WAYNE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

WAYNE COUNTY, GEORGIA
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HARRIS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Wayne County, Georgia

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Hospital Authority of Wayne County, which represents 90.82 percent, 84.4 percent and 96.74 percent, respectively, of the assets, net position, and revenues of the County's aggregate discretely presented component units or the Wayne County Board of Health, which represents 1.38 percent, 2.52 percent and 1.62 percent, respectively, of the assets, net position, 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 from material misstatement.

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

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

CALE M. HARRIS & CHRIS HARRIS
P.O. BOX 448 - 274 SW BROAD STREET - JESUP, GA 31598 - PHONE: 912.427.3791 - FAX: 912.427.8760

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–12 and 59–75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne County, Georgia's basic financial statements. The combining and individual non-major fund financial statements, schedule of expenditures of special purpose local option sales tax proceeds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2014, 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, and 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* in considering Wayne County, Georgia's internal control over financial reporting and compliance.

Harris & Company, PC

Jesup, Georgia
October 7, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wayne County management is proud to present this narrative discussion and analysis of Wayne County's financial performance, making available an overview of the activities for the fiscal year ended December 31, 2013. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Wayne County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Wayne County's assets exceeded its liabilities at December 31, 2013 by $43,803,241 (*net position*). Of this amount, ($12,090,032) is reported as unrestricted net position. This is decrease of $1,166,016 (10.67%) over the previous fiscal year. Total net assets decreased by $247,592 over the previous fiscal year.

- As of December 31, 2013, Wayne County's governmental funds reported combined ending fund balances of $15,696,455. Approximately 28% of this total amount or $4,331,982 is reported as unassigned. Approximately 70%, or $11,007,051, is restricted for capital outlay and debt service related to capital projects. Information about Wayne County's policy on fund balance can be found in Note I D8 in the *Notes to the Financial Statements* beginning on page 34.

More detailed information regarding these activities and funds begins on page 14.

Overview of the Financial Statements

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

Government-wide Financial Statements (Reporting the County as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of Wayne County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

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

The purpose of the ***Statement of Net Position*** (pages 15-16) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net assets, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (pages 17-18) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

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

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: real property, sales, insurance premium and intangible finance most of these services.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Wayne County Hospital Authority, the Wayne County Industrial Development Authority, and the Wayne County Health Department, although legally separate, function for all practical purposes as departments of Wayne County and have been included as an integral part of the primary government.

The County's government-wide financial statements are presented on pages 14-18.

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

The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 77. The County's funds are divided into two broad categories: governmental and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

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

Wayne County maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2006 SPLOST Fund, 2012 SPLOST and Debt Service Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 77-78 of this report.

Wayne County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

The County's basic governmental fund financial statements are presented on pages 19-25 of this report.

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 and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on page 26.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-58 of this report.

Other Supplementary Information

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

This report includes two schedules (pages 22 and 25) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- **Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but as deferred revenue on the fund statements.**

- **Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.**
- **Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.**
- **Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.**

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-16):

Wayne County
Net Position (Financial Position)
Fiscal Years 2013 and 2012

	Governmental Activities		Component Units		Total	
	2013	2012	2013	2012	2013	2012
Current assets	$ 19,400,397	$ 21,263,924	$ 18,172,029	$ 16,187,147	$ 37,572,426	$ 37,451,071
Capital assets	44,886,222	43,942,241	42,167,121	47,172,411	87,053,343	91,114,652
Other noncurrent assets	0	0	0	0	0	0
Total assets	64,286,619	65,206,165	60,339,150	63,359,558	124,625,769	128,565,723
Current liabilities	3,303,942	4,488,731	6,761,469	6,596,866	10,065,411	11,085,597
Noncurrent liabilities	17,179,436	16,666,601	22,079,042	23,813,865	39,258,478	40,480,466
Total liabilities	20,483,378	21,155,332	28,840,511	30,410,731	49,323,889	51,566,063
Net position:						
Invested in capital assets	44,886,222	43,942,241	20,840,121	22,994,411	65,726,343	66,936,652
Restricted	11,007,051	11,032,608	2,910,158	3,079,989	13,917,209	14,112,597
Unrestricted	(12,090,032)	(10,924,016)	7,748,360	6,874,427	(4,341,672)	(4,049,589)
Total net position	$ 43,803,241	$ 44,050,833	$ 31,498,639	$ 32,948,827	$ 75,301,880	$ 76,999,660

Net position may serve over time as a useful indicator of a government's financial position. Assets for Wayne County governmental activities exceeded liabilities by $43,803,241 at the close of fiscal year 2013. Approximately 102% of Wayne County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is up 3% from 99% at December 31, 2012. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprise 25%. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used.

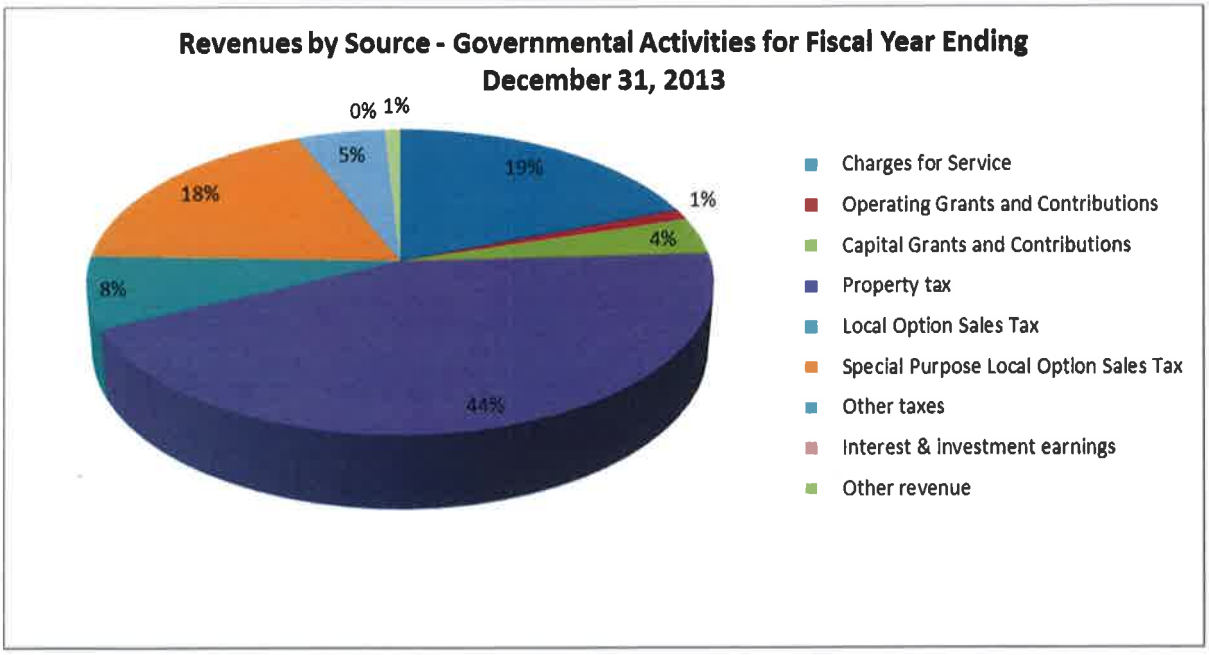
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Wayne County's net assets changed during the fiscal year.

Wayne County
Changes in Net Position
Fiscal Years 2013 and 2012

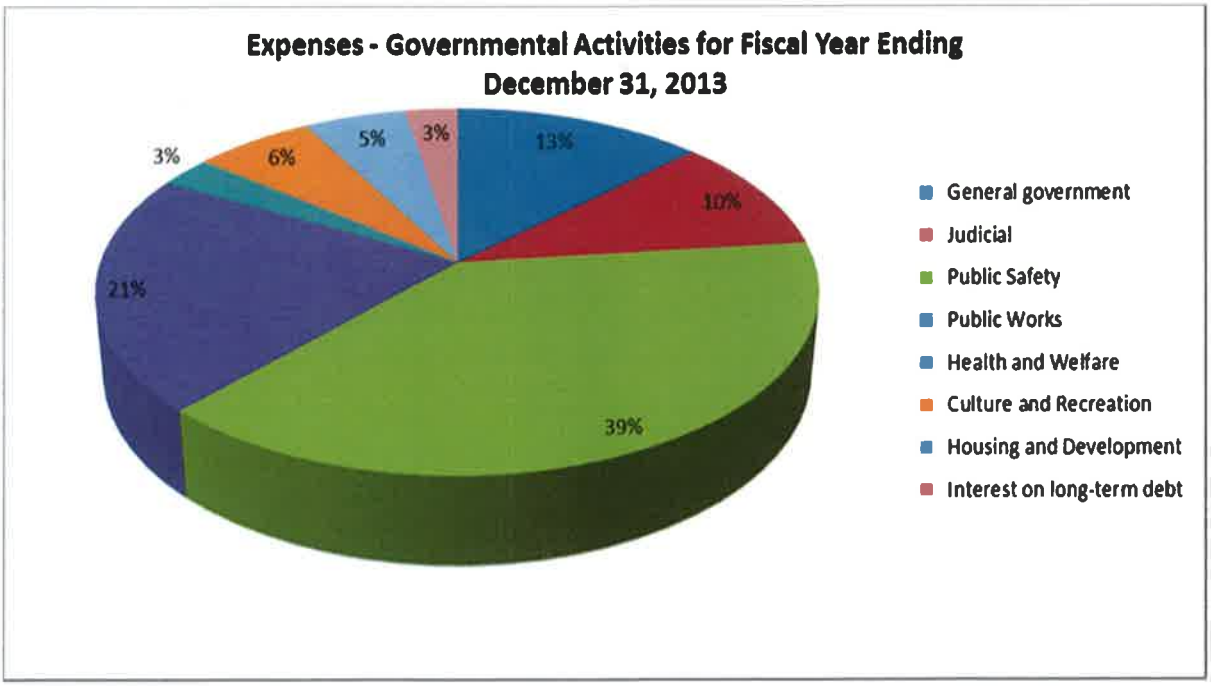
	Governmental Activities	
	2013	**2012**
Revenues		
Program Revenues		
Charges for Service	4,658,741	4,114,601
Operating Grants and Contributions	268,659	192,761
Capital Grants and Contributions	924,008	2,518,132
General revenues:		
Property tax	10,569,139	9,506,323
Local Option Sales Tax	1,833,796	2,087,833
Special Purpose Local Option Sales T.	4,402,870	3,673,516
Other taxes	1,268,940	1,283,481
Interest & investment earnings	1,217	1,148
Other revenue	223,687	390,579
Total revenues	24,151,057	23,768,374
Expenses		
General government	3,157,399	2,270,215
Judicial	2,466,438	2,454,777
Public Safety	9,366,803	7,642,486
Public Works	5,062,642	5,568,354
Health and Welfare	656,651	817,059
Culture and Recreation	1,500,717	1,430,661
Housing and Development	1,299,114	1,187,326
Interest on long-term debt	888,885	749,871
Total expenses	24,398,649	22,120,749
Increase (decrease) in net position before transfers	(247,592)	1,647,625
Transfers	-	-
Increase (decrease) in net position	(247,592)	1,647,625
Net position - beginning (original)	44,050,833	42,403,208
Net position - ending	$ 43,803,241	$ 44,050,833

Governmental Activities

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



Financial Analysis of the County's Funds

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

Governmental Funds

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

As the County completed this fiscal year, its governmental funds reported a combined ending fund balance of $15,696,455. Of this amount, $4,689,404 (29%) constitutes unassigned fund balance, which is theoretically is available for appropriation for the general purposes of the funds in accordance with the Wayne County Policy on Fund Balance.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,331,982, while total fund balance reached $4,689,404. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 92% of total fund balance in the General Fund. Unassigned fund balance also represents 23% of total General Fund expenditures, while total fund balance represents approximately 25% of that same amount. The County ended the fiscal year realizing a minimal decrease in the overall fund balance in the General Fund by $176,856, or approximately 4%. The County decreased unassigned fund balance in the General Fund by $276,142, or 6%. The Wayne County Policy on fund balance calls for a minimum of 17% unassigned fund balance to be retained. Wayne County has maintained a percentage well in excess of 17% for the last eleven fiscal years.

General Fund Budget Highlights

The original budget for the General Fund was not amended though departmental budget amendments did occur several times reflecting unanticipated expenditures. Overall the General Fund expenditures totaled approximately $2,480,581 over the final amended budget projections or 15%. Revenues exceeded expenditures in the General Fund by $56,556 or .3% for the fiscal year. Overall the General Fund revenue exceeded the final amended budget projections by $2,260,906 or 14%. The causes for the General Fund expenditures exceeding the final amended budget projections were increased insurance expenses and a tax refund as a result of a legal settlement that is included as a payable but not paid until 2014.

It is anticipated that the General Fund budget for fiscal year 2014 may be increased more than the increase for fiscal year 2013. No additional portion of the fund balance in the General Fund is budgeted for use in fiscal year 2014 aside from the original appropriation. Current General Fund revenues are meeting estimates for fiscal year 2014 and the General Fund balance is expected to continue to grow at a rate consistent with inflationary increases in expenditures.

Capital Assets and Debt Administration

Capital Assets

Wayne County has invested $44,886,222 in capital assets (net of accumulated depreciation) compared to $43,942,241 in the previous fiscal year. This represents an increase of 2%. 100% of this investment is related to governmental activities and includes infrastructure, land, buildings, and machinery and equipment. Capital assets held by the County at fiscal year-end are summarized as follows:

Wayne County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2013 and 2012

	Governmental Activities	
	2013	**2012**
Land	$ 2,843,413	$ 2,863,499
Construction in progress	1,708,000	1,653,700
Buildings	15,679,170	15,623,006
Improvements	5,012,336	4,465,749
Equipment, vehicles and furniture	6,141,726	6,312,383
Infrastructure	35,105,016	33,436,148
Total	66,489,661	64,354,485
Accumulated Depreciation	(21,603,439)	(20,412,244)
Net Capital Assets	$ 44,886,222	$ 43,942,241

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

- **Purchase of vehicles and heavy equipment for various departments**
- **Completion of upgrades to the County Public Safety and Government Buildings**
- **Continuing emergency communications upgrades to the County E-911 radio/phone communication system**
- **Continuing road construction, road improvements, culvert repairs and bridge repairs**
- **Improvements to the Airport including the completion of the renovation plan and construction of a new terminal**
- **Ongoing construction, planning and design of recreational facilities**
- **Construction of a Community Center in Mannington**

Additional information on Wayne County's capital assets can be found in Note III. C. on pages 44-45 of this report.

Debt/Capital Leases

On December 31, 2013, Wayne County had a total long-term debt balance outstanding for governmental activities in the amount of $17,179,436, as compared to $16,666,601 the previous fiscal year. Wayne County's outstanding debt for governmental activities has increased by $512,835 during the course of the fiscal year. In July of 2007, the County issued $15.15 million general obligation bonds for the construction of a new Hospital. Debt service on this five year bond is being repaid from SPLOST 2012 proceeds.

Additional information on the County's long-term debt can be found in Note III. F. on pages 47-49 of this report.

Economic Condition and Outlook

Wayne County continues to maintain healthy fund balances but suffers from a poor cash position due to inordinately high levels of receivables in the form of uncollected taxes. Wayne County continually relies on Tax Anticipation Notes to fund basic government services. Moving forward the County will continue to face challenges as a result of slow economic growth. Housing starts and retail sales related to residential and commercial construction continue to be a major concern of the County Commission. These and many key factors were considered in preparation of the budget for fiscal year 2015 that position Wayne County to meet those challenges:

- Continued increased reliance on residential taxes as an overall part of the tax base
- Flattening recovery in countywide retail sales
- Increased reliance on Special Purpose Local Option Sales Tax for facility and infrastructure improvements
- State Legislatures imposing limits to home rule through property tax and property assessment reform
- Volatility in the cost of fuel & energy
- Wayne County's unemployment rate remaining near record levels as is the case in most of Georgia
- Continued housing market volatility
- Need for additional personnel, and funds for personnel development and training
- Rising cost of healthcare and other insurance benefits

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Wayne County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Administration
Wayne County
ATTN: County Administrator
PO Box 270
Jesup, GA 31598
Email: jtinsley@co.wayne.ga.us

Website
http://www.co.wayne.ga.us

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		Component Units	
			Major	Non-major
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
ASSETS				
Cash	$13,004,472	$13,004,472		$ 1,665,978
Receivables (net of allowance for uncollectibles)	5,292,615	5,292,615	$ 6,485,000	319,320
Inventory			1,272,000	
Prepaids	87,622	87,622	692,000	
Restricted cash	269,800	269,800	7,713,000	
Intergovernmental	745,888	745,888		24,731
Capital assets not being depreciated:				
Land	2,843,413	2,843,413	445,000	2,409,104
Construction in progress	1,708,000	1,708,000		
Capital assets net of accumulated depreciation:				
Buildings	12,057,596	12,057,596	33,693,000	1,100,499
Improvements other than buildings	2,944,943	2,944,943		
Equipment, vehicles and furniture	1,703,723	1,703,723	3,374,000	17,518
Infrastructure	23,628,547	23,628,547		
Other assets			1,128,000	
Total assets	64,286,619	64,286,619	54,802,000	5,537,150
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	3,133,405	3,133,405	6,650,000	111,469
Accrued interest payments	170,537	170,537		
Non-current liabilities:				
Due within one year	816,152	816,152	2,143,000	25,000
Due in more than one year	16,363,284	16,363,284	19,423,000	488,042
Total liabilities	20,483,378	20,483,378	28,216,000	624,511

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

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		Component Units	
			Major	Non-major
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
NET POSITION				
Net investment in capital assets	$44,886,222	$44,886,222	$17,313,000	$3,527,121
Restricted for:				
Prior year program income				238,158
Debt service	2,170,338	2,170,338	2,672,000	
Capital projects	8,836,713	8,836,713		
Unrestricted	(12,090,032)	(12,090,032)	6,601,000	1,147,360
Total net position	$43,803,241	$43,803,241	$26,586,000	$4,912,639

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, 2013

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 Position: Primary Government: Governmental Activities	Component Units: Major: Hospital Authority of Wayne County	Component Units: Non-major: Other Component Units Combined
Primary Government:							
Governmental activities:							
General government	$ 3,157,399	$ 625,962	$ 17,255		$ (2,514,182)		
Judicial	2,466,438				(2,466,438)		
Public safety	9,366,803	2,633,658	19,535	$ 206,231	(6,507,379)		
Public works	5,062,642	821,260		615,272	(3,626,110)		
Health and welfare	656,651	284,259	69,556		(302,836)		
Culture and recreation	1,500,717	165,658		31,431	(1,303,628)		
Housing and development	1,299,114	127,944	162,313	71,074	(937,783)		
Interest on long-term debt	888,885				(888,885)		
Total primary government	$24,398,649	$4,658,741	$268,659	$924,008	(18,547,241)		
Component units:							
Hospital Authority of Wayne County	$49,663,000	$47,408,000	$ 20,000			$(2,235,000)	
Other Component Units combined	996,200	238,158	857,282	500,000			$ 599,240
Total component units	$50,659,200	$47,646,158	$ 877,282	$ 500,000		(2,235,000)	599,240

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

WAYNE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government	Component Units	
		Major	Non-major
	Governmental Activities	Hospital Authority of Wayne County	Other Component Units Combined
Total primary government net (expense) revenue	$(18,547,241)	$(2,235,000)	$ 599,240
General revenues:			
Property taxes	10,569,139		
Sales taxes for general purposes	1,833,796		
Special purpose local option sales taxes	4,402,870		
Other taxes	1,268,940		
Unrestricted investment earnings	1,217		323
Miscellaneous revenues	223,687		180,507
Total general revenues	18,299,649		180,830
Change in net position	(247,592)	(2,235,000)	780,070
Net position, beginning, restated	44,050,833	28,821,000	4,132,569
Net position, ending	$43,803,241	$26,586,000	$4,912,639

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, 2013

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	$2,078,966	$7,617,320	$1,247,444	$ 1,884,411	$ 176,331	$13,004,472
Receivables (net of allowances for uncollectibles)	4,835,081			456,464	1,070	5,292,615
Intergovernmental	253,022		352,435	140,431		745,888
Due from other funds	390	63,501			293,571	357,462
Prepaid expenditures	87,622					87,622
Restricted cash	269,800					269,800
TOTAL ASSETS	$7,524,881	$7,680,821	$1,599,879	$2,340,875	$ 611,403	$19,757,859
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$2,109,892	$ 167,169	$ 452,367		$ 78,392	$ 2,807,820
Other accruals and deferrals	325,585			$ 170,537		496,122
Due to other funds		96	293,865		63,501	357,462
Total liabilities	2,435,477	167,265	746,232	170,537	141,893	3,661,404
Deferred Inflows of Resources:						
Deferred revenue	400,000					400,000
Total Deferred inflows of Resources	400,000					400,000

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

EXHIBIT C

WAYNE COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2013

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Fund Balances:						
Nonspendable -						
Prepaid expenditures	87,622					87,622
Restricted for:						
Infrastructure		5,932,686	853,647		469,510	7,255,843
Intergovernmental road and sewer		1,580,870				1,580,870
Debt service				2,170,338		2,170,338
Unrestricted:						
Committed to:						
Drug interdiction	53,351					53,351
Drug education	44,772					44,772
Juvenile services	67,201					67,201
DFACS expenditures	104,476					104,476
Unassigned	4,331,982					4,331,982
Total fund balances	4,689,404	7,513,556	853,647	2,170,338	469,510	15,696,455
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$7,524,881	$7,680,821	$1,599,879	$2,340,875	$ 611,403	$19,757,859

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 POSTION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total Governmental Fund Balances		$ 15,696,455
Amounts reported for government activities in the statement of net postion 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 $21,603,349		44,886,222
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds		400,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postclosure care costs	$ 1,089,126	
General obligation bonds	11,975,000	
Note payable	270,000	
Other postemployment benefits	3,845,310	
Combined adjustment		(17,179,436)
Net position of Governmental Activities		$ 43,803,241

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, 2013

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes	$10,926,318			$ 12,821		$ 10,939,139
Other taxes	3,085,393		$3,791,482		$ 628,731	7,505,606
Licenses and permits	100,602					100,602
Intergovernmental revenues	585,981				605,571	1,191,552
Charges for services	3,340,868				504,147	3,845,015
Fines and fees	713,124					713,124
Investment income	1,217	$ 8,486	1,215	10,701		21,619
Other revenue	186,916			28,970		215,886
Total revenues	18,940,419	8,486	3,792,697	52,492	1,738,449	24,532,543
EXPENDITURES:						
Current:						
General government	3,110,882					3,110,882
Judiciary	2,267,320					2,267,320
Public safety	6,608,018				736,104	7,344,122
Public works	3,875,016					3,875,016
Health and welfare	563,663					563,663
Culture and recreation	1,370,423					1,370,423
Housing and development	1,088,541				17,343	1,105,884
Debt service:						
Principal				615,000		615,000
Interest				563,497		563,497
Capital outlay:						
Public works		1,108,849	121,700		747,449	1,977,998
Public safety			551,432			551,432
Culture and recreation			232,209			232,209
Intergovernmental -						
Public works		269,743	723,035			992,778
Total expenditures	18,883,863	1,378,592	1,628,376	1,178,497	1,500,896	24,570,224

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, 2013

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 56,556	$(1,370,106)	$ 2,164,321	$(1,126,005)	$ 237,553	$ (37,681)
OTHER FINANCING SOURCES (USES):						
Transfers in				1,904,997	231,957	2,136,954
Transfers (out)	(241,213)		(1,895,741)			(2,136,954)
Sale of assets	7,801					7,801
Total other financing sources (uses)	(233,412)		(1,895,741)	1,904,997	277,063	7,801
NET CHANGE IN FUND BALANCES	$ (176,856)	$(1,370,106)	268,580	$ 778,992	$ 469,510	(29,880)
FUND BALANCES, BEGINNING	4,866,260	8,883,662	585,067	1,391,346		15,726,335
FUND BALANCES, ENDING	$4,689,404	$7,513,556	$ 853,647	$2,170,338	$ 469,510	$15,696,455

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, 2013

Net change in fund balances – Total governmental funds		$ (29,880)
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	$ 2,954,088	
Depreciation expense	(1,990,021)	
		964,067
The proceeds from the sale of assets are reported as revenue in the governmental funds. However, the cost of asset and the related accumulated depreciation is removed from the capital assets account in the statement of net position and offset against the sale of proceeds resulting in no gain on sale of asset. Thus, more revenue is reported in the governmental funds than gain in the statement of activities.		(20,086)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		745,440
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Deferred revenues decreased by this amount this year		(389,287)
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	(259,571)	
Other postemployment benefits	(1,258,275)	
Combined adjustment		(1,517,846)
Change in net position of Governmental Activities		$ (247,592)

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, 2013

	AGENCY FUNDS
ASSETS	
Cash	$ 857,046
Receivables	3,876,218
Total assets	$4,733,264
LIABILITIES	
Due to others	$4,733,264
Total liabilities	$4,733,264

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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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 position and the statement of activities) 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 funds (2006 SPLOST and 2012 SPLOST) are 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 position and changes in net position 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 position.

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 position 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, 2013
Millage rate adopted by resolution	September 4, 2013
County tax digest approved by the State of Georgia	September 9, 2013
Real and personal property tax bills rendered	September 19, 2013
Real property tax payment due	November 20, 2013
Tax sales 2006-2012 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 balance

GASB 54 is a new standard that establishes a hierarchy based on the extent to which a government must observe constraints imposed upon the use of the resources that are reported by the governmental funds. Based on the requirements of GASB 54, the fund balance will now be composed of three primary categories 1)Nonspendable, 2)Restricted and 3)Unrestricted. The Unrestricted Fund Balance is comprised of three components 1)Committed, 2)Assigned and 3)Unassigned.

For committed fund balance, the County's highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish, modify or rescind a fund balance commitment is a majority vote of the Board of Commissioners. The County does not have any assigned fund balances.

8. Fund balance (Continued)

For classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

a. Net investment in capital assets 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 position consists of net position 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 position consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted amounts of fund balance or net position are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order.

- Committed
- Assigned
- Unassigned

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, 2013, expenditures exceeded appropriations in the general, Emergency Telephone System 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:

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GOVERNMENTAL FUNDS:			
GENERAL FUND			
GENERAL GOVERNMENT:			
Registrar -			
Interdepartmental charges	4,500	15,044	10,544
Financial administration:			
Personal services and employee benefits	287,261	291,192	3,931
Interdepartmental charges	112,800	133,404	20,604
Other costs	50,200	851,798	801,598
Tax commissioner:			
Personal services and employee benefits	261,914	277,287	15,373
Purchased/contract services	60,824	90,720	29,896
Interdepartmental charges	36,500	86,308	49,808
Tax assessor:			
Personal services and employee benefits	277,182	279,749	2,567
Purchased/contract services	142,191	338,093	195,902
Interdepartmental charges	68,000	76,256	8,256
Government buildings & plant:			
Personal services and employee benefits	105,258	109,039	3,781
Interdepartmental charges	5,993	41,074	35,081
JUDICIARY:			
Judiciary administration:			
Personal services and employee benefits	262,943	266,350	3,407
Interdepartmental charges	2,500	30,089	27,589
State and superior courts:			
Personal services and employee benefits	451,165	471,016	19,851
Interdepartmental charges	102,500	135,364	32,864

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
JUDICIARY: (Continued)			
Magistrate court:			
Personal services and employee benefits	$ 155,762	$ 171,821	$ 16,059
Interdepartmental charges	24,500	60,511	36,011
Probate court:			
Personal services and employee benefits	162,884	171,181	8,297
Interdepartmental charges	47,000	75,349	28,349
Public defender:			
Purchased/contract services	1,475	2,088	613
Other costs	170,000	171,195	1,195
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	1,611,144	1,750,060	138,916
Interdepartmental charges	93,104	306,412	213,308
Law enforcement building:			
Supplies		63	63
Capital outlays		224	224
Jail:			
Personal services and employee benefits	874,718	1,091,662	216,944
Purchased/contract services	353,865	428,104	74,239
Supplies	504,929	547,293	42,364
Interdepartmental charges	80,000	189,309	109,309
Other costs	4,000	38,890	34,890

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
PUBLIC SAFETY: (Continued)			
Emergency medical services:			
Personal services and employee benefits	751,625	785,596	33,971
Purchased/contract services	123,609	150,410	26,801
Supplies	121,111	135,339	14,228
Interdepartmental charges	74,969	154,397	79,428
Coroner:			
Personal services and employee benefits	13,590	21,121	7,531
Interdepartmental charges	4,000	15,044	11,044
Emergency management agency:			
Personal services and employee benefits	65,304	66,325	1,021
Capital outlays	10,000	204,876	194,876
PUBLIC WORKS:			
Highways and streets:			
Personal services and employee benefits	1,285,603	1,362,551	76,948
Supplies	400,751	461,717	60,966
Interdepartmental charges	380,275	398,520	18,245
Solid waste & recycling –			
Purchased/contract services	718,300	763,602	45,302
County shop -			
Interdepartmental charges	50,000	70,897	20,897
HEALTH AND WELFARE:			
Public health administration –			
Other costs	$ 103,218	$ 103,262	$ 44
Community services:			
Personal services and employee benefits	201,892	204,380	2,488
Purchased/contract services	41,885	51,190	9,305
Capital outlays	3,868	43,581	39,713
Interdepartmental charges	2,000	15,044	13,044

B. Excess of expenditures over appropriations (Continued)

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
CULTURE AND RECREATION:			
Recreation:			
Personal services and employee benefits	282,443	339,782	57,339
Supplies	332,688	352,418	19,730
Capital outlays	34,867	34,886	19
Interdepartmental charges	80,000	82,744	2,744
Parks:			
Capital outlays	24,378	32,463	8,085
Interdepartmental charges	28,400	33,461	5,061
Library –			
Other costs	157,413	162,136	4,723
HOUSING AND DEVELOPMENT:			
Conservation-			
Other costs	109,471	122,154	12,683
Building Inspection:			
Personal services and employees benefits	60,746	61,631	885
Interdepartmental charges	9,451	15,044	5,593
Economic development:			
Personal services and employee benefits	113,734	142,201	28,467
Purchased/contract services	24,370	25,051	681
Interdepartmental charges	5,000	26,328	21,328
HOTEL/MOTEL-			
Housing and development-			
Other costs	13,000	17,343	4,343
EMERGENCY TELEPHONE SYSTEM:			
Personal services and employee benefits	454,471	458,883	4,412
Interdepartmental charges	103,825	124,988	21,163

C. Deficit fund equity

The County did not have any funds with a deficit fund balance as of December 31, 2013.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

As of December 31, 2013, the County had the following investments:

Investment	Rating	Average Maturity (Days)	Fair Value
Georgia Fund 1	AAAm	46 WAM	$ 9,646,246
Total investments			9,646,246
Cash-checking and certificates of deposit			4,485,072
Total cash and investments			$14,131,318

Reconciliation of financial statements to notes:	
Primary Government:	
Cash and investments:	
Governmental activities	$13,004,472
Restricted cash	269,800
Agency funds	857,046
Total cash and investments	$14,131,318

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, 2013, 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 non-major 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	$4,010,373	$862,791	$121,917	$4,995,081	$(160,000)	$4,835,081	$ 253,022
Hotel/Motel		1,070		1,070		1,070	
Capital Projects:							
2012 SPLOST							352,435
TSPLOST							140,431
Debt service	174,790	326,674		501,464	(45,000)	456,464	
Total	4,185,163	1,190,535	121,917	5,497,615	$(205,000)	$5,292,615	$ 745,888
Less allowance for uncollectibles	(205,000)			(205,000)			
Net receivables	$3,980,163	$1,190,535	$121,917	$5,292,615			

C. Capital Assets

Capital assets activity for the year ended December 31, 2013 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,863,499		$ 20,086	$ 2,843,413
Construction in progress	1,653,700	$ 466,576	412,276	1,708,000
Total capital assets, not being depreciated	4,517,199	466,576	432,362	4,551,413
Capital assets, being depreciated:				
Improvements	4,465,749	546,587		5,012,336
Buildings	15,623,006	56,164		15,679,170
Equipment, vehicles and furniture	6,312,383	628,169	798,826	6,141,726
Infrastructure	33,436,148	1,668,868		35,105,016
Total assets, being depreciated	59,837,286	2,899,788	798,826	61,938,248
Less accumulated depreciation for:				
Improvements	1,867,822	199,571		2,067,393
Buildings	3,263,390	358,184		3,621,574
Equipment, vehicles and furniture	4,823,842	412,987	798,826	4,438,003
Infrastructure	10,457,190	1,019,279		11,476,469
Total accumulated depreciation	(20,412,244)	1,990,021	798,826	(21,603,439)
Total capital assets, being depreciated, net	39,425,042	909,767		40,334,809
Net Governmental Activities Capital Assets	$ 43,942,241	$1,376,343	$ 432,362	$ 44,886,222

C. Capital assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	$ 17,891
Judiciary	29,251
Public safety	444,995
Public works	1,120,586
Health and welfare	96,447
Culture/recreation	114,539
Housing and development	166,312
Total depreciation expense	$1,990,021

Construction commitments

The County has active construction projects as of December 31, 2013. At year-end the government's major commitments are as follows:

	Contract Balance December 31, 2013
CDBG FUND:	
Riverside	$350,795
2006 SPLOST:	
Wheaton Road Bridge	$109,780
TSPLOST:	
Walter Griffis Road Bridge	$342,500

D. Interfund receivables, payables, and transfers

Interfund balances at December 31, 2013, consisted of the following:

Due From: / Due To:	General Fund	2012 SPLOST	2006 SPLOST	Nonmajor Governmental	All Others	Total
General Fund		294	96			390
2012 SPLOST						
2006 SPLOST				63,501		63,501
Nonmajor Governmental		293,571				293,571
All Others						
Total		293,865	96	63,501		357,462

The interfund balances are because, in the case of the balances between the General Fund and 2006 SPLOST and 2012 SPLOST funds, amounts were inadvertently paid out of the General Fund instead of SPLOST funds due to coding errors.

The interfund balances are because, in the case of the balance between 2012 SPLOST and Nonmajor Governmental, grant funds were deposited into the 2012 SPLOST fund; however, the grant expenses were paid out of a Nonmajor Governmental fund and the full transfer of grant funds to the Nonmajor Governmental fund did not happen during the current year.

D. Interfund receivables, payables, and transfers (Continued)

The interfund balances are because, in the case of the balance between 2006 SPLOST and Nonmajor Governmental, 2006 SPLOST funds were used inadvertently when TSPLOST funds, a Nonmajor Governmental fund, should have been used.

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

	Transfers In	Transfers Out
Major Fund:		
General to emergency telephone system		$ 231,957
2012 SPLOST to debt service		1,895,741
Debt service from capital projects	$1,895,741	
General to debt service	9,256	
Debt service from General		9,256
Non-major Fund:		
Special revenue – Emergency telephone system from general	231,957	
Total	$2,136,954	$2,136,954

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 $30,151 for 2013.

Future minimum lease payments are as follows:

Year	Amount
2014	30,018
2015	20,726
2016	13,570
2017	5,100
2018 and beyond	3,639
Total	$73,053

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, 2013.

F. Long-term debt

Governmental Activities:

General Fund – Public Works

The County has accrued $1,754,775 in estimated postclosure care costs to provide for the postclosure costs of a landfill. The amount outstanding is $1,089,126 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 $11,975,000, 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 $525,446 has been included as an indirect expense.

Estimated postclosure care costs-

The annual requirements to amortize postclosure care costs outstanding of the primary government at December 31, 2013 are as follows:

	Governmental Activities		
Year Ending December 31	Estimated Postclosure Care Costs		
	Principal	Interest	Total
2014	$ 76,152		$ 76,152
2015	76,152		76,152
2016	76,152		76,152
2017	76,152		76,152
2018	76,152		76,152
2019	76,152		76,152
2020	76,152		76,152
2021	76,152		76,152
2022	76,152		76,152
2023	76,152		76,152
2024	76,152		76,152
2025	76,152		76,152
2026	76,152		76,152
2027	99,150		99,150
Total	$1,089,126		$1,089,126

F. Long-term debt (Continued)

General obligation bonds (Series 2007)-

The annual requirements to amortize the general obligation bonds of the primary government at December 31, 2013 including interest payments of $3,731,066 are as follows:

	Government Activities		
Year Ending December 31	General Obligation Bonds (Series 2007) Principal	Interest	Total
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	$11,975,000	$3,731,066	$15,706,066

Note Payable – City of Jesup-

The note related to the City of Jesup is an interest free note paid back to the City of Jesup over a five year period. The City of Jesup note is a repayment from Wayne County to the City of Jesup for their contribution to the new law enforcement building.

Year Ending December 31	Principal	Interest	Balance
2014	$ 90,000	$ 0	$ 180,000
2015	90,000	0	90,000
2016	90,000	0	0
Total	$ 270,000	$ 0	$ 0

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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Estimated postclosure care costs	$1,129,566		$ 40,440	$1,089,126	$ 76,152
Net OPEB obligation	2,587,035	$1,390,207	131,932	3,845,310	
Total	3,716,601	1,390,207	172,372	4,934,436	76,152
Note payable- City of Jesup	360,000		90,000	270,000	90,000
General obligation bonds (Series 2007)	12,590,000		615,000	11,975,000	650,000
Total	12,950,000		705,000	12,245,000	740,000
Total governmental activities	$16,666,601	$1,390,207	$ 877,372	$17,179,436	$ 816,152

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 $1,089,126 and this amount is reflected as a liability at December 31, 2013. 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.
The County will fund the postclosure care costs with revenues from the general fund. As of December 31, 2013, 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 2, 2013 the County borrowed $6,000,000 with a tax anticipation note (TAN). The TAN was paid December 31, 2013, along with $65,817 in interest at 1.10%.

Changes in short-term liabilities:
The following is a summary of changes in short-term liabilities of the county's governmental funds for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Interest Paid
Tax anticipation note (TAN)	$ 0	$ 6,000,000	$ 6,000,000	$ 0	$ 65,817
Total governmental activities	$ 0	$ 6,000,000	$ 6,000,000	$ 0	$ 65,817

I. Reservation of fund balances and restricted asset accounts

Governmental Fund Types

Restrictions 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 restrictions are used by the County:

General, Special Revenue, and Capital Projects Funds:

Restrict for prepaid expenditures – restricted for contracts already purchased.

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

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

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

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

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

Restrict 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 restricted fund balances are as follows:

	Nonspendable	Committed				Restricted	
	Restrict for Prepaid Expenditures	Restrict for Drug Interdiction	Restrict for Drug Education	Restrict for Juvenile Services	Restrict for DFACS Expenditures	Restrict for Capital Outlay	Restrict for Debt Service
Restricted fund balance, beginning of year	$85,603	$ 21,905	$34,303	$67,086	$ 49,239	$9,468,729	$1,391,346
Increase (decrease) in reserve	2,019	31,446	10,469	115	55,237	(632,016)	778,992
Restricted fund balance, end of year	$87,622	$ 53,351	$44,772	$67,201	$104,476	$8,836,713	$2,170,338

Restricted assets are comprised of the following:

	2013
General Fund:	
Wayne County Drug interdiction - Cash	$ 53,351
Wayne County Drug education – Cash	44,772
Wayne County Juvenile Services - Cash	67,201
Wayne County DFACS building - Cash	104,476
Total General Fund	269,800
Total restricted assets	$269,800

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, 2013 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, 2011 resulted from the following:

December 31	Beginning Liability	Current Year Claims and changes in Estimates	Claim Payments	Ending Liability
2011	$ 23,776	$1,482,053	$1,464,058	$41,771
2012	$41,771	$2,321,240	$2,363,011	
2013		$2,318,055	$2,318,055	

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, 2013, the County-guaranteed bonds outstanding were as follows:

Description	Balance
Series 2006 revenue bonds of Hospital Authority of Wayne County	$20,480,000

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 Commission (RC). Membership in an RC 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 RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. Each County paid annual dues in the amount of $18,615 to the RDC for the year ended December 31, 2013. The RC 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 RCs 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 RC beyond its resources (O.C.G.A. 50-8-39.1).

Financial statements of the RC may be obtained directly from:

Heart of Georgia Altamaha Regional Commission
501 Oak Street
Eastman, Georgia 31023

D. Sales tax revenue

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.

2012 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 took effect on July 1, 2012 and the County received 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.

T-SPLOST

On November 6, 2012 voters in the Heart of Georgia Altamaha District, which includes Wayne County, approved a ten year referendum to raise funds for local transportation projects.

The sales tax levy took effect on January 1, 2013 and the County received its first check in March 2013. The referendum calls for the tax to be levied for ten years until the expiration date. 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, 2013.

	Amount	Percentage
Lodging tax receipts	$17,343	100%
Disbursements to Wayne County Board of Tourism for promotion of tourism	17,343	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, 2013, there were 204 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 2013 year, the County contributed $328,321 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.

F. Employee retirement systems (Continued)

2. Deferred Compensation Plan

The County also has a deferred compensation plan under section 457 of the Internal Revenue Code. One hundred and seven (107) plan members invest their contributions ($261,812 for 2013) in annuity contracts with Nationwide Insurance Company. Fifty-eight (58) plan members invest their contributions ($94,224 for 2013) 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 $3,845,310 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 thirteen (13) 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, 2013, retirees receiving benefits paid $31,469, 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 $131,932, represents the County's net cost paid for the current year. These benefits are financed on pay-as-you-go basis. Any employee hired after October 7, 2013 will not receive OPEB benefits.

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	$ 1,247,920
Interest on net OPEB obligation	142,287
Adjustment to annual required contribution	
Annual OPEB cost	1,390,207
Contributions made	(131,932)
Increase in net OPEB obligation	1,258,275
Net OPEB obligation – beginning of year	2,587,035
Net OPEB obligation – end of year	$3,845,310

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 thru 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation – End of Year
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
12/31/12	$1,250,505	8.77%	$2,587,035
12/31/13	$1,390,207	9.49%	$3,845,310

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 2009.

G. Other Postemployment Benefits (Continued)

Funding Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits equaled $11,610,367, resulting in an unfunded actuarial accrued liability (UAAL) of $11,610,367. The covered payroll (annual payroll of active employees covered by the Plan) equaled $5,565,508, and the ratio of the UAAL to the covered payroll equaled 208.6%.

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 2009.

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, 2012, 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 9.5%, 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, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 9,255,543	$ 9,255,543	$10,926,318	$ 1,670,775
Other taxes	3,239,500	3,239,500	3,085,393	(154,107)
Licenses and permits	82,900	82,900	100,602	17,702
Intergovernmental revenue	403,516	403,516	585,981	182,465
Charges for services	2,921,900	2,921,900	3,340,868	418,968
Fines and fees	617,250	617,250	713,124	95,874
Investment income	800	800	1,217	417
Other revenue	158,104	158,104	186,916	28,812
TOTAL REVENUES	16,679,513	16,679,513	18,940,419	2,260,906
EXPENDITURES:				
GENERAL GOVERNMENT:				
ELECTIONS:				
Personal services and employee benefits	13,218	2,525	2,216	(309)
Purchased/contract services	18,000	17,592	3,508	(14,084)
Supplies	3,600	3,553	2,916	(637)
Capital outlays	2,200	13,348	13,148	(200)
Total elections	37,018	37,018	21,788	(15,230)
REGISTRAR:				
Personal services and employee benefits	40,137	39,392	39,327	(65)
Purchased/contract services	4,390	6,727	6,359	(368)
Supplies	1,700	1,008	745	(263)
Capital outlays	900			
Interdepartmental charges	4,500	4,500	15,044	10,544
Total registrar	51,627	51,627	61,475	9,848
FINANCIAL ADMINISTRATION:				
Personal services and employee benefits	274,353	287,261	291,192	3,931
Purchased/contract services	185,250	196,203	196,194	(9)
Supplies	16,350	13,293	13,290	(3)
Capital outlays	1,500	1,779	1,778	(1)
Interdepartmental charges	112,800	112,800	133,404	20,604

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
FINANCIAL ADMININISTRATION (Continued):				
Other costs	$ 150,000	$ 50,200	$ 851,798	$ 801,598
Debt service	90,000	83,717	65,817	(17,900)
Total financial administration	830,253	745,253	1,553,473	808,220
TAX COMMISSIONER:				
Personal services and employee benefits	259,981	261,914	277,287	15,373
Purchased/contract services	63,100	60,824	90,720	29,896
Supplies	3,000	3,343	3,342	(1)
Capital outlays	1,000	1,000		(1,000)
Interdepartmental charges	36,500	36,500	86,308	49,808
Total tax commissioner	363,581	363,581	457,657	94,076
TAX ASSESSOR:				
Personal services and employee benefits	258,759	277,182	279,749	2,567
Purchased/contract services	161,900	142,191	338,093	195,902
Supplies	7,050	8,336	7,498	(838)
Capital outlays	5,000	5,000	1,120	(3,880)
Interdepartmental charges	68,000	68,000	76,256	8,256
Total tax assessor	500,709	500,709	702,716	202,007
GOVERNMENT BUILDINGS & PLANTS:				
Personal services and employee benefits	102,019	105,258	109,039	3,781
Purchased/contract services	86,400	97,625	97,620	(5)
Supplies	61,000	62,445	62,442	(3)
Capital outlay	5,500	3,598	3,598	
Interdepartmental charges	20,000	5,993	41,074	35,081
Total government buildings	274,919	274,919	313,773	38,854
TOTAL GENERAL GOVERNMENT	2,058,107	1,973,107	3,110,882	1,137,775
JUDICARY:				
JUDICIAL ADMINISTRATION:				
Personal services and employee benefits	253,905	262,943	266,350	3,407
Purchased/contract services	192,450	170,874	150,850	(20,024)
Supplies	27,200	39,738	39,736	(2)
Capital outlays	1,000	1,000	800	(200)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JUDICIAL ADMINISTRATION (Continued):				
Interdepartmental charges	$ 2,500	$ 2,500	$ 30,089	$ 27,589
Other costs	30,000	30,000	29,876	(124)
Total judicial administration	507,055	507,055	517,701	10,646
STATE AND SUPERIOR COURTS:				
Personal services and employee benefits	442,860	451,165	471,016	19,851
Purchased/contract services	166,800	197,236	170,057	(27,179)
Supplies	34,900	43,829	42,053	(1,776)
Capital outlays	52,000	4,330	1,330	(3,000)
Interdepartmental charges	102,500	102,500	135,364	32,864
Total state and superior courts	799,060	799,060	819,820	20,760
DISTRICT ATTORNEY:				
Personal services and employee benefits	9,321	9,283	9,043	(240)
Purchased/contract services	970	996	886	(110)
Supplies		12	12	
Other costs	151,000	151,000	150,156	(844)
Total district attorney	161,291	161,291	160,097	(1,194)
MAGISTRATE COURT:				
Personal services and employee benefits	156,013	155,762	171,821	16,059
Purchased/contract services	19,150	18,774	17,310	(1,464)
Supplies	2,500	3,127	2,652	(475)
Capital outlays	1,500	1,500		(1,500)
Interdepartmental charges	24,500	24,500	60,511	36,011
Total magistrate court	203,663	203,663	252,294	48,631
PROBATE COURT:				
Personal services and employee benefits	162,269	162,884	171,181	8,297
Purchased/contract services	28,762	26,053	25,781	(272)
Supplies	3,000	4,183	4,026	(157)
Capital outlays	1,750	2,661	2,560	(101)
Interdepartmental charges	47,000	47,000	75,349	28,349
Total probate court	242,781	242,781	278,897	36,116

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETARY AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JUVENILE COURT:				
Personal services and employee benefits	$ 15,393	$ 15,602	$ 15,579	$ (23)
Purchased/contract services	12,640	12,431	10,281	(2,150)
Supplies	3,000	3,000	2,639	(361)
Total juvenile court	31,033	31,033	28,499	(2,534)
PUBLIC DEFENDER:				
Purchased/contract services	1,475	1,475	2,088	613
Other costs	170,000	170,000	171,195	1,195
Total public defender	171,475	171,475	173,283	1,808
DRUG COURT:				
Purchased/contract services	36,700	121,173	32,202	(88,971)
Supplies	4,100	4,627	4,527	(100)
Total drug court	40,800	125,800	36,729	(89,071)
TOTAL JUDICIARY	2,157,158	2,242,158	2,267,320	25,162
PUBLIC SAFETY:				
SHERIFF:				
Personal services and employee benefits	1,496,206	1,611,144	1,750,060	138,916
Purchased/contract services	175,382	157,362	157,323	(39)
Supplies	237,700	243,286	220,114	(23,172)
Capital outlays	2,000	7,392	7,058	(334)
Interdepartmental charges	201,000	93,104	306,412	213,308
Total sheriff	2,112,288	2,112,288	2,440,967	328,679
LAW ENFORCEMENT BUILDING:				
Supplies			63	63
Capital outlays			224	224
Debt service	90,000	90,000	90,000	
Total law enforcement building	90,000	90,000	90,287	287

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JAIL:				
Personal services and employee benefits	$ 880,004	$ 874,718	$1,091,662	$ 216,944
Purchased/contract services	355,000	353,865	428,104	74,239
Supplies	502,800	504,929	547,293	42,364
Capital outlays	11,300	15,592	15,590	(2)
Interdepartmental charges	80,000	80,000	189,309	109,309
Other costs	4,000	4,000	38,890	34,890
Total jail	1,833,104	1,833,104	2,310,848	477,744
OTHER PUBLIC SAFETY:				
Purchased/contract services	295	295	98	(197)
Supplies	18,600	18,600	16,054	(2,546)
Total other public safety	18,895	18,895	16,152	(2,743)
RURAL FIRE DEPARTMENTS:				
Personal services and employee benefits	42,503	28,434	18,684	(9,750)
Purchased/contract services	39,375	39,903	33,141	(6,762)
Supplies	28,750	33,945	24,041	(9,904)
Capital outlays	46,900	54,477	53,774	(703)
Other costs	19,500	20,269	20,265	(4)
Total rural fire departments	177,028	177,028	149,905	(27,123)
EMERGENCY MEDICAL SERVICES:				
Personal services and employee benefits	741,457	751,625	785,596	33,971
Purchased/contract services	124,725	123,609	150,410	26,801
Supplies	119,775	121,111	135,339	14,228
Capital outlays	11,500	11,743	7,842	(3,901)
Interdepartmental charges	85,600	74,969	154,397	79,428
Total emergency medical services	1,083,057	1,083,057	1,233,584	150,527

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
CORONER:				
Personal services and employee benefits	$ 13,200	$ 13,590	$ 21,121	$ 7,531
Purchased/contract services	10,916	11,265	11,182	(83)
Supplies	4,700	3,961	3,705	(256)
Interdepartmental charges	4,000	4,000	15,044	11,044
Total coroner	32,816	32,816	51,052	18,236
EMERGENCY MANAGEMENT AGENCY:				
Personal services and employee benefits	61,900	65,304	66,325	1,021
Purchased/contract services	30,444	27,999	25,724	(2,275)
Supplies	19,800	18,841	18,298	(543)
Capital outlays	10,000	10,000	204,876	194,876
Total emergency management agency	122,144	122,144	315,223	193,079
TOTAL PUBLIC SAFETY	5,469,332	5,469,332	6,608,018	1,138,686
PUBLIC WORKS:				
HIGHWAYS AND STREETS:				
Personal services and employee benefits	1,320,413	1,285,603	1,362,551	76,948
Purchased/contract services	443,275	443,682	429,408	(14,274)
Supplies	408,300	400,751	461,717	60,966
Capital outlays	37,700	49,377	43,579	(5,798)
Interdepartmental charges	350,000	380,275	398,520	18,245
Total highways and streets	2,559,688	2,559,688	2,695,775	136,087
SOLID WASTE & RECYCLING –				
Purchased/contract services	718,300	718,300	763,602	45,302
Total solid waste & recycling	718,300	718,300	763,602	45,302

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
COUNTY SHOP:				
Personal services and employee benefits	$ 264,818	$ 269,457	$ 267,084	$ (2,373)
Purchased/contract services	20,015	21,408	17,994	(3,414)
Supplies	42,550	41,518	37,636	(3,882)
Capital outlays	30,250	25,250	22,028	(3,222)
Interdepartmental charges	50,000	50,000	70,897	20,897
Total county shop	407,633	407,633	415,639	8,006
TOTAL PUBLIC WORKS	3,685,621	3,685,621	3,875,016	189,395
HEALTH AND WELFARE:				
PUBLIC HEALTH ADMINISTRATION:				
Purchased/contract services	2,934	2,934	2,017	(917)
Other costs	103,218	103,218	103,262	44
Total public health administration	106,152	106,152	105,279	(873)
WELFARE ADMINISTRATION:				
Purchased/contract services	18,850	18,850	7,495	(11,355)
Other costs	5,000	5,000	1,040	(3,960)
Total welfare administration	23,850	23,850	8,535	(15,315
COMMUNITY SERVICES:				
Personal services and employee benefits	201,354	201,892	204,380	2,488
Purchased/contract services	41,825	41,885	51,190	9,305
Supplies	144,350	140,384	135,654	(4,730)
Capital outlays	500	3,868	43,581	39,713
Interdepartmental charges	2,000	2,000	15,044	13,044
Total community services	390,029	390,029	449,849	59,820
TOTAL HEALTH AND WELFARE	520,031	520,031	563,663	43,632

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
CULTURE AND RECREATION:				
RECREATION:				
Personal services and employee benefits	$ 276,235	$ 282,443	$ 339,782	$ 57,339
Purchased/contract services	133,775	129,620	129,614	(6)
Supplies	309,100	332,688	352,418	19,730
Capital outlays	56,000	34,867	34,886	19
Interdepartmental charges	81,000	80,000	82,744	2,744
Other costs	20,000	16,492	16,492	
Total recreation	876,110	876,110	955,936	79,826
PARKS:				
Personal services and employee benefits	139,449	143,836	142,195	(1,641)
Purchased/contract services	24,602	24,801	24,798	(3)
Supplies	18,900	19,436	19,434	(2)
Capital outlays	29,500	24,378	32,463	8,085
Interdepartmental charges	28,400	28,400	33,461	5,061
Total parks	240,851	240,851	252,351	11,500
LIBRARY -				
Other costs	157,413	157,413	162,136	4,723
Total library	157,413	157,413	162,136	4,723
TOTAL CULTURE AND RECREATION	1,274,374	1,274,374	1,370,423	96,049
HOUSING AND DEVELOPMENT:				
CONSERVATION:				
Personal services and employee benefits	127,612	126,922	124,372	(2,550)
Purchased/contract services	49,055	43,720	42,343	(1,377)
Supplies	19,300	19,525	17,123	(2,402)
Capital outlays	500	1,080	1,080	
Other costs	104,251	109,471	122,154	12,683
Total conservation	300,718	300,718	307,072	6,354

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
BUILDING INSPECTION:				
Personal services and employee benefits	$ 57,440	$ 60,746	$ 61,631	$ 885
Purchased/contract services	5,400	3,901	3,898	(3)
Supplies	4,400	4,142	4,140	(2)
Interdepartmental charges	11,000	9,451	15,044	5,593
Total building inspection	78,240	78,240	84,713	6,473
ECONOMIC DEVELOPMENT:				
Personal services and employee benefits	113,734	113,734	142,201	28,467
Purchased/contract services	24,370	24,370	25,051	681
Interdepartmental charges	5,000	5,000	26,328	21,328
Other costs	300,000	300,000	300,000	
Total economic development	443,104	443,104	493,580	50,476
AIRPORT:				
Purchased/contract services	30,250	31,750	29,329	(2,421)
Supplies	139,900	141,903	130,348	(11,555)
Capital outlays	246,447	242,944	43,499	(199,445)
Total airport	416,597	416,597	203,176	(213,421)
TOTAL HOUSING AND DEVELOPMENT	1,238,659	1,238,659	1,088,541	(150,118)
Total expenditures	16,403,282	16,403,282	18,883,863	2,480,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	276,231	276,231	56,556	(219,675)
OTHER FINANCING SOURCES (USES):				
Sale of assets	10,000	10,000	7,801	(2,199)
Transfers (out)	(286,231)	(286,231)	(241,213)	45,018
Total other financing sources and (uses)	(276,231)	(276,231)	(233,412)	42,819

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
NET CHANGE IN FUND BALANCES			$ (176,856)	$ (176,856)
FUND BALANCES, BEGINNING	$4,866,260	$4,866,260	4,866,260	
FUND BALANCES, ENDING	$4,866,260	$4,866,260	$4,689,404	$ (176,856)

SCHEDULE 2

WAYNE COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS-POSTEMPLOYMENT HEALTHCARE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2013

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
1/1/2009	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%
1/1/2012	0	$11,610,367	$11,610,367	0%	$5,565,508	208.6%
1/1/2013	0	$11,610,367	$11,610,367	0%	$5,565,508	208.6%

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 2009.

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, 2013, the following supplemental increases and decreases in budget appropriations were approved:

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$16,403,282	$0	$0	$ 16,403,282
Special Revenue	$ 731,731	$0	$0	$ 731,731
Debt Service	$ 1,145,100	$0	$0	$ 1,145,100

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:			
Registrar-			
Interdepartmental charges	$ 4,500	$ 15,044	$ 10,544
Financial administration:			
Personal services and employee benefits	287,261	291,192	3,931
Interdepartmental charges	112,800	133,404	20,604
Other costs	50,200	851,798	801,598

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

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
Tax commissioner:			
Personal services and employee benefits	$ 261,914	$ 277,287	$ 15,373
Purchased/contract services	60,824	90,720	29,896
Interdepartmental charges	36,500	86,308	49,808
Tax assessor:			
Personal services and employee benefits	277,182	279,749	2,567
Purchased/contract services	142,191	338,093	195,902
Interdepartmental charges	68,000	76,256	8,256
Government buildings & plant:			
Personal services and employee benefits	105,258	109,039	3,781
Interdepartmental charges	5,993	41,074	35,081
JUDICIARY:			
Judiciary administration:			
Personal services and employee benefits	262,943	266,350	3,407
Interdepartmental charges	2,500	30,089	27,589
State and superior courts:			
Personal services and employee benefits	451,165	471,016	19,851
Interdepartmental charges	102,500	135,364	32,864
Magistrate court:			
Personal services and employee benefits	155,762	171,821	16,059
Interdepartmental charges	24,500	60,511	36,011
Probate court:			
Personal services and employee benefits	162,884	171,181	8,297
Interdepartmental charges	47,000	75,349	28,349
Public defender:			
Purchased/contract services	1,475	2,088	613
Other costs	170,000	171,195	1,195

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

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	$1,611,144	$1,750,060	$ 138,916
Interdepartmental charges	93,104	306,412	213,308
Law enforcement building:			
Supplies		63	63
Capital outlays		224	224
Jail:			
Personal services and employee benefits	874,718	1,091,662	216,944
Purchased/contract services	353,865	428,104	74,239
Supplies	504,929	547,293	42,364
Interdepartmental charges	80,000	189,309	109,309
Other costs	4,000	38,890	34,890
Emergency medical services:			
Personal services and employee benefits	751,625	785,596	33,971
Purchased/contract services	123,609	150,410	26,801
Supplies	121,111	135,339	14,228
Interdepartmental charges	74,969	154,397	79,428
Coroner:			
Personal services and employee benefits	13,590	21,121	7,531
Interdepartmental charges	4,000	15,044	11,044
Emergency management agency:			
Personal services and employee benefits	65,304	66,325	1,021
Capital outlays	10,000	204,876	194,876
PUBLIC WORKS:			
Highways and streets:			
Personal services and employee benefits	1,285,603	1,362,551	76,948
Supplies	400,751	461,717	60,966
Interdepartmental charges	380,275	398,520	18,245

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

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
PUBLIC WORKS: (Continued)			
Solid waste & recycling –			
Purchased/contract services	$ 718,300	$ 763,602	$ 45,302
County shop -			
Interdepartmental charges	50,000	70,897	20,897
HEALTH AND WELFARE:			
Public health administration –			
Other costs	103,218	103,262	44
Community services:			
Personal services and employee benefits	201,892	204,380	2,488
Purchased/contract services	41,885	51,190	9,305
Capital outlays	3,868	43,581	39,713
Interdepartmental charges	2,000	15,044	13,044
CULTURE AND RECREATION:			
Recreation:			
Personal services and employee benefits	282,443	339,782	57,339
Supplies	332,688	352,418	19,730
Capital outlays	34,867	34,886	19
Interdepartmental charges	80,000	82,744	2,744
Parks:			
Capital outlays	24,378	32,463	8,085
Interdepartmental charges	28,400	33,461	5,061
Library –			
Other costs	157,413	162,136	4,723

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

	FINAL BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
HOUSING AND DEVELOPMENT:			
Conservation –			
Other costs	$ 109,471	$ 122,154	$ 12,683
Building inspection:			
Personal services and employee benefits	60,746	61,631	885
Interdepartmental charges	9,451	15,044	5,593
Economic development:			
Personal services and employee benefits	113,734	142,201	28,467
Purchased/contract services	24,370	25,051	681
Interdepartmental charges	5,000	26,328	21,328

C. Deficit fund equity

The County did not have any funds with a deficit fund balance as of December 31, 2013.

SUPPLEMENTARY DATA – COMBINING FUND FINANCIAL SCHEDULES

SCHEDULE 3

WAYNE COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	Special Revenue			Capital Projects	Total Non-major Governmental Funds
	Hotel/Motel Tax Fund	Emergency Telephone System	CDBG	TSPLOST	
ASSETS					
Cash				$ 176,331	$ 176,331
Receivables	$ 1,070				1,070
Intergovernmental				140,431	140,431
Due from other funds				293,571	293,571
TOTAL ASSETS	$ 1,070			$ 610,333	$ 611,403
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	1,070			77,322	78,392
Due to other funds				63,501	63,501
Total Liabilities	1,070			140,823	141,893
FUND BALANCES:					
Reserved for capital outlay				469,510	469,510
Unreserved					
Total Fund Balance				469,510	469,510
TOTAL LIABILITIES AND FUND BALANCES	$ 1,070			$ 610,333	$ 611,403

SCHEDULE 4

WAYNE COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue			Capital Projects	Total
	Hotel/Motel Tax Fund	Emergency Telephone System	CDBG	TSPLOST	Non-major Governmental Funds
REVENUES:					
Taxes	$ 17,343			$ 611,388	$ 628,731
Intergovernmental				605,571	605,571
Charges for services		$ 504,147			504,147
Total revenues	17,343	504,147		1,216,959	1,738,449
EXPENDITURES:					
Current:					
Public safety		736,104			736,104
Housing and development	17,343				17,343
Capital outlay - Public works				747,449	747,449
Total expenditures	17,343	736,104		747,449	1,500,896
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITUES		(231,957)		469,510	237,553
OTHER FINANCING SOURCES (USES):					
Transfers in		231,957			231,957
Total other financing sources (uses)		231,957			231,957
NET CHANGES IN FUND BALANCES				469,510	469,510
FUND BALANCE, Beginning					
FUND BALANCE, Ending				$ 469,510	$ 469,510

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, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Taxes	$13,000	$13,000	$17,343	$ 4,343
Total revenues	13,000	13,000	17,343	4,343
EXPENDITURES -				
Housing and development-				
Other costs	13,000	13,000	17,343	4,343
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, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Charges for services	$ 432,500	$ 432,500	$ 504,147	$ 71,647
Total revenues	432,500	432,500	504,147	71,647
EXPENDITURES:				
Personal services and employee benefits	445,966	454,471	458,883	4,412
Purchased/contract services	132,515	118,131	113,736	(4,395)
Supplies	40,650	33,713	30,107	(3,606)
Capital outlays	7,600	8,591	8,390	(201)
Interdepartmental charges	92,000	103,825	124,988	21,163
Total expenditures	718,731	718,731	736,104	17,373
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(286,231)	(286,231)	(231,957)	54,274
OTHER FINANCING SOURCES (USES) -				
Transfer in	286,231	286,231	231,957	(54,274)
NET CHANGE IN FUND BALANCE				
FUND BALANCE, Beginning of year				
FUND BALANCE, End of year				

SCHEDULE 7

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 12p-y-151-1-5492 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES -				
Intergovernmental	$ 500,000	$ 500,000	$ -	$ (500,000)
Total revenues	500,000	500,000	-	(500,000)
EXPENDITURES -				
Capital outlay -				
Public works	500,000	500,000	-	(500,000)
Total expenditures	500,000	500,000	-	(500,000)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES) -				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	$ -	$ -	$ -	$ -

SCHEDULE 8

WAYNE COUNTY, GEORGIA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes			$ 12,821	$ (12,821)
Investment income			10,701	(10,701)
Miscellaneous			28,970	(28,970)
Total revenues			52,492	(52,492)
EXPENDITURES:				
Debt service:				
Interest and fiscal charges	$ 530,100	$ 530,100	563,497	33,397
Principal	615,000	615,000	615,000	
Total expenditures	1,145,100	1,145,100	1,178,497	33,397
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,145,100)	(1,145,100)	(1,126,005)	19,095
OTHER FINANCING SOURCES – Transfer in	1,145,100	1,145,100	1,904,997	759,897
NET CHANGE IN FUND BALANCE			778,992	778,992
FUND BALANCE, Beginning			1,391,346	1,391,346
FUND BALANCE, Ending	$	$	$ 2,170,338	$ 2,170,338

SCHEDULE 9

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2013

	AGENCY FUNDS					
	Tax Commissioner	Clerk of Court	Sheriff's Department	Magistrate Court	Probate Court	Total
ASSETS						
Cash	$ 84,981	$635,737	$ 64,969	$44,995	$26,364	$ 857,046
Taxes receivable	3,876,218					3,876,218
Total assets	$3,961,199	$635,737	$ 64,969	$44,995	$26,364	$4,733,264
LIABILITIES						
Due to others	$3,961,199	$635,737	$ 64,969	$44,995	$26,364	$4,733,264
Total liabilities	$3,961,199	$635,737	$ 64,969	$44,995	$26,364	$4,733,264

SCHEDULE 10

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
TAX COMMISSIONER				
Assets:				
Cash	$ 18,224	$40,150,719	$40,083,962	$ 84,981
Taxes receivable	8,192,875	35,834,062	40,150,719	3,876,218
Total assets	$ 8,211,099	$75,984,781	$80,234,681	$3,961,199
Liabilities –				
Due to others	$ 8,211,099	$75,984,781	$80,234,681	$3,961,199
CLERK OF COURT				
Assets –				
Cash	$ 617,368	$ 2,704,110	$ 2,685,741	$ 635,737
Liabilities –				
Due to others	$ 617,368	$ 2,704,110	$ 2,685,741	$ 635,737
SHERIFF'S DEPARTMENT				
Assets –				
Cash	$ 111,408	$ 356,247	$ 402,686	$ 64,969
Liabilities –				
Due to others	$ 111,408	$ 356,247	$ 402,686	$ 64,969
MAGISTRATE COURT				
Assets –				
Cash	$ 32,003	$ 421,904	$ 408,912	$ 44,995
Liabilities –				
Due to others	$ 32,003	$ 421,904	$ 408,912	$ 44,995
PROBATE COURT				
Assets –				
Cash	$ 10,577	$ 131,210	$ 115,423	$ 26,364
Liabilities –				
Due to others	$ 10,577	$ 131,210	$ 115,423	$ 26,364
TOTALS – AGENCY FUNDS				
Assets:				
Cash	$ 789,580	$43,764,190	$43,696,724	$ 857,046
Taxes receivable	8,192,875	35,834,062	40,150,719	3,876,218
Total assets	$ 8,982,455	$79,598,252	$83,847,443	$4,733,264
Liabilities –				
Due to others	$ 8,982,455	$79,598,252	$83,847,443	$4,733,264

SCHEDULE 11

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2013

	MAJOR HOSPITAL AUTHORITY OF WAYNE COUNTY	NON-MAJOR WAYNE COUNTY INDUSTRIAL AUTHORITY	NON-MAJOR WAYNE COUNTY BOARD OF HEALTH	TOTAL COMPONENT UNITS
ASSETS				
Cash		$ 873,345	$792,633	$ 1,665,978
Receivables (net of allowance for uncollectibles)	$ 6,485,000	319,320		6,804,320
Inventory, at lower of cost or market	1,272,000			1,272,000
Other current assets	692,000			692,000
Restricted cash	7,713,000			7,713,000
Due from other governments			24,731	24,731
Capital assets, net of accumulated depreciation				
Land	445,000	2,409,104		2,854,104
Other capital assets	37,067,000	1,100,499	17,518	38,185,017
Other assets	1,128,000			1,128,000
Total assets	54,802,000	4,702,268	834,882	60,339,150
LIABILITIES				
Current liabilities:				
Accounts payable	4,829,000	92,177		4,921,177
Accrued expenses	1,821,000		19,292	1,840,292
Non-current liabilities:				
Due within one year	2,143,000	25,000		2,168,000
Due in more than one year	19,423,000	468,750	19,292	19,911,042
Total liabilities	28,216,000	585,927	38,584	28,840,511
NET POSITION				
Net investment in capital assets	17,313,000	3,509,603	17,518	20,840,121
Restricted:				
Debt service	2,672,000			2,672,000
Prior year program income			238,158	238,158
Unrestricted	6,601,000	606,738	540,622	7,748,360
Total net position	$26,586,000	$4,116,341	$796,298	$31,498,639

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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 Position: Major Hospital Authority of Wayne County	Non-major Wayne County Development Authority	Non-major Wayne County Board of Health	Total Component Units
Component Units:								
Hospital Authority of Wayne County	$49,663,000	$47,408,000	$ 20,000		$(2,235,000)			$(2,235,000)
Wayne County Development Authority	223,816		300,000	$500,000		$ 576,184		576,184
Wayne County Board of Health	772,384	238,158	557,282				$ 23,056	23,056
Total component units	$50,659,200	$47,646,158	$877,282	$500,000	(2,235,000)	576,184	23,056	(1,635,760)
General Revenues:								
Unrestricted investment earnings						323		323
Miscellaneous						180,507		180,507
Total general revenues						180,830		180,830
Changes in Net Position					(2,235,000)	757,014	23,056	(1,454,930)
Net Position, Beginning, restated					28,821,000	3,359,327	773,242	32,953,569
Net Position, Ending					$26,586,000	$4,116,341	$796,298	$31,498,639

SCHEDULE 13

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2013 AND 2012

	2013	2012
Governmental Funds Capital Assets		
Land	$2,843,413	$2,863,499
Improvements	5,012,336	4,465,749
Buildings	15,679,170	15,623,006
Equipment, vehicles and furniture	6,141,726	6,312,383
Infrastructure	35,105,016	33,436,148
Construction in progress	1,708,000	1,653,700
Total governmental funds capital assets	$66,489,661	$64,354,485
Investments in Governmental Funds Capital Assets by Source		
General fund	$39,069,325	$39,228,493
Special revenue funds	2,772,364	2,772,364
Donations	2,371,872	2,371,872
State and federal grants	4,536,506	3,899,510
Capital project funds	17,739,594	16,082,246
Total governmental funds capital assets	$66,489,661	$64,354,485

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2013

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	$51,254	702,488	111,118			1,016,938
Total General Government	152,078	51,254	747,322	167,143			1,117,797
Judicial:							
Judicial Administration	25,086		1,709,110	40,246			1,774,442
Superior and State Courts	6,272		156,897	132,624			295,793
District Attorney	60,000		116,450				176,450
Probate Court				16,952			16,952
Public Defender			8,364				8,364
Total Judicial	91,358		1,990,821	189,822			2,272,001
Public Safety:							
Sheriff				1,099,568			1,099,568
Law Enforcement Administration	18,815		4,742,312	20,076			4,781,203
Jail	101,370	24,917	3,344,839	303,539			3,774,665
Other Public Safety	40,792		41,219				82,011
Fire Prevention	25,420		202,344	328,452			556,216
Emergency Medical Services			23,089	629,941			653,030
Coroner				11,733			11,733
E-911		16,716		248,396			265,112
Emergency Management Agency				164,542			164,542
Total Public Safety	186,397	41,633	8,353,803	2,806,247			11,388,080

SCHEDULE 14

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2013

Function and Activity	Land	Improvements	Buildings	Equipment Vehicles and Furniture	Infrastructure	Construction In Progress	Total
Public Works:							
Highways and Streets	$ 167,851	$ 16,522	$ 93,517	$2,109,512	$35,105,016	$ 186,626	$37,679,044
Sanitation	131,625						131,625
Maintenance Shop			139,243	37,734			176,977
Total Public Works	299,476	16,522	232,760	2,147,246	35,105,016	186,626	37,987,646
Health and Welfare:							
Public Health Administration				10,998			10,998
Buildings and Properties	850,000	20,000	2,369,047				3,239,047
Concerted Services				5,116			5,116
Community Centers	7,918	34,916	58,128				100,962
Transportation Services				19,700			19,700
Total Health and Welfare	857,918	54,916	2,427,175	35,814			3,375,823
Culture/Recreation:							
Recreation	1,045,065	815,392	768,642	314,779		25,800	2,969,678
Parks	70,418	827,023	52,910	56,954		210,651	1,217,956
Library			31,767				31,767
Total Culture/Recreation	1,115,483	1,642,415	853,319	371,733		236,451	4,219,401
Housing and Development:							
Agriculture Resources			233,761	74,349			308,110
Economic Development	37,110						37,110
Airport	103,593	3,205,596	827,694	347,872		1,284,923	5,769,678
Building Inspection			12,515	1,500			14,015
Total Housing and Development	140,703	3,205,596	1,073,970	423,721		1,284,923	6,128,913
Total Governmental Funds Capital Assets	$2,843,413	$5,012,336	$15,679,170	$6,141,726	$35,105,016	$1,708,000	$66,489,661

SCHEDULE 15

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, 2013

Function and Activity	Capital Assets January 1, 2013	Additions	Deductions	Capital Assets December 31, 2013
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	975,311	$ 56,550	$ 14,923	1,016,938
Total General Government	1,076,170	56,550	14,923	1,117,797
Judicial:				
Judicial Administration	1,774,442			1,774,442
Superior and State Courts	295,793			295,793
District Attorney	176,450			176,450
Probate Court	16,952			16,952
Public Defender	8,364			8,364
Total Judicial	2,272,001			2,272,001
Public Safety:				
Sheriff	1,058,450	188,375	147,257	1,099,568
Law Enforcement Administration	4,781,203			4,781,203
Jail	3,739,375	35,290		3,774,665
Other Public Safety	82,011			82,011
Fire Prevention	522,532	33,684		556,216
Emergency Medical Services	623,008	106,990	76,968	653,030
Coroner	11,733			11,733
E-911	132,096	133,016		265,112
Emergency Management Agency	164,542			164,542
Total Public Safety	11,114,950	497,355	224,225	11,388,080
Public Works:				
Highways and Streets	35,996,696	1,832,178	336,456	37,492,418
Sanitation	148,125		16,500	131,625
Maintenance Shop	224,427	13,530	60,980	176,977
Construction in progress		186,626		186,626
Total Public Works	36,369,248	2,032,334	413,936	37,987,646
Health and Welfare:				
Public Health Administration	10,998			10,998
Buildings and Properties	3,239,047			3,239,047
Concerted Services	5,116			5,116
Community Centers	66,046	34,916		100,962
Transportation Services	145,101		125,401	19,700
Total Health and Welfare	3,466,308	34,916	125,401	3,375,823

SCHEDULE 15

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, 2013

Function and Activity	Capital Assets January 1, 2013	Additions	Deductions	Capital Assets December 31, 2013
Culture/Recreation:				
Recreation	$ 2,964,219		$ 20,341	$ 2,943,878
Parks	542,046	$ 465,259		1,007,305
Library	31,767			31,767
Construction in progress	412,276	236,451	412,276	236,451
Total Culture/Recreation	3,950,308	701,710	432,617	4,219,401
Housing and Development:				
Agricultural Resources	308,110			308,110
Economic Development	57,196		20,086	37,110
Airport	4,484,755			4,484,755
Building Inspection	14,015			14,015
Construction in progress	1,241,424	43,499		1,284,923
Total Housing and Development	6,105,500	43,499	20,086	6,128,913
Total Governmental Funds Capital Assets	$64,354,485	$3,366,364	$1,231,188	$66,489,661

COMPLIANCE SECTION

SCHEDULE 16

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, 2013

2006 SPLOST	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES:				
Taxes	$24,528,587		$24,528,587	$ 22,465,591
Investment earnings	332,890	$ 8,486	341,376	
Total revenues	24,861,477	8,486	24,869,963	22,465,591
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	3,977,815	1,378,593	5,356,408	10,465,591
Hospital construction	1,284,822		1,284,822	1,284,822
Total expenditures	5,262,637	1,378,593	6,641,230	11,750,413
EXCESS OF REVENUES OVER EXPENDITURES	19,598,840	(1,370,107)	18,228,733	10,715,178
OTHER FINANCING SOURCES (USES):				
Transfer out to debt service fund	(10,715,178)		(10,715,178)	(10,715,178)
NET CHANGES IN FUND BALANCES	8,883,662	(1,370,107)	7,513,555	
FUND BALANCE, Beginning		8,883,662		
FUND BALANCE, Ending	$ 8,883,662	$ 7,513,555	$ 7,513,555	

SCHEDULE 17

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2006 SPLOST:						
County road improvement	$ 6,370,405	$ 8,774,777	$ 1,733,242	$1,108,850	$2,842,092	32.39%
City of Jesup road and sewer improvement	3,655,631	3,655,631	1,938,995	155,499	2,094,494	57.30%
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	161,267	114,244	275,511	99.72%
Hospital construction	1,284,822	1,284,822	1,284,822		1,284,822	100.00%
Hospital debt	10,715,178	10,715,178	10,715,178		10,715,178	100.00%
Total	$22,465,591	$24,869,963	$15,977,815	$1,378,593	$17,356,408	

SCHEDULE 18

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, 2013

2012 SPLOST	Prior Year	Current Year	Total to Date	Project Authorization
REVENUES:				
Taxes	$ 1,992,890	$ 3,791,482	$ 5,784,372	$ 22,000,000
Investment earnings	224	1,215	1,439	
Total revenues	1,993,114	3,792,697	5,785,811	22,000,000
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	380,102	844,735	1,224,837	8,450,000
Emergency vehicles and fire equipment	31,500	551,432	582,932	1,650,000
Recreation		232,209	232,209	900,000
Total expenditures	411,602	1,628,376	2,039,978	11,000,000
EXCESS OF REVENUES OVER EXPENDITURES	1,581,512	2,164,321	3,745,833	11,000,000
OTHER FINANCING SOURCES (USES):				
Transfer out to debt service fund	(996,445)	(1,895,741)	(2,892,186)	(11,000,000)
NET CHANGES IN FUND BALANCES	585,067	268,580	853,647	
FUND BALANCE, Beginning		585,067		
FUND BALANCE, Ending	$ 585,067	$ 853,647	$ 853,647	

SCHEDULE 19

WAYNE COUNTY, GEORGIA
SPLOST CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2013

	Current Year	Total to Date
TSPLOST		
REVENUES:		
Taxes	$ 611,388	$ 611,388
Intergovernmental	605,571	605,571
Total revenues	1,216,959	1,216,959
EXPENDITURES:		
Capital outlay:		
Road and sewer improvements	747,449	747,449
Total expenditures	747,449	747,449
EXCESS OF REVENUES OVER EXPENDITURES	469,510	469,510
NET CHANGES IN FUND BALANCES	469,510	469,510
FUND BALANCE, Beginning		
FUND BALANCE, Ending	$ 469,510	$ 469,510

SCHEDULE 20

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2012 SPLOST:						
County road improvement	$ 4,254,600	$ 4,254,600	$ 58	$ 121,700	$ 121,758	2.86%
County recreation	900,000	900,000		232,209	232,209	25.80%
City of Jesup road and sewer improvement	3,730,100	3,730,100	337,895	642,845	980,740	26.29%
City of Odum road and sewer improvement	184,800	184,800	16,740	31,848	48,588	26.29%
City of Screven road and sewer improvement	280,500	280,500	25,409	48,342	73,751	26.29%
Emergency vehicles and fire equipment	1,650,000	1,650,0000	31,500	551,432	582,932	35.33%
Hospital debt	11,000,000	11,000,000	996,445	1,895,741	2,892,186	26.29%
Total	$22,000,000	$22,000,000	$1,408,047	$3,524,117	$4,932,164	

SCHEDULE 21

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 12p-y-151-1-5492 SPECIAL REVENUE FUND
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE PERIOD ENDING DECEMBER 31, 2013

Total program year 2012 funds allocated to recipient	$ 500,000
Less: Total program year 2012 funds drawn by recipient	0
Funds still available from program year 2012 resources	$ 500,000
Total program year 2012 funds drawn and received by recipient in current year	0
Less: Funds applied and expended to program year 2012 costs	0
Total program year 2012 funds held by recipient in current year	0

SCHEDULE 22

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 12p-y-151-1-5492 SPECIAL REVENUE FUND
PROJECT COST SCHEDULE
FOR THE PERIOD ENDING DECEMBER 31, 2013

Program Activity and Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grant Total Expenditures To Date	Questioned Costs
Contingency C-022-00	$ 48,500	$ -	$ -	$ -	
Street Improvements P-03K-01	379,350		45,106	45,106	
Flood & Drainage P-03K-02	42,150				
Administration A-21A-00	20,000				
TOTAL	$ 500,000	0	$ 45,106	$ 45,106	0

SCHEDULE 23

WAYNE COUNTY, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2013

Revenue -	
Hotel/motel taxes	**$17,343**
Expenditures -	
Tourism expenditures	**$17,343**
Percentage of expenditures to revenues	**100%**

HARRIS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
of Wayne County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise Wayne County, Georgia's basic financial statements and have issued our report thereon dated October 7, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as Items 1981.1, 2013.1, and 2013.2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported to management of Wayne County, Georgia in a separate letter dated October 7, 2014.

CALE M. HARRIS & CHRIS HARRIS
P.O. BOX 448 - 274 SW BROAD STREET - JESUP, GA 31598 - PHONE: 912.427.3791 - FAX: 912.427.8760

Wayne County, Georgia's Response to Findings

Wayne County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Wayne County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

HARRIS & COMPANY, PC

Jesup, Georgia

October 7, 2014

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I
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.

2013.1 Poorly designed and implemented internal controls

Condition:

The internal controls over cash receipts and subsequent remission to the county clerk is poorly designed and implemented in certain departments within the government.

Criteria:

Policies and procedures over cash receipts and subsequent remission to the appropriate administrative person(s) should be followed in every transaction in every department. A consequence should follow any noncompliance with policies and procedures.

Effect:

A potential future material misstatement or potential future noncompliance.

Recommendation:

The county administrator and/or board of governance should design and implement policies and procedures for cash receipts and remittance of those funds to the appropriate administrative person(s). All personnel and departments should be covered by the policies and procedures including the constitutional offices. Management should see that all controls are implemented as designed and monitor to ensure that the controls implemented are suitably designed to meet the purpose for which the control was designed. Also, safeguards, such as two signatures for cash counts and security cameras in areas where cash is stored or accepted, should be implemented to ensure that any cash that is not immediately remitted to the appropriate administrative person(s) is properly accounted for, secured, and remitted as soon as feasibly possible. If possible, do not accept cash as a form of payment. A consequence should follow any noncompliance with policies and procedures.

Response:

The county administrator and the board of governance are currently implementing new policies and procedures over cash collections and the remittance process. They will continue to monitor the situation and make the appropriate changes as necessary to ensure that funds are properly accounted for, secured, and remitted in a timely manner.

2013.2 Poor oversight and monitoring of internal controls

Condition:

The internal controls over cash receipts and subsequent remission to the county clerk is poorly designed and implemented in certain departments within the government. It is management's responsibility to ensure that the proper controls exist and are suitably designed and implemented to detect or prevent a material misstatement in the financial statements.

Criteria:

Management is responsible for the design, implementation, and monitoring of internal controls to ensure they are properly functioning as designed. As such, when changes are needed it is management's responsibility to make the appropriate changes, implement them, and monitor them to see that the purpose for the control is working as designed.

Effect:

A potential future material misstatement or potential future noncompliance.

Recommendation:

Management should design, implement, and monitor controls over cash receipts and subsequent remission of those receipts to the appropriate administrative person(s). The appropriate policies and procedures implemented with management's oversight and monitoring would indicate whether controls are suitably designed and whether changes are needed. A consequence for poor oversight and monitoring should be implemented to ensure all parties are held accountable for compliance with policies and procedures.

Response:

Management is implementing new policies and procedures. They will be monitoring for compliance with the new policies and procedures.

County Administrator
Jason Tinsley
County Attorney
Robert B. Smith
County Clerk
Amanda Hannah

Wayne County
where it all comes together
Board of Commissioners

Board of Commissioners
John Shaver, Sr.
Jerry Wright
Franklin Smith
James Thomas
James T. Cockfield, Jr.

OCTOBER 7, 2014

WAYNE COUNTY

FYE December 31, 2013

Summary of Corrective Action Plan Review

WAYNE COUNTY AUDIT – CORRECTIVE ACTION PLAN

a. 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 2014 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.

b. Design and Implementation of Internal Controls

The County concurs with this finding. The county administrator and board of commissioners have implemented new policies and procedures over cash receipts. They will continue to monitor the process and make changes as necessary to ensure that cash receipts are secured, remitted, and recorded properly.

c. Monitoring and Oversight over Internal Controls

The County concurs with this finding. The county administrator and board of commissioners are aware that monitoring and oversight over internal controls is their responsibility. They have implemented new controls and will be monitoring for compliance with these new controls.

d. Expenditures exceeded appropriations at the legal level of control

The county concurs with this finding. The county commissioners and county administrator will monitor the financial statements closely; and, the county commissioners will amend the budget to cover expenditures over the budgeted amounts. This will be accomplished by December 31, 2014.

e. Commingling of SPLOST funds

The county concurs with this finding. The county is not trying to commingle funds but rather by human error paid expenses out of the wrong funds. The interfund balances will be cleared up between the SPLOST funds by December 31, 2014. The county administrator and county clerk will review all SPLOST expenditures and work to ensure that expenditures are paid out of the correct funds going forward.

Sincerely,

Jason Tinsley
County Administrator