				
Assets:				
Cash	$ 879,309	$30,491,586	$30,530,190	$ 840,705
Taxes receivable	11,732,104	19,981,506	26,731,065	4,982,545
Total assets	$12,611,413	$50,473,092	$57,261,255	$5,823,250
Liabilities –				
Due to others	$12,611,413	$50,473,092	$57,261,255	$5,823,250

SCHEDULE 10

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NONMAJOR
COMBINING SCHEDULE OF NET ASSETS
DECEMBER 31, 2011

	MAJOR HOSPITAL AUTHORITY OF WAYNE COUNTY	NONMAJOR WAYNE COUNTY INDUSTRIAL AUTHORITY	NONMAJOR WAYNE COUNTY BOARD OF HEALTH	TOTAL COMPONENT UNITS
ASSETS				
Cash		$ 116,595	$733,479	$ 850,074
Receivables (net of allowance for uncollectibles)	$ 4,728,000			4,728,000
Inventory, at lower of cost or market	1,386,000			1,386,000
Other current assets	2,598,000			2,598,000
Restricted cash	7,496,000			7,496,000
Due from other governments			54,526	54,526
Capital assets, net of accumulated depreciation				
Land	445,000	2,048,245		2,493,245
Other capital assets	44,783,000	1,146,421	28,218	45,957,639
Other assets	2,849,000			2,849,000
Total assets	64,285,000	3,311,261	816,223	68,412,484
LIABILITIES				
Current liabilities:				
Accounts payable	5,944,000			5,944,000
Accrued expenses	1,940,000		17,420	1,957,420
Non-current liabilities:				
Due within one year	1,737,000			1,737,000
Due in more than one year	22,397,000		17,419	22,414,419
Total liabilities	32,018,000		34,839	32,052,839
NET ASSETS				
Invested in capital assets, net of related debt	21,904,000	3,194,666	28,218	25,126,884
Restricted:				
Debt service	2,672,000			2,672,000
Prior year program income			201,159	201,159
Unrestricted	7,691,000	116,595	552,007	8,359,602
Total net assets	$32,267,000	$3,311,261	$781,384	$36,359,645

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NONMAJOR
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Major Hospital Authority of Wayne County	Nonmajor Wayne County Development Authority	Nonmajor Wayne County Board of Health	Total Component Units
Component Units:								
Hospital Authority of Wayne County	$48,433,000	$48,007,000	$ 35,000		$(391,000)			$(391,000)
Wayne County Development Authority	182,373		250,000			$ 67,627		67,627
Wayne County Board of Health	745,361	201,159	533,639				$(10,563)	(10,563)
Total component units	$49,360,734	$48,208,159	$818,639		(391,000)	67,627	(10,563)	(333,936)
General Revenues:								
Unrestricted investment earnings					98,000	327		98,327
Miscellaneous						145,284		145,284
Total general revenues					98,000	145,611		243,611
Changes in Net Assets					(293,000)	213,238	(10,563)	(90,325)
Net Assets, Beginning					32,560,000	3,098,023	791,947	36,449,970
Net Assets, Ending					$32,267,000	$3,311,261	$781,384	$36,359,645

SCHEDULE 12

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2011 AND 2010

	2011	2010
Governmental Funds Capital Assets		
Land	$ 2,013,499	$ 2,013,499
Improvements	4,302,012	4,203,346
Buildings	9,410,188	9,410,188
Equipment, vehicles and furniture	6,671,867	6,311,734
Infrastructure	32,887,993	32,274,011
Construction in progress	5,644,884	4,543,192
Total governmental funds capital assets	$60,930,443	$58,755,970
Investments in Governmental Funds Capital Assets by Source		
General fund	$38,765,386	$37,720,478
Special revenue funds	2,772,364	2,772,364
Donations	121,872	121,872
State and federal grants	3,768,230	3,235,075
Capital project funds	15,502,591	14,906,181
Total governmental funds capital assets	$60,930,443	$58,755,970

SCHEDULE 13

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2011

Function and Activity	Land	Improvements	Buildings	Equipment Vehicles and Furniture	Infrastructure	Construction In Progress	Total
General Government:							
Elections			$ 44,834				$ 44,834
Financial Administration				$ 31,435			31,435
Tax Commissioner				11,945			11,945
Tax Assessor				12,645			12,645
Buildings and Properties	$152,078		652,113	120,745			924,936
Total General Government	152,078		696,947	176,770			1,025,795
Judicial:							
Judicial Administration	25,086		1,709,110	40,246			1,774,442
Superior and State Courts	6,272		156,897	91,256			254,425
District Attorney	60,000		116,450				176,450
Probate Court				16,952			16,952
Total Judicial	91,358		1,982,457	148,454			2,222,269
Public Safety:							
Sheriff				1,329,096			1,329,096
Law Enforcement Administration	18,815			20,076		$4,122,464	4,161,355
Jail	101,370	$24,917	3,344,839	268,249			3,739,375
Other Public Safety	40,792		41,219				82,011
Fire Prevention	25,420		168,660	296,952			491,032
Emergency Medical Services			23,089	742,907			765,996
Coroner				11,733			11,733
E-911				132,096			132,096
Emergency Management Agency				157,542			157,542
Total Public Safety	186,397	24,917	3,577,807	2,958,651		4,122,464	10,870,236

SCHEDULE 13

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2011

Function and Activity	Land	Improvements	Buildings	Equipment Vehicles and Furniture	Infrastructure	Construction In Progress	Total
Public Works:							
Highways and Streets	$ 167,851	$ 16,522	$ 84,567	$2,335,275	$32,887,993		$35,492,208
Sanitation	131,625			16,500			148,125
Maintenance Shop			125,713	105,464			231,177
Total Public Works	299,476	16,522	210,280	2,457,239	32,887,993		35,871,510
Health and Welfare:							
Public Health Administration				10,998			10,998
Buildings and Properties			989,047				989,047
Concerted Services				5,116			5,116
Community Centers	7,918		58,128				66,046
Transportation Services				145,101			145,101
Total Health and Welfare	7,918		1,047,175	161,215			1,216,308
Culture/Recreation:							
Recreation	1,045,065	683,402	768,642	320,221			2,817,330
Parks	70,418	371,575	52,910	27,096		$ 389,055	911,054
Total Culture/Recreation	1,115,483	1,054,977	821,552	347,317		389,055	3,728,384
Housing and Development:							
Agriculture Resources			233,761	74,349			308,110
Economic Development	57,196						57,196
Airport	103,593	3,205,596	827,694	347,872		1,133,365	5,618,120
Building Inspection			12,515				12,515
Total Housing and Development	160,789	3,205,596	1,073,970	422,221		1,133,365	5,995,941
Total Governmental Funds Capital Assets	$2,013,499	$4,302,012	$9,410,188	$6,671,867	$32,887,993	$5,644,884	$60,930,443

SCHEDULE 14

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2011

Function and Activity	Capital Assets January 1, 2011	Additions	Deductions	Capital Assets December 31, 2011
General Government:				
Elections	$ 44,834			$ 44,834
Financial Administration	31,435			31,435
Tax Commissioner	11,945			11,945
Tax Assessor	12,645			12,645
Buildings and Properties	919,937	$ 4,999		924,936
Total General Government	1,020,796	4,999		1,025,795
Judicial:				
Judicial Administration	1,774,442			1,774,442
Superior and State Courts	218,447	35,978		254,425
District Attorney	176,450			176,450
Probate Court	16,952			16,952
Total Judicial	2,186,291	35,978		2,222,269
Public Safety:				
Sheriff	1,217,908	111,188		1,329,096
Law Enforcement Administration	38,891			38,891
Jail	3,739,375			3,739,375
Other Public Safety	82,011			82,011
Fire Prevention	491,032			491,032
Emergency Medical Services	756,381	9,615		765,996
Coroner		11,733		11,733
E-911	132,096			132,096
Emergency Management Agency	157,542			157,542
Construction in progress	3,955,871	166,593		4,122,464
Total Public Safety	10,571,107	299,129		10,870,236
Public Works:				
Highways and Streets	34,700,227	791,981		35,492,208
Sanitation	148,125			148,125
Maintenance Shop	222,556	8,621		231,177
Total Public Works	35,070,908	800,602		35,871,510
Health and Welfare:				
Public Health Administration	10,998			10,998
Buildings and Properties	989,047			989,047
Concerted Services	5,116			5,116
Community Centers	66,046			66,046
Transportation Services	145,101			145,101
Total Health and Welfare	1,216,308			1,216,308

SCHEDULE 14

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2011

Function and Activity	Capital Assets January 1, 2011	Additions	Deductions	Capital Assets December 31, 2011
Culture/Recreation:				
Recreation	$ 2,718,664	$ 98,666		$ 2,817,330
Parks	521,999			521,999
Construction in progress	153,804	235,251		389,055
Total Culture/Recreation	3,394,467	333,917		3,728,384
Housing and Development:				
Agricultural Resources	308,110			308,110
Economic Development	57,196			57,196
Airport	4,484,754	1		4,484,755
Building Inspection	12,515			12,515
Construction in progress	433,518	699,847		1,133,365
Total Housing and Development	5,296,093	699,848		5,995,941
Total Governmental Funds Capital Assets	$58,755,970	$2,174,473		$60,930,443

COMPLIANCE SECTION

SCHEDULE 15

WAYNE COUNTY, GEORGIA
SPLOST CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2011

2006 SPLOST	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES:				
Intergovernmental	$18,929,289	$ 3,918,672	$22,847,961	$ 22,465,591
Investment earnings	298,027	21,222	319,249	
Total revenues	19,227,316	3,939,894	23,167,210	22,465,591
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	2,193,172	1,025,013	3,218,185	10,465,591
Hospital construction	1,284,822		1,284,822	1,284,822
Total expenditures	3,477,994	1,025,013	4,503,007	11,750,413
EXCESS OF REVENUES OVER EXPENDITURES	15,749,322	2,914,881	18,664,203	10,715,178
OTHER FINANCING SOURCES (USES):				
Transfer out to debt service fund	(7,894,432)	(1,571,996)	(9,466,428)	(10,715,178)
NET CHANGES IN FUND BALANCES	7,854,890	1,342,885	9,197,775	
FUND BALANCE, Beginning		7,854,890		
FUND BALANCE, Ending	$ 7,854,890	$ 9,197,775	$ 9,197,775	

SCHEDULE 16

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2006 SPLOST:						
County road improvement	$ 6,370,405	$ 6,370,405	$ 588,677	$ 596,410	$1,185,087	18.60%
City of Jesup road and sewer improvement	3,655,631	3,655,631	1,380,428	397,439	1,777,867	48.63%
City of Odum road and sewer improvement	163,263	163,263	144,311		144,311	88.39%
City of Screven road and sewer improvement	276,292	276,292	79,756	31,164	110,920	40.15%
Hospital construction	1,284,822	1,284,822	1,284,822		1,284,822	100.00%
Hospital debt	10,715,178	10,715,178	7,894,432	1,571,996	9,466,428	88.35%
Total	$22,465,591	$22,465,591	$11,372,426	$2,597,009	$13,969,435	

SCHEDULE 17

WAYNE COUNTY, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2011

Revenue -	
Hotel/motel taxes	**$11,527**
Expenditures -	
Tourism expenditures	**$11,527**
Percentage of expenditures to revenues	**100%**

WAYNE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/Pass through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Award			
National Resources Conservation Program	**10.901**	**n/a**	**$ 16,057**
Total U.S. Department of Agriculture			**16,057**
U.S. Department of Commerce, National Oceanic and Atmospheric Administration			
Pass through from the Georgia Department of Natural Resources Coastal Management Program			
Wayne County Nonpoint Source Pollution Management Coordinator	**11.432**	**NAØ9054190171**	**18,750**
Total U.S. Department of Commerce			**18,750**
U.S. Department of Justice			
Direct Award			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			
Operation Summer Heat	**16.589**	**n/a**	**478**
Total U.S. Department of Justice			**478**
U.S. Department of Transportation			
Federal Aviation Administration			
Pass through from Georgia Department of Transportation Airport Improvement Program	**20.106**	**AP011-9016-21-(305)**	**649,749**
Federal Transit Administration			
Pass through from Georgia Department of Transportation Formula Grants for other than Urbanized Areas			
Wayne County Transit	**20.509**	**T003546**	**14,198**
Wayne County Transit		**T003875**	**4,900**
Total			**19,098**
Total Department of Transportation			**668,847**

WAYNE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Homeland Security			
Pass through from Georgia Emergency Management Agency			
Disaster Assistance Grant	**97.36**	**1833-DR-GA/ 305-99305-00**	**$ 39,651**
Emergency Management Performance	**97.042**	**OEM09-153**	**19,035**
Total U.S. Department of Homeland Security			**58,686**
Total Federal Expenditures			**$762,818**

Note 1. The modified basis of accounting was used to prepare this schedule.

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

To the Board of Commissioners
of Wayne County, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia as of and for the year ended December 31, 2011, which collectively comprise Wayne County, Georgia's basic financial statements and have issued our report thereon dated June 29, 2012. Our report includes a reference to other auditors. 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 Comptroller General of the United States. Other auditors audited the financial statements of the Hospital Authority of Wayne County and the Wayne County Board of Health as described in our report on Wayne County's financial statements. This report does not include our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wayne County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wayne County, Georgia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as Item 1981.1. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported to management of Wayne County, Georgia in a separate letter dated June 29, 2012.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jesup, Georgia
June 29, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Wayne County, Georgia

Compliance

We have audited Wayne County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Wayne County, Georgia's major federal program for the year ended December 31, 2011. Wayne County, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Wayne County, Georgia's management. Our responsibility is to express an opinion on Wayne County, Georgia's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wayne County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wayne County, Georgia's compliance with those requirements.

In our opinion, Wayne County, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011.

Internal Control over Compliance

Management of Wayne County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wayne County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wayne County, Georgia's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jesup, Georgia
June 29, 2012

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified	
Internal control over financial reporting: Material weaknesses identified?	_____ yes	__X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	__X__ none reported
Noncompliance material to financial statements noted?	_____ yes	__X__ no

Federal Awards

Internal control over major programs: Material weaknesses identified?	_____ yes	__X__ no
Significant deficiencies identified not considered to be material weakness?	_____ yes	__X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes	__X__ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000	
Auditee qualified as low-risk auditee?	_____ yes	__X__ no

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II
FINDINGS AND RESPONSES-FINANCIAL STATEMENT AUDIT

1981.1 Segregation of duties – Administration offices and constitutional offices (Repeat Finding)

Condition:

A proper segregation of duties does not exist between the handling of cash receipts and disbursements, access to accounts receivable and accounts payable detail, access to the general ledger, and reconciliation of bank accounts.

Criteria:

Person(s) handling cash receipts or disbursements should not sign checks, perform bank reconciliations, or have access to the accounting system.

Effect:

Small number of personnel makes it impractical to segregate duties sufficiently to insure proper cash management and financial reporting.

Recommendation:

The county administrator and constitutional officers should review the general ledger monthly and compare it to detail schedules of receipts and disbursements, receipt books and bank reconciliations.

Response:

This office concurs with the recommendation of the audit. However, due to the small size of the administrative office and constitutional offices it is impractical to properly segregate the duties to implement the finding. This will remain to be a repeated finding until such time as Wayne County grows economically where it is capable to employ a staff of sufficient size to properly segregate the duties. The Wayne County administrative office is small (5 personnel including the county administrator) and as such duties and responsibilities are over-lapping. Each person has multiple duties. All personnel are cross-trained in each other's duties to assure operational continuity. The county administrator reviews and approves all expenditures prior to submission to the board of commissioners for approval. One employee will receive the checks and make the deposits while another reconciles the deposits and bank statements. The county administrator also reviews the general ledger, receipts and disbursements, receipt books and bank reconciliations monthly, runs a monthly balance sheet, and presents the board of commissioners a monthly detailed budget status report showing county-wide and departmental budget status (to include revenues). This report shows all revenues and expenditures. The county administrator has instituted the best "check-and-balance" system that can be established with the limited resources available. Each constitutional officer reviews their monthly deposits and compares it to their budget reports and bank reconciliation. We are also working on a plan to have centralized revenue collection to remove the handling and recording of cash from those who have access to accounts receivable, general ledger, and reconciliation of bank accounts.

SCHEDULE 19

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION III
FEDERAL AWARDS FINDINGS AND RESPONSES

None reported

WAYNE COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

1981.1 Segregation of duties – Administration offices and constitutional offices (Repeat Finding)

Condition:

A proper segregation of duties does not exist between the handling of cash receipts and disbursements, access to accounts receivable and accounts payable detail, access to the general ledger, and reconciliation of bank accounts.

Criteria:

Person(s) handling cash receipts or disbursements should not sign checks, perform bank reconciliations, or have access to the accounting system.

Effect:

Small number of personnel makes it impractical to segregate duties sufficiently to insure proper cash management and financial reporting.

Recommendation:

The county administrator and constitutional officers should review the general ledger monthly and compare it to detail schedules of receipts and disbursements, receipt books and bank reconciliations.

Response:

This office concurs with the recommendation of the audit. However, due to the small size of the administrative office and constitutional offices it is impractical to properly segregate the duties to implement the finding. This will remain to be a repeated finding until such time as Wayne County grows economically where it is capable to employ a staff of sufficient size to properly segregate the duties. The Wayne County administrative office is small (5 personnel including the county administrator) and as such duties and responsibilities are over-lapping. Each person has multiple duties. All personnel are cross-trained in each other's duties to assure operational continuity. The county administrator reviews and approves all expenditures prior to submission to the board of commissioners for approval. One employee will receive the checks and make the deposits while another reconciles the deposits and bank statements. The county administrator also reviews the general ledger, receipts and disbursements, receipt books and bank reconciliations monthly, runs a monthly balance sheet, and presents the board of commissioners a monthly detailed budget status report showing county-wide and departmental budget status (to include revenues). This report shows all revenues and expenditures. The county administrator has instituted the best "check-and-balance" system that can be established with the limited resources available. Each constitutional officer reviews their monthly deposits and compares it to their budget reports and bank reconciliation. We are also working on a plan to have centralized revenue collection to remove the handling and recording of cash from those who have access to accounts receivable, general ledger, and reconciliation of bank accounts.

JUNE 1, 2012

WAYNE COUNTY

FYE December 31, 2011

Summary of Corrective Action Plan Review

WAYNE COUNTY AUDIT – CORRECTIVE ACTION PLAN

a. Capital Assets

The County concurs with this finding and has taken it into consideration.

b. SPLOST Capital Projects Fund

The County has moved an employee into a position to maintain and review all invoices and contracts.

c. Grants and Grant Funds

The County concurs with this finding. Resources are limited and we are unable to fund more employees at this time.

d. Inadequate segregation of duties

The County concurs with this finding. Some offices have only one or two employees; therefore, it is impossible to have complete segregation of duties. Because of financial constraints in the budget, our resources are limited, and we are unable to fund more employees. In addition, these offices do not have a work load that would warrant more employees. In the offices where there are adequate employees, we have segregation of duties. The county manager and chief financial officer instituted a policy January 1, 2008, whereby they spend two hours per week observing operations in the offices of the magistrate court, probate court, sheriff's department, and tax commissioner, where segregation of duties is a problem. We will continue this policy in 2012 and are working on a plan to have centralized revenue collection to remove the handling and recording of cash from those who have access to accounts receivable, general ledger, and reconciliation of bank accounts.

e. Expenditures exceeded appropriations at the legal level of control

The County concurs with this finding. The county commissioners and the county administrator will monitor the financial statements closely; and, the county commissioners will amend the budget to cover any over-expenditures. This will be accomplished by December 31, 2012.

f. Clerk of Superior and State Courts

The County concurs with this finding. The clerk's office is currently short an employee. When additional funding is approved, this department should have the resources available to review outstanding judgments and outstanding checks on the various bank accounts.

g. Accounts Payable

The County concurs with this finding. During 2011, the County purchased new accounting software. Our employees have now been trained with the new software and will be able to reconcile accounts payable.

Sincerely,

Mike Deal
County Administrator

WAYNE COUNTY, GEORGIA

MANAGEMENT LETTER

YEAR ENDED DECEMBER 31, 2011

WAYNE COUNTY, GEORGIA

MANAGEMENT LETTER

YEAR ENDED DECEMBER 31, 2011

CAPITAL ASSETS

The various departments are not completing the information needed to add the assets purchased to the detail records. Also, each department should at least annually review a list of their capital assets.

SPLOST CAPITAL PROJECTS FUND

1. **A separate general ledger account should be maintained for each project and contracts should be filed by project.**
2. **All invoices should be regularly reviewed for compliance with contracts. If contracts are modified, change orders should be approved by the Commissioners.**

GRANTS AND GRANT FUNDS

Grants are currently being administered by various department heads and outside administrators. A County employee should be appointed to oversee the grant administration in order to ascertain that the administrators are filing drawdown and reimbursement requests timely, spending the funds timely, and being certain that funds are actually received after being requested. The grant overseer should keep a schedule of all grants in progress, dates reports are filed, and dates of reimbursement.

GENERAL FUND

FINANCIAL ADMINISTRATION

1. **It was noted that a proper segregation of duties does not exist between the handling of cash, initial recording of cash, access to accounts receivable, access to the general ledger, and reconciliation of bank accounts. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.**

2. **The appropriated budget is prepared by fund, function, and department. The County manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.**
3. **A detail of accounts payable should be printed and retained at the end of each month. The detail listing of accounts payable should agree with the general ledger accounts payable control account.**

CLERK OF SUPERIOR AND STATE COURTS

1. **All judgments outstanding over two years should be reviewed to determine the proper action to be taken in order to disburse these monies.**
2. **Even though improvements have been made in the segregation of duties, too many employees have access to cash receipts and access to the general ledger. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.**
3. **It was noted that some outstanding checks had been rewritten. A person, independent of the check writing function, should review the bank reconciliation and analyze outstanding checks over ninety (90) days old.**

MAGISTRATE COURT

It was noted that a proper segregation of duties does not exist between the handling the cash, initial recording of cash, access to accounts receivable, access to the general ledger, and reconciliation of bank accounts. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.

PROBATE COURT

It was noted that a proper segregation of duties does not exist between the handling of cash, initial recording of cash, access to accounts receivable, access to the general ledger, and reconciliation of bank accounts. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.

SHERIFF

It was noted that a proper segregation of duties does not exist between the handling of cash, initial recording of cash, access to accounts receivable, access to the general ledger, and reconciliation of bank accounts. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.

TAX COMMISSIONER

It was noted that a proper segregation of duties does not exist between the handling of cash, initial recording of cash, access to accounts receivable, access to the general ledger, and reconciliation of bank accounts. We realize that with a limited number of accounting personnel, the most ideal system of internal control may not be practical.

We appreciate the cooperation and courtesies extended by the County employees to our staff during this engagement. We will be available to meet with any County officials to discuss the above enumerated points.

Jesup, Georgia
June 29, 2012

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Commissioners
of Wayne County, Georgia
Jesup, Georgia

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Wayne County, Georgia's compliance during the year ended December 31, 2011 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Wayne County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Wayne County, Georgia's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Wayne County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Wayne County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Wayne County, Georgia complied with the aforementioned requirement during the year ended December 31, 2011 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.

Jesup, Georgia
June 29, 2012

To the Board of Commissioners and County Administrator
of Wayne County, Georgia

In planning and performing our audit of the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wayne County, Georgia as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Wayne County, Georgia's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in Wayne County, Georgia's internal control to be a significant deficiency:

> **A proper segregation of duties does not exist between the handling of cash receipts and disbursements, access to accounts receivable and accounts payable detail, access to the general ledger, and reconciliation of bank accounts.**

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Jesup, Georgia
June 29, 2012

To the Board of Commissioners
Wayne County, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 16, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wayne County, Georgia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the December 31, 2011 year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There was no sensitive estimate affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations for management that are included in the management representation letter dated June 29, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Commissioners and management of Wayne County, Georgia and is not intended to be and should not be used by anyone other than these specified parties.

Jesup, Georgia
June 29, 2012