WAYNE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

WAYNE COUNTY, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
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, 2016, and the related notes to the financial statements, which collectively comprise the Wayne County, Georgia'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 87.91 percent, 82.98 percent, and 97.62 percent, respectively, of the assets, net position, and revenues of the County's aggregate discretely presented component units or Wayne County Board of Health, which represents 1.73 percent, .88 percent, and 1.49 percent, respectively, of the assets, net position, and revenues of the County's aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Hospital Authority of Wayne County and the Wayne County Board of Health, is based solely on the report 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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia, as of December 31, 2016, 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 on pages 3 – 11, and budgetary comparison information on pages 56–65, and schedule of funding progress of other postemployment healthcare benefits on page 66, and related notes to the required supplementary information on pages 67 - 69 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 nonmajor fund financial statements, compliance section, and schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, compliance section, and the schedule of expenditures of special purpose local options 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 nonmajor fund financial statements, compliance section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2016, 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 the Wayne County, Georgia's internal control over financial reporting and compliance.

Jesup, Georgia
June 22, 2017

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, 2016. 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, Georgia. 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, 2016 by $52,463,392 (*net position*). Of this amount, ($12,327,091) is reported as unrestricted net position. This is a decrease of $1,463,793 (13.5%) over the previous fiscal year. Total net position increased by $4,026,444 over the previous fiscal year.**

- **As of December 31, 2016, Wayne County's governmental funds reported combined ending fund balances of $11,396,985. Approximately 25% of this total amount or $2,880,617 is reported as unassigned. Approximately 69%, or $7,866,130, is restricted for capital outlay, debt service related to capital projects, and economic development. 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 pages 33-34.**

More detailed information regarding these activities and funds begins on page 13.

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 13-14) 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 position, 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 15-16) 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 12-16.

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 71. 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, TSPLOST, 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 71-72 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 17-23 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 24.**

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 25-54 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 20 and 23) 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 a deferred outflow 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 13-14):

Wayne County
Net Position (Financial Position)
Fiscal Years 2016 and 2015

	Governmental Activities		Component Units		Total	
	2016	2015	2016	2015	2016	2015
Current assets	$ 18,360,143	$ 16,709,809	$ 18,133,839	$ 16,077,077	$ 36,493,982	$ 32,786,886
Capital assets	57,518,746	51,169,883	31,461,557	34,397,020	88,980,303	85,566,903
Other noncurrent assets	423,228	449,058	-		423,228	449,058
Total assets	76,302,117	68,328,750	49,595,396	50,474,097	125,897,513	118,802,847
Deferred outflows of resources	-	-	651,105	720,463	651,105	720,463
Current liabilities	5,674,849	1,801,260	5,046,560	7,596,180	10,721,409	9,397,440
Noncurrent liabilities	18,163,876	18,089,542	16,651,129	18,514,896	34,815,005	36,604,438
Total liabilities	23,838,725	19,890,802	21,697,689	26,111,076	45,536,414	46,001,878
Deferred inflows of resources	-	-	50,907	139,390	50,907	139,390
Net position:						
Invested in capital assets	57,418,746	51,169,883	15,502,807	16,165,270	72,921,553	67,335,153
Restricted	7,371,737	8,130,363	828,171	917,953	8,199,908	9,048,316
Unrestricted	(12,327,091)	(10,863,298)	12,166,927	7,860,871	(160,164)	(3,002,427)
Total net position	$ 52,463,392	$ 48,436,948	$ 28,497,905	$ 24,944,094	$ 80,961,297	$ 73,381,042

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 $52,463,392 at the close of fiscal year 2016. Approximately 109% 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 106% at December 31, 2015. 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 comprises 14.05%. 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 position changed during the fiscal year.

Wayne County, Georgia
Changes in Net Position

Fiscal Years 2016 and 2015

	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Charges for service	$ 4,668,571	$ 4,355,604
Operating grants and contributions	558,115	401,489
Capital grants and contributions	918,336	964,157
General revenues:		
Property tax	10,230,506	10,734,529
Local option sales tax	1,602,062	1,829,689
Special purpose local option sales tax	9,647,911	5,986,930
Other taxes	1,672,793	1,719,126
Interest & investment earnings	3,043	947
Other revenue	601,235	237,322
Total revenues	29,902,572	26,229,793
Expenses		
General government	2,450,585	2,224,376
Judicial	2,798,771	2,612,239
Public safety	9,235,981	8,149,549
Public works	6,991,085	6,969,737
Health and welfare	651,385	677,032
Culture and recreation	1,871,294	1,760,338
Housing and development	1,115,421	1,241,509
Interest on long-term debt	761,606	517,471
Total expenses	25,876,128	24,152,251
Increase (decrease) in net position before transfers	4,026,444	2,077,542
Transfers	-	-
Increase (decrease) in net position	4,026,444	2,077,542
Net position - beginning	48,436,948	46,359,406
Net position - ending	$ 52,463,392	$ 48,436,948

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 $11,396,985. Of this amount, $2,880,617 (25%) constitutes unassigned fund balance, which 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 $2,880,617, while total fund balance reached $3,530,855. 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 82% of total fund balance in the General Fund. Unassigned fund balance also represents 14% of total General Fund expenditures, while total fund balance represents approximately 17% of that same amount. The County ended the fiscal year realizing a substantial decrease in the overall fund balance in the General Fund by $2,136,028, or approximately 37.7%. The County decreased unassigned fund balance in the General Fund by $2,315,528, or 44.6%. 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 fourteen fiscal years.

General Fund Budget Highlights

Overall the General Fund expenditures totaled approximately $2,335,811 under the final amended budget projections or 10.3%. Expenditures exceeded revenues in the General Fund by $1,946,157 or 9.6% for the fiscal year. Overall the General Fund budgeted revenues exceeded the actual revenues by $4,587,686 or 20%. The primary causes for the General Fund expenditures exceeding revenues were due to the change in deferred taxes from 2015 to 2016 and the combination of reduction in revenues along with increased expenditures.

It is anticipated that the General Fund budget for fiscal year 2017 may be increased more than the increase for fiscal year 2016. No additional portion of the fund balance in the General Fund is budgeted for use in fiscal year 2017 aside from the original appropriation. Current General Fund revenues are meeting estimates for fiscal year 2017 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 $57,418,746 in capital assets (net of accumulated depreciation) compared to $51,169,883 in the previous fiscal year. This represents an increase of 12%. 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, Georgia
Capital Assets (net of accumulated depreciation)
Fiscal Years 2016 and 2015

	Governmental Activities	
	2016	2015
Land	$ 3,292,533	$ 3,141,931
Construction in progress	10,017,462	4,020,850
Buildings	15,208,654	15,169,675
Improvements	5,249,454	5,360,775
Equipment, vehicles and furniture	8,137,849	7,826,250
Infrastructure	43,237,529	41,038,901
Total	85,143,481	76,558,382
Accumulated Depreciation	(27,624,735)	(25,388,499)
Net Capital Assets	$ 57,518,746	$ 51,169,883

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

- **Purchase of vehicles and heavy equipment for various departments**
- **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**
- **Large construction in process project involving the construction of the overpass for SR 169**
- **Purchase land for future development**

Additional information on Wayne County's capital assets can be found in Note III. C. on pages 40-41 of this report.

Debt/Capital Leases

On December 31, 2016, Wayne County had a total long-term debt balance outstanding for governmental activities in the amount of $18,163,876, as compared to $18,089,542 the previous fiscal year. Wayne County's outstanding debt for governmental activities has increased by $74,334 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 bond is being repaid from SPLOST 2012 proceeds. In September 2016, the county advance refunded the 2007 general obligation bonds. The 2016 bonds were issued for $9,460,000. Debt service on these bonds will be repaid from SPLOST proceeds.

Additional information on the County's long-term debt can be found in Note III. F. on pages 42-44 of this report.

Economic Condition and Outlook

Wayne County's fund balances are decreasing as a result of lower revenues and increasing expenditures. The County 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 2016 that position Wayne County to meet those challenges:

- **Continued increased reliance on residential taxes as an overall part of the tax base**
- **Flattening recovery or decline 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: lsmart@co.wayne.ga.us

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		Component Units	
			Major	Non-major
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
ASSETS				
Cash	$ 9,836,071	$ 9,836,071		$ 1,866,084
Receivable (net of allowance for uncollectibles)	5,429,494	5,429,494	$ 7,264,000	
Inventory			1,236,000	
Prepaids	98,932	98,932	723,000	
Restricted cash	552,385	552,385	6,391,000	
Intergovernmental	2,443,261	2,443,261		94,755
Noncurrent receivables:				
Due within one year	26,616	26,616		
Due in more than one year	396,612	396,612		
Capital assets not being Depreciated:				
Land	3,292,533	3,292,533	345,000	2,866,272
Construction in progress	10,017,462	10,017,462		
Capital assets net of accumulated Depreciation:				
Buildings	10,725,348	10,725,348	24,795,000	1,168,252
Improvements other than buildings	2,571,411	2,571,411		
Equipment, vehicles and furniture	2,724,038	2,724,038	2,286,000	1,033
Infrastructure	28,187,954	28,187,954		
Other assets			559,000	
Total Assets	76,302,117	76,302,117	43,599,000	5,996,396
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding			538,000	
Proportionate share of collective deferred outflows of resources				113,105
Total assets and deferred outflows of resources	76,302,117	76,302,117	44,137,000	6,109,501

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

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		Component Units	
			Major	Non-major
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
LIABILITIES				
Current liabilities				
Accounts payable and other liabilities	$ 4,838,675	$ 4,838,675	$ 4,910,000	$ 136,560
Accrued interest payments	836,174	836,174		
Non-current liabilities:				
Due within one year	138,949	138,949	1,135,000	25,000
Due in more than one year	18,024,927	18,024,927	14,445,000	1,046,129
Total liabilities	23,838,725	23,838,725	20,490,000	1,207,689
DEFERRED INFLOWS OF RESOURCES:				
Proportionate share of collective Deferred inflows of resources				50,907
Total liabilities and deferred Inflows of resources:	23,838,725	23,838,725	20,490,000	1,258,596
NET POSITION				
Net investment in capital assets	57,418,746	57,418,746	11,886,000	3,616,807
Restricted for:				
Prior year program income				241,171
Debt service	3,137,702	3,137,702	587,000	
Capital projects	4,234,035	4,234,035		
Unrestricted	(12,327,091)	(12,327,091)	11,174,000	992,927
Total net position	$ 52,463,392	$ 52,463,392	$ 23,647,000	$ 4,850,905

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, 2016

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	Net (Expense) Revenue and Changes in Net Position: Component Units: Major: Hospital Authority of Wayne County	Net (Expense) Revenue and Changes in Net Position: Component Units: Non-major: Other Component Units Combined
Primary Government:							
Governmental activities:							
General government	$ 2,450,585	$ 496,828	$ 6,100		$ (1,947,657)		
Judicial	2,798,771	354	74,774		(2,723,643)		
Public safety	9,235,981	2,790,774	56,241	$ 13,177	(6,375,789)		
Public works	6,991,085	784,162	300,746	852,002	(5,054,175)		
Health and welfare	651,385	319,265	80,614	4,000	(247,506)		
Culture and recreation	1,871,294	129,313	9,850		(1,732,131)		
Housing and development	1,115,421	147,875	29,790	49,157	(888,599)		
Interest on long-term debt	761,606				(761,606)		
Total primary government	$ 25,876,128	$ 4,668,571	$ 558,115	$ 918,336	(19,731,106)		
Component units:							
Hospital Authority of Wayne County	$ 54,018,000	$ 56,909,000	$ 25,000			$ 2,916,000	
Other Component Units combined	1,137,101	242,960	931,941				$ 37,800
Total component units	$ 55,155,101	$ 57,151,960	$ 956,941	$ -		2,916,000	37,800

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, 2016

	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	$ (19,731,106)	$ 2,916,000	$ 37,800
General revenues:			
Property taxes	10,230,506		
Sales taxes for general purposes	1,602,062		
Special purpose local option sales taxes	9,647,911		
Other taxes	1,672,793		
Unrestricted investment earnings	3,043	297,000	332
Miscellaneous revenues	601,235	82,000	220,679
Total general revenues	23,757,550	379,000	221,011
Change in net position	4,026,444	3,295,000	258,811
Net position, beginning	48,436,948	20,352,000	4,592,094
Net position, ending	$ 52,463,392	$ 23,647,000	$ 4,850,905

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, 2016

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

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 881,704	$ 1,570,316	$ 1,490,127	$ 3,552,188	$ 2,270,571	$ 71,165	$ 9,836,071
Receivables (net of allowances for uncollectibles)	5,006,631			421,688		1,175	5,429,494
Intergovernmental	630,129		305,883		1,507,249		2,443,261
Prepaid expenditures	98,932						98,932
Restricted cash	552,385						552,385
RLF Loans Receivable						423,228	423,228
TOTAL ASSETS	$ 7,169,781	$ 1,570,316	$ 1,796,010	$ 3,973,876	$ 3,777,820	$ 495,568	$ 18,783,371

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, 2016

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

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Fund Balances:							
Nonspendable -							
Prepaid expenditures	$ 98,932						$ 98,932
Restricted for:							
Economic development						$ 494,393	494,393
Infrastructure		$ 1,414,341	$ 1,274,311		$ 1,544,602		4,233,254
Intergovernmental road and sewer		781					781
Debt service				$ 3,137,702			3,137,702
Unrestricted:							
Committed to:							
Drug interdiction	113,711						113,711

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

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, 2016

Total Governmental Fund Balances		**$ 11,396,985**
Amounts reported for government activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of $27,624,735		**57,518,746**
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds		**1,711,537**
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postclosure care costs	**$ 963,614**	
General obligation bonds	**9,460,000**	
Note payable	**100,000**	
Other postemployment benefits	**7,640,262**	
Combined adjustment		**(18,163,876)**
Net position of Governmental Activities		**$ 52,463,392**

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, 2016

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

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Property taxes	$ 9,778,704			$ 583			$ 9,779,287
Other taxes	3,260,477		$ 3,016,406		$ 6,631,505	$ 14,378	12,922,766
Licenses and permits	142,746						142,746
Intergovernmental revenues	577,394				660,883	4,000	1,242,277
Charges for services	2,937,210					435,550	3,372,760
Fines and fees	1,143,663						1,143,663
Investment income	3,043	$ 5,655	3,028	28,940		13,118	53,784

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, 2016

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

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,946,157)	$ (1,262,369)	$ 1,959,606	$ (11,296,693)	$ 389,252	$ (310,656)	$ (12,467,017)
OTHER FINANCING SOURCES (USES):							
Transfers in				1,499,781		323,570	1,823,351

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

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, 2016

Net change in fund balances – Total governmental funds		**$ (2,881,740)**
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	**$ 8,968,434**	
Depreciation expense	**(2,619,571)**	
		6,348,863
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		**1,319,036**
Note taken out as part of the purchase of an asset, the debt does not impact the governmental funds but increases long-term liabilities in the statement of net position		**(100,000)**
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds –		
Deferred revenues increased by this amount this year		**633,655**
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 –		
Other postemployment benefits		**(1,293,370)**
Change in net position of Governmental Activities		**$ 4,026,444**

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, 2016

	AGENCY FUNDS
ASSETS	
Cash	$ 9,094,305
Receivables	3,138,298
Total assets	12,232,603
LIABILITIES	
Due to others	12,232,603
Total liabilities	$ 12,232,603

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, 2012 SPLOST, and TSPLOST) 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 is 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, 2016**
Millage rate adopted by resolution	**September 29, 2016**
County tax digest approved by the State of Georgia	**October 31, 2016**
Real and personal property tax bills rendered	**October 31, 2016**
Real property tax payment due	**December 31, 2016**
Tax sales 2009-2015 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.

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. Investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation.
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 does not meet the definition of "restricted" or "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, 2016, expenditures exceeded appropriations in the General Fund. 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)

GOVERNMENTAL FUNDS: GENERAL FUND	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:			
Finanacial administration-			
Capital outlays	$29,676	$214,229	$184,553
Tax assessor-			
Interdepartmental charges	121,200	128,174	6,974
Government buildings & plant-			
Purchased/contract services	47,774	48,923	1,149
JUDICIARY:			
State and superior courts-			
Personal services and employee benefits	449,334	454,580	5,246
Purchased/contract services	181,700	184,632	2,932
Probate-			
Personal services and employee benefits	186,164	186,241	77
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	2,095,282	2,100,336	5,054
Purchased/contract services	216,713	271,970	55,257
Supplies	206,800	232,246	25,446
Capital outlays	291,114	388,559	97,445
Jail:			
Personal services and employee benefits	1,104,704	1,106,116	1,412
Capital outlays	9,000	25,801	16,801
Rural fire department-			
Capital outlays	67,770	108,780	41,010
Emergency management agency-			
Personal services and employee benefits	863,286	863,845	559
Purchased/contract services	165,914	169,344	3,430
Interdepartmental charges	290,395	290,680	285

B. Excess of expenditures over appropriations (Continued)

GOVERNMENTAL FUNDS:	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL FUND			
PUBLIC SAFETY (Continued):			
Coroner-			
Interdepartmental charges	$ (53,515)	$ 111,373	$ 164,888
PUBLIC WORKS:			
Highways and streets:			
Personal services and employee benefits	1,571,667	1,577,652	5,985
Solidwaste & recycling-			
Purchased/contract services	853,650	864,311	10,661
HEALTH AND WELFARE-			
Welfare administration-			
Purchased/contract serivces	29,950	33,360	3,410
CULTURE AND RECREATION-			
Recreation-			
Personal services and employee benefits	477,871	478,112	241
NON-MAJOR FUNDS-			
DEBT SERVICE FUND:			
Interest & fiscal charges	440,138	716,216	276,078
Principal	740,000	10,630,000	9,890,000

C. Deficit fund equity

The County did not have a fund with a deficit fund balance as of December 31, 2016.

A. Deposits

As of December 31, 2016, the County had the following investments:

Investment	Rating	Average Maturity (Days)	Fair Value
Georgia Fund 1	AAAm	46 WAM	$ 2,093,509
Total investments			2,093,509
Cash-checking and certificates of deposit			17,389,252
Total cash and investments			$19,482,761

Reconciliation of financial statements to notes:	
Primary Government:	
Cash and investments:	
Governmental activities	$9,836,071
Restricted cash	552,385
Agency funds	9,094,305
Total cash and investments	$19,482,761

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.

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, 2016, 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:

	Taxes	Accounts and Notes	Agencies	Gross Receivables	Less Allowance for Uncollectibles	Net Receivables	Intergovernmental
Receivables:							
General	$ 3,628,696	$ 511,894	$ 1,196,041	$ 5,336,631	$ (330,000)	$ 5,006,631	$ 630,129
Nonmajor governmental		424,403		424,403		424,403	
2012 SPLOST							305,883
TSPLOST							1,507,249
Debt service	36,882	409,806		446,688	(25,000)	421,688	
Total	3,665,578	1,346,103	1,196,041	6,207,722	$ (355,000)	$ 5,852,722	$ 2,443,261
Less allowance for uncollectibles	(355,000)			(355,000)			
Net receivables	$ 3,310,578	$ 1,346,103	$ 1,196,041	$ 5,852,722			

C. Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 3,141,931	$ 150,602		$ 3,292,533
Construction in progress	4,020,850	5,996,612		10,017,462
Total capital assets, not being depreciated	7,162,781	6,147,214		13,309,995
Capital assets, being depreciated:				
Improvements	5,360,775		$ 111,321	5,249,454
Buildings	15,169,675	38,979		15,208,654
Equipment, vehicles and furniture	7,826,250	510,839	199,240	8,137,849
Infrastructure	41,038,901	2,271,402	72,774	43,237,529
Total assets, being depreciated	69,395,601	2,821,220	383,335	71,833,486
Less accumulated depreciation for:				
Improvements	2,520,046	269,318	111,321	2,678,043
Buildings	4,131,398	351,908		4,483,306
Equipment, vehicles and furniture	4,942,490	670,561	199,240	5,413,811
Infrastructure	13,794,565	1,327,784	72,774	15,049,575
Total accumulated depreciation	25,388,499	2,619,571	383,335	27,624,735
Total capital assets, being depreciated, net	44,007,102	201,649		44,208,751
Net Governmental Activities Capital Assets	$ 51,169,883	$ 6,348,863	$ -	$ 57,518,746

C. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	**$ 29,403**
Judiciary	**25,853**
Public safety	**564,613**
Public works	**1,574,692**
Health and welfare	**54,932**
Culture/recreation	**203,407**
Housing and development	**166,671**
Total depreciation expense	**$2,619,571**

Construction commitments

The County has one active construction project involving State Route 169 Overpass with a contract cost of $13,369,727 as of December 31, 2016.

D. Interfund receivables, payables, and transfers

There were no interfund receivable and/or payable balances at December 31, 2016.

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

	Transfers In	Transfers Out
Major Fund:		
General to emergency telephone system		**$ 323,570**
2012 SPLOST to debt service		**1,508,203**
Debt service from capital projects	**$1,508,203**	
Debt service to General		**8,422**
General from debt service	**8,422**	
Non-major Fund:		
Special revenue – Emergency telephone system from General	**323,570**	
Total	**$1,840,195**	**$1,840,195**

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 $46,618 for 2016.

Future minimum lease payments are as follows:

Year	Amount
2016	46,618
2017	54,318
2018	41,329
2019	35,818
2020	29,370
2021 and beyond	16,374
Total	$223,827

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, 2016.

F. Long-term debt

Governmental Activities:

General Fund – Public Works

The County has accrued $1,757,599 in estimated postclosure care costs to provide for the postclosure costs of a landfill. The amount outstanding is $963,614 payable annually through 2027, non-interest bearing.

General Fund – Health and Welfare

2007 Series-
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 $ 0, payable in annual payments varying from $1,163,459 to $1,277,544 commencing March 1, 2008 through March 1, 2026; interest from 4.0% to 4.5%. Interest of $716,216 has been included as an indirect expense. The bonds were refunded on September 1, 2016.

2016 Series-
The County refunded $9,460,000 in 2007 series general obligation bonds September 1, 2016. The bonds are general obligations of the County. The amount outstanding is $9,460,000, payable in annual payments varying from $1,104,503 to $1,201,543 commencing March 1, 2018 through March 1, 2026, interest of 1.94%.

On September 1, 2016, the County advance refunded $9,460,000 of the 2007 bonds with proceeds from the 2016 bonds. As a result of the advance refunding, the County will decrease its total debt service requirement by $917,359, which results in an economic savings (the difference between the present value of the debt service payments on the old and new debt) of $844,905 or 8.9% of the principal amount being refunded.

F. Long-term debt (Continued):

Estimated postclosure care costs-

The annual requirements to amortize postclosure care costs outstanding of the primary government at December 31, 2016 are as follows:

	Governmental Activities		
Year Ending December 31	Estimated Postclosure Care Costs		
	Principal	Interest	Total
2017	88,949		88,949
2018	88,949		88,949
2019	88,949		88,949
2020	88,949		88,949
2021	88,949		88,949
2022	88,949		88,949
2023	88,949		88,949
2024	88,949		88,949
2025	88,949		88,949
2026	88,949		88,949
2027	74,124		74,124
Total	$ 963,614		$ 963,614

General obligation bonds (Series 2016) –

The annual requirements to amortize the general obligation bonds of the primary government at December 31, 2016 including interest payments of $1,047,891 are as follows:

	Government Activities		
Year Ending December 31	General Obligation Bonds (Series 2016)		
	Principal	Interest	Total
2017	-	183,524	183,524
2018	930,000	174,503	1,104,503
2019	950,000	156,267	1,106,267
2020	980,000	137,546	1,117,546
2021	1,015,000	118,194	1,133,194
2022	1,045,000	98,213	1,143,213
2023	1,080,000	77,600	1,157,600
2024	1,120,000	56,260	1,176,260
2025	1,150,000	34,241	1,184,241
2026	1,190,000	11,543	1,201,543
Total	$ 9,460,000	$ 1,047,891	$ 10,507,891

F. Long-term debt (Continued):

Note Payable – James Griffin-

The note related to Mr. James Griffin is an interest bearing note at 7% paid back to Mr. Griffin over a two year period. The note is part of an installment sale in which Wayne County purchased 89.37 acres on Sunset Blvd. from Mr. Griffin.

Year Ending December 31	Principal	Interest	Total
2017	$ 50,000	$ 5,309	$ 55,309
2018	50,000	5,309	55,309
Total	$ 100,000	$ 10,618	$ 110,618

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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Estimated postclosure care costs	$ 1,022,650		$ 59,036	$ 963,614	$ 88,949
Net OPEB obligation	6,346,892	$ 1,293,370		7,640,262	
Total	7,369,542	1,293,370	59,036	8,603,876	88,949
Note payable- City of Jesup	90,000		90,000	-	-
Note payable- James Griffin	-	100,000	-	100,000	50,000
General obligation bonds (Series 2007)	10,630,000		10,630,000	-	-
General obligation bonds (Series 2016)	-	9,460,000	-	9,460,000	-
Total	10,720,000	9,560,000	10,720,000	9,560,000	50,000
Total governmental activities	$ 18,089,542	$ 10,853,370	$ 10,779,036	$ 18,163,876	$ 138,949

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 $963,614 and this amount is reflected as a liability at December 31, 2016. 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, 2016, 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 5, 2016 the County borrowed $4,500,000 with a tax anticipation note (TAN). The TAN was paid December 31, 2016, along with $45,390 in interest at 1.02%.

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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Interest Paid
Tax anticipation note (TAN)	$ 0	$ 4,500,000	$ 4,500,000	$ 0	$ 45,390
Total governmental activities	$ 0	$ 4,500,000	$ 4,500,000	$ 0	$ 45,390

I. Restriction 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 and TSPLOST revenues.

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

Restrict for economic development – restricted for loans for economic development purposes.

Restrict for drug court fees – restricted for fees incurred by the drug court.

I. Restriction 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	Restict for Drug Court Fees	Restrict for Capital Outlay	Restrict for Debt Service	Resticted for Economic Development
Restricted fund balance, beginning of year	$ 93,752	$ 20,454	$ 64,241	$ 69,348	$ 216,252	$ 6,691	$ 4,655,749	$ 3,474,614	$ 481,479
Increase (decrease) in reserve	5,180	93,257	1,681	1,260	66,139	11,983	(421,714)	(336,912)	12,914
Restricted fund balance, end of year	$ 98,932	$ 113,711	$ 65,922	$ 70,608	$ 282,391	$ 18,674	$ 4,234,035	$ 3,137,702	$ 494,393

Restricted assets are comprised of the following:

	2016
General Fund:	
Wayne County Drug Interdiction - Cash	$ 113,711
Wayne County Drug Education – Cash	65,922
Wayne County Juvenile Services - Cash	70,608
Wayne County DFACS Building - Cash	282,391
Wayne County Drug Court Fees - Cash	18,674
Wayne County Excess Sales - Cash	1,079
Total General Fund	552,385

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

A. Risk Management (Continued):

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.

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, 2016 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 90% of the first $3,000 in claims with a $1,000 deductible. The County maintains an excess coverage policy for claims in excess of $75,000 and is responsible for paying 100% of all claims over $3,000 until an aggregate of $75,000 in claims has been accumulated. After $75,000 in claims has been aggregated, the insurance carrier will pay 100% of all claims in excess of the $75,000 limit for an unlimited lifetime benefit. 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	
2014		$2,461,929	$2,156,095	$305,834
2015	$305,834	$1,516,208	$1,747,362	$ 74,680
2016	$ 74,680	$1,958,514	$1,747,623	$285,571

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, 2016, the County-guaranteed bonds outstanding were as follows:

Description	Balance
Series 2015 revenue bonds of Hospital Authority of Wayne County	$13,790,000

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 $21,190 to the RC for the year ended December 31, 2016. 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, 2016.

	Amount	Percentage
Lodging tax receipts	$14,378	100%
Disbursements to Wayne County Board of Tourism for promotion of tourism	14,378	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, 2016, there were 208 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 2016 year, the County contributed $388,591 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. GEBCorp administers the plan and issues a financial report. Their address is 1100 Circle 75 Parkway, Suite 300, Atlanta, GA 30339.

2. Deferred Compensation Plan

The County also has a deferred compensation plan under section 457 of the Internal Revenue Code. One hundred and thirty-one (131) plan members invest their contributions ($296,870 for 2016) in annuity contracts with Nationwide Insurance Company. Sixty-one (61) plan members invest their contributions ($125,257 for 2016) 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.

F. Employee retirement systems (Continued)

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 $7,640,262 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 seventeen (17) 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.

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, 2016, retirees receiving benefits paid $39,006, 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 $196,122, 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

G. Other Postemployment Benefits (Continued)

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	$ 1,588,540
Interest on net OPEB obligation	253,876
Adjustment to annual required contribution	(352,924)
Annual OPEB cost	1,489,492
Contributions made	(196,122)
Increase (decrease) in net OPEB obligation	1,293,370
Net OPEB obligation – beginning of year	6,346,892
Net OPEB obligation – end of year	$7,640,262

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 thru 2016 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
12/31/14	$1,330,791	21.17%	$4,894,403
12/31/15	$1,593,110	8.83%	$6,346,892
12/31/16	$1,489,492	13.17%	$7,640,262

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.

Funding Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits equaled $15,851,259, resulting in an unfunded actuarial accrued liability (UAAL) of $15,851,259. The covered payroll (annual payroll of active employees covered by the Plan) equaled $4,955,112, and the ratio of the UAAL to the covered payroll equaled 319.9%.

Actuarial valuation of an ongoing plan involves 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

G. Other Postemployment Benefits (Continued)

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, 2016, 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 7.75%, initially, reduced by decrements to an ultimate rate of 5% after five years. The UAAL is being amortized as a level dollar amount over thirty years on an open basis.

H. Subsequent Events

A review of the subsequent events noted the following:

- **The County Administrator has given notice to board to seek a replacement and he will be retiring as soon as a replacement is found**

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 11,074,051	$ 11,074,051	$ 9,778,704	$ (1,295,347)
Other taxes	3,272,500	3,272,500	3,260,477	(12,023)
Licenses and permits	137,000	137,000	142,746	5,746
Intergovernmental revenue	4,175,892	4,175,892	577,394	(3,598,498)
Charges for services	3,338,350	3,338,350	2,937,210	(401,140)
Fines and fees	662,800	662,800	1,143,663	480,863
Investment income	1,000	1,000	3,043	2,043
Other revenue	330,904	330,904	561,574	230,670
TOTAL REVENUES	22,992,497	22,992,497	18,404,811	(4,587,686)
EXPENDITURES:				
GENERAL GOVERNMENT:				
ELECTIONS:				
Personal services and employee benefits	78,885	67,087	65,445	(1,642)
Purchased/contract services	15,650	15,948	11,752	(4,196)
Supplies	4,300	4,800	3,387	(1,413)
Capital outlays	3,500	3,500	500	(3,000)
Total elections	102,335	91,335	81,084	(10,251)
REGISTRAR:				
Personal services and employee benefits	55,303	52,739	51,834	(905)
Purchased/contract services	4,070	6,734	4,118	(2,616)
Supplies	1,150	1,500	1,273	(227)
Capital outlays	500	50	-	(50)
Interdepartmental charges	5,000	5,000	2,463	(2,537)
Total registrar	66,023	66,023	59,688	(6,335)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
FINANCIAL ADMINISTRATION:				
Personal services and employee benefits	$ 316,515	$ 322,775	$ 322,541	$ (234)
Purchased/contract services	205,320	341,318	299,224	(42,094)
Supplies	10,900	8,636	8,079	(557)
Capital outlays	2,300	29,676	214,229	184,553
Interdepartmental charges	46,700	55,950	45,753	(10,197)
Other costs	2,604,299	2,071,578	24,000	(2,047,578)
Debt service	40,000	46,000	45,390	(610)
Total financial administration	3,226,034	2,875,933	959,216	(1,916,717)
TAX COMMISSIONER:				
Personal services and employee benefits	239,974	247,874	246,503	(1,371)
Purchased/contract services	107,597	66,168	59,175	(6,993)
Supplies	3,400	5,929	5,500	(429)
Capital outlays	5,500	1,100	732	(368)
Interdepartmental charges	70,000	62,500	51,633	(10,867)
Total tax commissioner	426,471	383,571	363,543	(20,028)
TAX ASSESSOR:				
Personal services and employee benefits	321,478	337,629	334,892	(2,737)
Purchased/contract services	234,405	183,559	176,129	(7,430)
Supplies	8,600	6,850	4,370	(2,480)
Capital outlays	3,000	2,945	2,188	(757)
Interdepartmental charges	69,000	121,200	128,174	6,974
Total tax assessor	636,483	652,183	645,753	(6,430)
GOVERNMENT BUILDINGS & PLANTS:				
Personal services and employee benefits	216,769	228,759	228,412	(347)
Purchased/contract services	54,264	47,774	48,923	1,149
Supplies	84,100	53,000	51,875	(1,125)
Capital outlay	2,000	3,500	2,971	(529)
Interdepartmental charges	32,000	51,500	41,160	(10,340)
Total government buildings	389,133	384,533	373,341	(11,192)
TOTAL GENERAL GOVERNMENT	4,846,479	4,453,578	2,482,625	(1,970,953)

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JUDICARY:				
JUDICIAL ADMINISTRATION:				
Personal services and employee benefits	$ 286,568	$ 402,868	$ 399,500	$ (3,368)
Purchased/contract services	158,300	143,053	149,155	6,102
Supplies	46,500	49,340	48,521	(819)
Capital outlays	1,000	3,500	3,271	(229)
Interdepartmental charges	10,700	17,507	9,361	(8,146)
Other costs	30,000	32,000	31,632	(368)
Total judicial administration	533,068	648,268	641,440	(6,828)
STATE AND SUPERIOR COURTS:				
Personal services and employee benefits	439,784	449,334	454,580	5,246
Purchased/contract services	152,150	181,700	184,632	2,932
Supplies	35,550	37,250	36,428	(822)
Capital outlays	2,500	2,000	795	(1,205)
Interdepartmental charges	141,600	93,600	71,097	(22,503)
Total state and superior courts	771,584	763,884	747,532	(16,352)
DISTRICT ATTORNEY:				
Personal services and employee benefits	9,045	9,100	9,087	(13)
Purchased/contract services	1,000	1,295	1,199	(96)
Supplies	100	-	-	-
Other costs	150,300	150,050	150,000	(50)
Total district attorney	160,445	160,445	160,286	(159)
MAGISTRATE COURT:				
Personal services and employee benefits	182,639	184,489	184,460	(29)
Purchased/contract services	21,220	22,020	21,234	(786)
Supplies	3,200	4,800	4,626	(174)
Capital outlays	1,125	-	-	-
Interdepartmental charges	27,810	57,460	51,636	(5,824)
Total magistrate court	235,994	268,769	261,956	(6,813)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PROBATE COURT:				
Personal services and employee benefits	$ 174,664	$ 186,164	$ 186,241	$ 77
Purchased/contract services	31,592	39,667	37,746	(1,921)
Supplies	3,100	3,400	3,140	(260)
Capital outlays	6,500	2,250	1,821	(429)
Interdepartmental charges	79,200	78,975	71,062	(7,913)
Total probate court	295,056	310,456	300,010	(10,446)
JUVENILE COURT:				
Personal services and employee benefits	127,119	127,819	127,612	(207)
Purchased/contract services	35,400	35,200	34,896	(304)
Supplies	3,000	2,500	2,475	(25)
Total juvenile court	165,519	165,519	164,983	(536)
PUBLIC DEFENDER:				
Purchased/contract services	500	500	398	(102)
Other costs	182,070	192,670	192,583	(87)
Total public defender	182,570	193,170	192,981	(189)
DRUG COURT:				
Purchased/contract services	105,700	120,200	119,929	(271)
Supplies	4,500	1,700	1,611	(89)
Total drug court	110,200	121,900	121,540	(360)
TOTAL JUDICIARY	2,454,436	2,632,411	2,590,728	(41,683)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PUBLIC SAFETY:				
SHERIFF:				
Personal services and employee benefits	$ 2,170,820	$ 2,095,282	$ 2,100,336	$ 5,054
Purchased/contract services	168,325	216,713	271,970	55,257
Supplies	241,000	206,800	232,246	25,446
Capital outlays	355,000	291,114	388,559	97,445
Interdepartmental charges	357,500	305,550	287,986	(17,564)
Total sheriff	3,292,645	3,115,459	3,281,097	165,638
LAW ENFORCEMENT BUILDING -				
Debt service	90,000	90,000	90,000	-
Total law enforcement building	90,000	90,000	90,000	-
JAIL:				
Personal services and employee benefits	1,026,565	1,104,704	1,106,116	1,412
Purchased/contract services	364,850	455,350	450,031	(5,319)
Supplies	522,650	517,385	514,951	(2,434)
Capital outlays	2,000	9,000	25,801	16,801
Interdepartmental charges	213,500	117,811	94,748	(23,063)
Other costs	13,500	45,615	44,964	(651)
Total jail	2,143,065	2,249,865	2,236,611	(13,254)
OTHER PUBLIC SAFETY:				
Purchased/contract services	7,650	4,750	2,543	(2,207)
Supplies	14,800	11,000	10,368	(632)
Capital Outlays	1,000	73,500	73,000	(500)
Total other public safety	23,450	89,250	85,911	(3,339)
RURAL FIRE DEPARTMENTS:				
Personal services and employee benefits	41,000	21,671	21,555	(116)
Purchased/contract services	33,900	53,560	40,653	(12,907)
Supplies	27,850	56,010	49,051	(6,959)
Capital outlays	48,700	67,770	108,780	41,010
Other costs	19,500	20,500	20,123	(377)
Total rural fire departments	170,950	219,511	240,162	20,651

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EMERGENCY MEDICAL SERVICES:				
Personal services and employee benefits	$ 977,960	$ 863,286	$ 863,845	$ 559
Purchased/contract services	141,520	165,914	169,344	3,430
Supplies	112,800	109,025	106,758	(2,267)
Capital outlays	81,000	95,200	90,485	(4,715)
Interdepartmental charges	217,440	290,395	290,680	285
Total emergency medical services	1,530,720	1,523,820	1,521,112	(2,708)
CORONER:				
Personal services and employee benefits	23,757	31,122	30,932	(190)
Purchased/contract services	14,050	14,450	13,878	(572)
Supplies	2,100	3,050	2,680	(370)
Interdepartmental charges	50,000	(53,515)	111,373	164,888
Total coroner	89,907	(4,893)	158,863	163,756
ANIMAL CONTROL:				
Supplies	10,000	-	-	-
Total animal control	10,000	-	-	-
EMERGENCY MANAGEMENT AGENCY:				
Personal services and employee benefits	52,869	57,569	55,947	(1,622)
Purchased/contract services	30,720	34,470	31,830	(2,640)
Supplies	7,650	14,450	13,788	(662)
Capital outlays	5,000	16,900	16,554	(346)
Interdepartmental charges	30,000	4,400	2,290	(2,110)
Other Costs	20,000	1,000	-	(1,000)
Total emergency management agency	146,239	128,789	120,409	(8,380)
TOTAL PUBLIC SAFETY	7,496,976	7,411,801	7,734,165	322,364

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PUBLIC WORKS:				
HIGHWAYS AND STREETS:				
Personal services and employee benefits	$ 1,447,523	$ 1,571,667	$ 1,577,652	$ 5,985
Purchased/contract services	380,920	478,352	474,742	(3,610)
Supplies	326,350	300,531	298,540	(1,991)
Capital outlays	27,350	35,193	34,651	(542)
Interdepartmental charges	588,100	633,600	610,644	(22,956)
Total highways and streets	2,770,243	3,019,343	2,996,229	(23,114)
SOLID WASTE & RECYCLING:				
Purchased/contract services	927,900	853,650	864,311	10,661
Capital outlays	150,000	55,400	2,106	(53,294)
Total solid waste & recycling	1,077,900	909,050	866,417	(42,633)
COUNTY SHOP:				
Personal services and employee benefits	309,793	286,685	247,557	(39,128)
Purchased/contract services	39,775	47,843	39,991	(7,852)
Supplies	42,000	38,840	31,559	(7,281)
Capital outlays	23,200	23,200	22,710	(490)
Interdepartmental charges	129,510	129,510	122,181	(7,329)
Other Costs	175,000	176,200	172,174	(4,026)
Total county shop	719,278	702,278	636,172	(66,106)
TOTAL PUBLIC WORKS	4,567,421	4,630,671	4,498,818	(131,853)
HEALTH AND WELFARE:				
PUBLIC HEALTH ADMINISTRATION:				
Purchased/contract services	3,500	21,000	19,230	(1,770)
Other costs	103,425	103,425	103,218	(207)
Total public health administration	106,925	124,425	122,448	(1,977)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
WELFARE ADMINISTRATION:				
Purchased/contract services	$ 48,450	$ 29,950	$ 33,360	$ 3,410
Supplies	4,500	1,900	1,821	(79)
Capital outlays	-	10,000	9,631	(369)
Other costs	1,500	900	900	-
Total welfare administration	54,450	42,750	45,712	2,962
COMMUNITY SERVICES:				
Personal services and employee benefits	215,396	237,991	237,901	(90)
Purchased/contract services	35,975	59,867	58,444	(1,423)
Supplies	94,000	96,663	95,855	(808)
Capital outlays	15,300	27,500	27,302	(198)
Interdepartmental charges	5,000	4,300	2,104	(2,196)
Total community services	365,671	426,321	421,606	(4,715)
TOTAL HEALTH AND WELFARE	527,046	593,496	589,766	(3,730)
CULTURE AND RECREATION:				
RECREATION:				
Personal services and employee benefits	443,671	477,871	478,112	241
Purchased/contract services	258,490	330,640	328,173	(2,467)
Supplies	359,150	422,550	420,816	(1,734)
Capital outlays	145,900	9,950	9,556	(394)
Interdepartmental charges	110,000	80,800	57,630	(23,170)
Other costs	20,000	15,400	15,223	(177)
Total recreation	1,337,211	1,337,211	1,309,510	(27,701)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
LIBRARY -				
Other costs	$ 172,060	$ 172,060	$ 172,060	$ -
Total library	172,060	172,060	172,060	-
TOTAL CULTURE AND RECREATION	1,509,271	1,509,271	1,481,570	(27,701)
HOUSING AND DEVELOPMENT:				
CONSERVATION:				
Personal services and employee benefits	89,508	98,858	98,532	(326)
Purchased/contract services	45,475	49,365	47,806	(1,559)
Supplies	15,450	15,871	14,601	(1,270)
Capital outlays	5,000	1,965	1,965	-
Interdepartmental charges	19,100	31,100	30,933	(167)
Other costs	50,029	46,004	45,887	(117)
Total conservation	224,562	243,163	239,724	(3,439)
FOREST RESOURCES:				
Personal services and employee benefits	33,687	35,187	35,086	(101)
Purchased/contract services	2,650	2,450	2,102	(348)
Supplies	1,200	1,100	587	(513)
Capital outlays	300	300	-	(300)
Interdepartmental charges	9,000	-	-	-
Other costs	37,000	36,300	36,257	(43)
Total forest resources	83,837	75,337	74,032	(1,305)
BUILDING INSPECTION:				
Personal services and employee benefits	60,619	63,569	62,727	(842)
Purchased/contract services	6,192	5,817	4,864	(953)
Supplies	3,670	3,070	2,383	(687)
Capital outlays	300	25	-	(25)
Interdepartmental charges	5,000	11,800	8,210	(3,590)
Total building inspection	75,781	84,281	78,184	(6,097)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
ECONOMIC DEVELOPMENT:				
Purchased/contract services	$ -	$ 20,250	$ 20,185	$ (65)
Other costs	315,500	315,000	300,000	(15,000)
Total economic development	315,500	335,250	320,185	(15,065)
AIRPORT:				
Purchased/contract services	35,570	41,145	40,029	(1,116)
Supplies	139,000	154,600	153,387	(1,213)
Capital outlays	541,350	521,775	67,755	(454,020)
Total airport	715,920	717,520	261,171	(456,349)
TOTAL HOUSING AND DEVELOPMENT	1,415,600	1,455,551	973,296	(482,255)
TOTAL EXPENDITURES	22,817,229	22,686,779	20,350,968	(2,335,811)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	175,268	305,718	(1,946,157)	(2,251,875)
OTHER FINANCING SOURCES (USES):				
Sale of assets	8,000	8,000	25,277	17,277
Transfers (out)	(183,268)	(313,718)	(215,148)	98,570
Total other financing sources and (uses)	(175,268)	(305,718)	(189,871)	115,847
NET CHANGE IN FUND BALANCES	-	-	(2,136,028)	(2,136,028)
FUND BALANCES, BEGINNING	5,666,883	5,666,883	5,666,883	5,666,883
FUND BALANCES, ENDING	$ 5,666,883	$ 5,666,883	$ 3,530,855	$ 3,530,855

SCHEDULE 2

WAYNE COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS-POSTEMPLOYMENT HEALTHCARE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016

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	57.2%
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%
1/1/2014	0	$15,309,380	$15,309,380	0%	$5,769,193	265.4%
1/1/2015	0	$15,309,380	$15,309,380	0%	$5,769,193	265.4%
1/1/2016	0	$15,851,259	$15,851,259	0%	$4,955,112	319.9%

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, 2016, the following supplemental increases and decreases in budget appropriations were approved:**

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$22,817,229	$ 0	$ 130,450	$ 22,686,779
Special Revenue	$ 1,163,972	$ 129,950	$ 0	$ 1,293,922
Debt Service	$ 1,240,000	$ 0	$ 59,862	$ 1,180,138

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

GOVERNMENTAL FUNDS: GENERAL FUND	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:			
Finanacial administration-			
Capital outlays	$29,676	$214,229	$184,553
Tax assessor-			
Interdepartmental charges	121,200	128,174	6,974
Government buildings & plant-			
Purchased/contract services	47,774	48,923	1,149
JUDICIARY:			
State and superior courts:			
Personal services and employee benefits	449,334	454,580	5,246
Purchased/contract services	181,700	184,632	2,932
Probate-			
Personal services and employee benefits	186,164	186,241	77
PUBLIC SAFETY:			
Sheriff:			
Personal services and employee benefits	2,095,282	2,100,336	5,054
Purchased/contract services	216,713	271,970	55,257
Supplies	206,800	232,246	25,446
Capital outlays	291,114	388,559	97,445
Jail:			
Personal services and employee benefits	1,104,704	1,106,116	1,412
Capital outlays	9,000	25,801	16,801
Rural fire department-			
Capital outlays	67,770	108,780	41,010
Emergency management agency:			
Personal services and employee benefits	863,286	863,845	559
Purchased/contract services	165,914	169,344	3,430
Interdepartmental charges	290,395	290,680	285

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

GOVERNMENTAL FUNDS:	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL FUND			
PUBLIC SAFETY (Continued):			
Coroner-			
Interdepartmental charges	$ (53,515)	$ 111,373	$ 164,888
PUBLIC WORKS:			
Highways and streets:			
Personal services and employee benefits	1,571,667	1,577,652	5,985
Solidwaste & recycling-			
Purchased/contract services	853,650	864,311	10,661
HEALTH AND WELFARE-			
Welfare administration-			
Purchased/contract serivces	29,950	33,360	3,410
CULTURE AND RECREATION-			
Recreation-			
Personal services and employee benefits	477871	478112	241
NON-MAJOR FUNDS-			
DEBT SERVICE FUND-			
Interest & fiscal charges	440,138	716,216	276,078
Principal	740,000	10,630,000	9,890,000

C. Deficit fund equity

The County did not have a fund with a deficit fund balance as of December 31, 2016.

SUPPLEMENTARY DATA – COMBINING FUND FINANCIAL SCHEDULES

SCHEDULE 3

WAYNE COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue				Total Non-major Governmental Funds
	Hotel/Motel Tax Fund	Emergency Telephone System	RLF	CDBG	
ASSETS:					
Cash			$ 71,165		$ 71,165
Receivables	$ 1,175				1,175
Intergovernmental					
RLF Loans Receivable			423,228		423,228
TOTAL ASSETS	$ 1,175	$ -	$ 494,393	$ -	$ 495,568
LIABILITIES AND FUND BALANCE					
LIABILITIES-					
Accounts payable	1,175				1,175
Total Liabilities	1,175	-	-	-	1,175
FUND BALANCES:					
Restricted for capital outlay					-
Restricted for economic development			494,393		494,393
Unassigned					-
Total Fund Balance	-	-	494,393	-	494,393
TOTAL LIABILITIES AND FUND BALANCES	$ 1,175	$ -	$ 494,393	$ -	$ 495,568

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, 2016

	Special Revenue				Total Non-major Governmental Funds
	Hotel/Motel Tax Fund	Emergency Telephone System	RLF	CDBG	
REVENUES:					
Taxes	$ 14,378				$ 14,378
Intergovernmental			$ -	$ 4,000	4,000
Charges for services		$ 435,550			435,550
Investment income			13,118		13,118
Total revenues	14,378	435,550	13,118	4,000	467,046
EXPENDITURES:					
Current:					
Public safety		759,120			759,120
Housing and development	14,378		204		14,582
Capital outlay - Health & welfare				4,000	4,000
Total expenditures	14,378	759,120	204	4,000	777,702
EXCESS (DERICIENCY) OF REVENUES OVER EXPENDITUES	-	(323,570)	12,914	-	(310,656)
OTHER FINANCING SOURCES (USES):					
Transfers in (out)	-	323,570	-	-	323,570
Total other financing sources (uses)	-	323,570	-	-	323,570
NET CHANGES IN FUND BALANCES	-	-	12,914	-	12,914
FUND BALANCE, Beginning	-	-	481,479	-	481,479
FUND BALANCE, Ending	$ -	$ -	$ 494,393	$ -	$ 494,393

WAYNE COUNTY, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Taxes	$ 15,500	$ 15,500	$ 14,378	$ (1,122)
Total revenues	15,500	15,500	14,378	(1,122)
EXPENDITURES -				
Housing and development-				
Other costs	15,500	15,000	14,378	(622)
EXCESS OF REVENUES OVER EXPENDITURES	-	500	-	(500)
NET CHANGE IN FUND BALANCE	-	500	-	(500)
FUND BALANCE, Beginning of year	-	-	-	-
FUND BALANCE, End of year	$ -	$ 500	$ -	$ (500)

WAYNE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Charges for services	$ 465,000	$ 465,000	$ 435,550	$ (29,450)
Total revenues	465,000	465,000	435,550	(29,450)
EXPENDITURES:				
Personal services and employee benefits	491,693	555,438	555,152	(286)
Purchased/contract services	81,475	97,730	94,769	(2,961)
Supplies	34,000	28,500	26,965	(1,535)
Capital outlays	2,000	4,200	3,704	(496)
Interdepartmental charges	39,100	92,850	78,530	(14,320)
Total expenditures	648,268	778,718	759,120	(19,598)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(183,268)	(313,718)	(323,570)	(9,852)
OTHER FINANCING SOURCES (USES) -				
Transfer in	183,268	313,718	323,570	9,852
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning of year	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ -	$ -

SCHEDULE 7

WAYNE COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Investment income	$ -	$ -	$ 13,118	$ 13,118
Total revenues	-	-	13,118	13,118
EXPENDITURES -				
Housing and development -				
Purchased/contract services	204	204	204	-
Total expenditures	204	204	204	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(204)	(204)	12,914	13,118
OTHER FINANCING SOURCES (USES) –				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(204)	(204)	12,914	13,118
FUND BALANCE, Beginning	481,479	481,479	481,479	-
FUND BALANCE, Ending	$ 481,275	$ 481,275	$ 494,393	$ 13,118

SCHEDULE 8

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 15p-y-151-1-5776 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES -				
Intergovernmental	$ 500,000	$ 500,000	$ 4,000	$ (496,000)
Total revenues	500,000	500,000	4,000	(496,000)
EXPENDITURES -				
Capital outlay -				
Health & welfare	500,000	500,000	4,000	(496,000)
Total expenditures	500,000	500,000	4,000	(496,000)
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 9

WAYNE COUNTY, GEORGIA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL AMOUNTS	OVER (UNDER)
REVENUES:				
Property taxes		$ 1,397,480	$ 583	$ (1,396,897)
Investment income	$ -		28,940	28,940
Miscellaneous Income			20,000	20,000
Total revenues	-	1,397,480	49,523	(1,347,957)
EXPENDITURES:				
Debt service:				
Interest and fiscal charges	500,000	440,138	716,216	276,078
Principal	740,000	740,000	10,630,000	9,890,000
Total expenditures	1,240,000	1,180,138	11,346,216	10,166,078
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,240,000)	217,342	(11,296,693)	(11,514,035)
OTHER FINANCING SOURCES –				
Transfer in	1,405,234	1,382,408	1,499,781	117,373
General obligation bond proceeds	-	-	9,460,000	9,460,000
Total other financing sources (uses)	1,405,234	1,382,408	10,959,781	9,577,373
NET CHANGE IN FUND BALANCE	165,234	1,599,750	(336,912)	(1,936,662)
FUND BALANCE, Beginning	3,474,614	3,474,614	3,474,614	-
FUND BALANCE, Ending	$ 3,639,848	$ 5,074,364	$ 3,137,702	$ (1,936,662)

SCHEDULE 10

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2016

	AGENCY FUNDS					
	Tax Commissioner	Clerk of Court	Sheriff's Department	Magistrate Court	Probate Court	Total
ASSETS						
Cash	$ 8,349,390	$ 596,596	$ 112,936	$ 16,301	$ 19,082	$ 9,094,305
Taxes receivable	3,138,298					3,138,298
Total assets	$ 11,487,688	$ 596,596	$ 112,936	$ 16,301	$ 19,082	$ 12,232,603
LIABILITIES						
Due to others	$ 11,487,688	$ 596,596	$ 112,936	$ 16,301	$ 19,082	$ 12,232,603
Total liabilities	$ 11,487,688	$ 596,596	$ 112,936	$ 16,301	$ 19,082	$ 12,232,603

SCHEDULE 11

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
TAX COMMISSIONER				
Assets:				
Cash	$ 3,632,808	$ 30,383,679	$ 25,667,097	$ 8,349,390
Taxes receivable	2,964,365	30,557,611	30,383,678	$ 3,138,298
Total assets	$ 6,597,173	$ 60,941,290	$ 56,050,775	$ 11,487,688
Liabilities –				
Due to others	$ 6,597,173	$ 60,941,290	$ 56,050,775	$ 11,487,688
CLERK OF COURT				
Assets –				
Cash	$ 735,463	$ 2,359,108	$ 2,497,975	$ 596,596
Liabilities –				
Due to others	$ 735,463	$ 2,359,108	$ 2,497,975	$ 596,596
SHERIFF'S DEPARTMENT				
Assets –				
Cash	$ 220,553	$ 355,147	$ 462,764	$ 112,936
Liabilities –				
Due to others	$ 220,553	$ 355,147	$ 462,764	$ 112,936
MAGISTRATE COURT				
Assets –				
Cash	$ 19,781	$ 228,087	$ 231,567	$ 16,301
Liabilities –				
Due to others	$ 19,781	$ 228,087	$ 231,567	$ 16,301
PROBATE COURT				
Assets –				
Cash	$ 39,534	$ 180,374	$ 200,826	$ 19,082
Liabilities –				
Due to others	$ 39,534	$ 180,374	$ 200,826	$ 19,082
TOTALS – AGENCY FUNDS				
Assets:				
Cash	$ 4,648,139	$ 33,506,395	$ 29,060,229	$ 9,094,305
Taxes receivable	2,964,365	30,557,611	30,383,678	3,138,298
Total assets	$ 7,612,504	$ 64,064,006	$ 59,443,907	$ 12,232,603
Liabilities –				
Due to others	$ 7,612,504	$ 64,064,006	$ 59,443,907	$ 12,232,603

SCHEDULE 12

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2016

	MAJOR	NON-MAJOR	NON-MAJOR	
	HOSPITAL AUTHORITY OF WAYNE COUNTY	WAYNE COUNTY INDUSTRIAL AUTHORITY	WAYNE COUNTY BOARD OF HEALTH	TOTAL COMPONENT UNITS
ASSETS				
Cash		$ 1,104,278	$ 761,806	$ 1,866,084
Receivables (net of allowance for uncollectibles)	$ 7,264,000			7,264,000
Inventory, at lower of cost or market	1,236,000			1,236,000
Other current assets	723,000			723,000
Restricted cash	6,391,000			6,391,000
Due from other governments			94,755	94,755
Capital assets, net of accumulated depreciation				
Land	345,000	2,866,272		3,211,272
Other capital assets	27,081,000	1,168,252	1,033	28,250,285
Other assets	559,000			559,000
Total assets	43,599,000	5,138,802	857,594	49,595,396
DEFERRED OUTFLOWS OF RESOURSES:				
Deferred loss on refunding	538,000			538,000
Proportionate share of collective deferred inflows of resources			113,105	113,105
Total assets and deferred outflows of resources	44,137,000	5,138,802	970,699	50,246,501
LIABILITIES				
Current liabilities:				
Accounts payable	3,019,000	117,742		3,136,742
Accrued expenses	1,891,000	1,658	17,160	1,909,818
Non-current liabilities:				
Due within one year	1,135,000	25,000		1,160,000
Due in more than one year	14,445,000	393,750	652,379	15,491,129
Total liabilities	20,490,000	538,150	669,539	21,697,689
DEFERRED INFLOWS OF RESOURCES:				
Proportionate share of collective deferred inflows of resources			50,907	50,907
Total liabilities and deferred inflows	20,490,000	538,150	720,446	21,748,596
NET POSITION				
Net investment in capital assets	11,886,000	3,615,774	1,033	15,502,807
Restricted:				
Debt service	587,000			587,000
Prior year program income			241,171	241,171
Unrestricted	11,174,000	984,878	8,049	12,166,927
Total net position	$ 23,647,000	$ 4,600,652	$ 250,253	$ 28,497,905

SCHEDULE 13

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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	$ 54,018,000	$ 56,909,000	$ 25,000		$ 2,916,000			$ 2,916,000
Wayne County Development Authority	316,744		300,000			$ (16,744)		(16,744)
Wayne County Board of Health	820,357	242,960	631,941	-			$ 54,544	54,544
Total component units	$ 55,155,101	$ 57,151,960	$ 956,941	$ -	$ 2,916,000	$ (16,744)	$ 54,544	$ 2,953,800
General Revenues:								
Unrestricted investment earnings					297,000	332		297,332
Miscellaneous						220,679		220,679
Sale of assets					82,000			82,000
Total general revenues					379,000	221,011	-	600,011
Changes in Net Position					3,295,000	204,267	54,544	3,553,811
Net Position, Beginning, restated					20,352,000	4,396,385	195,709	24,944,094
Net Position, Ending					$ 23,647,000	$ 4,600,652	$ 250,253	$ 28,497,905

SCHEDULE 14

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2016 AND 2015

	2016	2015
Governmental Funds Capital Assets		
Land	$ 3,292,533	$ 3,141,931
Improvements	5,249,454	5,360,775
Buildings	15,208,654	15,169,675
Equipment, vehicles and furniture	8,137,849	7,826,250
Infrastructure	43,237,529	41,038,901
Construction in progress	10,017,462	4,020,850
Total governmental funds capital assets	$ 85,143,481	$ 76,558,382
Investments in Governmental Funds Capital Assets by Source		
General fund	$ 38,797,565	$ 38,583,220
Special revenue funds	2,772,364	2,772,364
Donations	2,541,481	2,481,481
State and federal grants	7,173,355	6,432,500
Capital project funds	33,858,716	26,288,817
Total governmental funds capital assets	$ 85,143,481	$ 76,558,382

SCHEDULE 15

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2016

Function and Activity	Land	Improvements	Buildings	Equipment Vehicles and Furniture	Infrastructure	Construction In Progress	Total
General Government:							
Elections			$ 44,834				$ 44,834
Financial Administration	$ 150,602			$ 54,589		$ 34,510	239,701
Tax Commissioner				11,945			11,945
Tax Assessor				12,645			12,645
Buildings and Properties	152,078	$ 51,254	702,488	70,722			976,542
Total General Government	302,680	51,254	747,322	149,901	-	34,510	1,285,667
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				1,387,656			1,387,656
Law Enforcement Administration	18,815		4,742,312	20,076			4,781,203
Jail	101,370	24,917	3,344,839	376,985			3,848,111
Other Public Safety	40,792		41,219				82,011
Fire Prevention	25,420		211,323	371,825			608,568
Emergency Medical Services			23,089	808,717		59,202	891,008
Coroner				11,733			11,733
E-911		16,716		388,824			405,540
Emergency Management Agency			6,171	211,578			217,749
Total Public Safety	186,397	41,633	8,368,953	3,577,394	-	59,202	12,233,579

SCHEDULE 15

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2016

Function and Activity	Land	Improvements	Buildings	Equipment Vehicles and Furniture	Infrastructure	Construction In Progress	Total
Public Works:							
Highways and Streets	$ 356,760	$ 16,522	$ 93,517	$ 3,174,169	$ 43,237,529	$ 8,290,174	$ 55,168,671
Sanitation	131,625					41,401	173,026
Maintenance Shop			139,243	87,367			226,610
Total Public Works	488,385	16,522	232,760	3,261,536	43,237,529	8,331,575	55,568,307
Health and Welfare:							
Public Health Administration				10,998			10,998
Buildings and Properties	959,609	20,000	1,853,381	9,124			2,842,114
Concerted Services				5,116			5,116
Community Centers	7,918	34,916	58,128				100,962
Transportation Services			30,000	19,700			49,700
Total Health and Welfare	967,527	54,916	1,941,509	44,938	-	-	3,008,890
Culture/Recreation:							
Recreation	1,045,065	1,039,488	768,642	447,667			3,300,862
Parks	70,418	840,045	52,910	51,243			1,014,616
Library			31,767				31,767
Total Culture/Recreation	1,115,483	1,879,533	853,319	498,910	-	-	4,347,245
Housing and Development:							
Agriculture Resources			233,761	79,349			313,110
Economic Development	37,110						37,110
Airport	103,593	3,205,596	827,694	334,499		1,592,175	6,063,557
Building Inspection			12,515	1,500			14,015
Total Housing and Development	140,703	3,205,596	1,073,970	415,348	-	1,592,175	6,427,792
Total Governmental Funds Capital Assets	$ 3,292,533	$ 5,249,454	$ 15,208,654	$ 8,137,849	$ 43,237,529	$ 10,017,462	$ 85,143,481

SCHEDULE 16

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, 2016

Function and Activity	Capital Assets January 1, 2016	Additions	Deductions	Capital Assets December 31, 2016
General Government:				
Elections	$ 44,834			$ 44,834
Financial Administration	65,549	$ 150,602	$ 10,960	205,191
Tax Commissioner	11,945			11,945
Tax Assessor	12,645			12,645
Buildings and Properties	981,838		5,296	976,542
Construction in progress		34,510		34,510
Total General Government	1,116,811	185,112	16,256	1,285,667
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	1,353,002	160,775	126,121	1,387,656
Law Enforcement Administration	4,781,203			4,781,203
Jail	3,830,008	26,978	8,875	3,848,111
Other Public Safety	82,011			82,011
Fire Prevention	599,216	24,997	15,645	608,568
Emergency Medical Services	850,149	14,000	32,343	831,806
Coroner	11,733			11,733
E-911	405,540			405,540
Emergency Management Agency	205,374	12,375		217,749
Construction in progress		59,202		59,202
Total Public Safety	12,118,236	298,327	182,984	12,233,579
Public Works:				
Highways and Streets	44,432,438	2,518,833	72,774	46,878,497
Sanitation	131,625			131,625
Maintenance Shop	215,612	10,998		226,610
Construction in progress	2,495,470	5,836,105		8,331,575
Total Public Works	47,275,145	8,365,936	72,774	55,568,307

SCHEDULE 16

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, 2016

Function and Activity	Capital Assets January 1, 2016	Additions	Deductions	Capital Assets December 31, 2016
Health and Welfare:				
Public Health Administration	$ 10,998			$ 10,998
Buildings and Properties	2,842,114			2,842,114
Concerted Services	5,116			5,116
Community Centers	100,962			100,962
Transportation Services	19,700	$ 30,000		49,700
Total Health and Welfare	2,978,890	30,000	-	3,008,890
Culture/Recreation:				
Recreation	3,389,919	22,264	$ 111,321	3,300,862
Parks	1,014,616			1,014,616
Library	31,767			31,767
Total Culture/Recreation	4,436,302	22,264	111,321	4,347,245
Housing and Development:				
Agricultural Resources	313,110			313,110
Economic Development	37,110			37,110
Airport	4,471,382			4,471,382
Building Inspection	14,015			14,015
Construction in progress	1,525,380	66,795		1,592,175
Total Housing and Development	6,360,997	66,795	-	6,427,792
Total Governmental Funds Capital Assets	$ 76,558,382	$ 8,968,434	$ 383,335	$ 85,143,481

COMPLIANCE SECTION

SCHEDULE 17

WAYNE COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016 AND JUNE 30, 2015

ASSETS

	2016	2015
Cash	$ 51,690.93	$ 9,701.19
RLF Loans receivable	436,239.78	463,772.26
TOTAL ASSETS	$ 487,930.71	$ 473,473.45

LIABILITIES AND FUND BALANCE

LIABILITIES		
FUND BALANCE-		
Restricted for –		
Economic development	$ 487,930.71	$ 473,473.45
TOTAL LIABILITIES AND FUND BALANCE	$ 487,930.71	$ 473,473.45

SCHEDULE 18

WAYNE COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
REVENUES:		
Intergovernmental revenues		$ 500,000.00
Interest earned from RLF loans	$ 14,662.01	3,509.45
Total revenues	14,662.01	503,509.45
EXPENDITURES -		
Housing and development –		
Purchased/contract services	204.75	30,036.00
Total expenditures	204.75	30,036.00
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,457.26	473,473.45
OTHER FINANCING SOURCES (USES) -		
Transfer in	-	-
Total other financing sources (uses)	-	-
NET CHANGE IN FUND BALANCE	14,457.26	473,473.45
FUND BALANCE, Beginning	473,473.45	-
FUND BALANCE, Ending	$ 487,930.71	$ 473,473.45

SCHEDULE 19

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, 2016

	Prior Years	Current Year	Total to Date	Project Authorization
2006 SPLOST				
REVENUES:				
Taxes	$ 24,528,587	$ -	$ 24,528,587	$ 22,465,591
Investment earnings	355,629	5,655	361,284	-
Total revenues	24,884,216	5,655	24,889,871	22,465,591
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	10,206,725	1,268,024	11,474,749	10,465,591
Hospital construction	1,284,822	-	1,284,822	1,284,822
Total expenditures	11,491,547	1,268,024	12,759,571	11,750,413
EXCESS OF REVENUES OVER EXPENDITURES	13,392,669	(1,262,369)	12,130,300	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	2,677,491	(1,262,369)	1,415,122	-
FUND BALANCE, Beginning	-	2,677,491	-	-
FUND BALANCE, Ending	$ 2,677,491	$ 1,415,122	$ 1,415,122	$ -

SCHEDULE 20

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2006 SPLOST:						
County road improvement	$ 6,370,405	$ 8,794,685	$ 6,182,745	$ 1,197,599	$ 7,380,344	83.92%
City of Jesup road and sewer improvement	3,655,631	3,655,631	3,585,206	70,425	3,655,631	100.00%
City of Odum road and sewer improvement	163,263	163,263	163,263	-	163,263	100.00%
City of Screven road and sewer improvement	276,292	276,292	275,511	-	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	$ 24,889,871	$ 22,206,725	$ 1,268,024	$ 23,474,749	

SCHEDULE 21

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, 2016

	Prior Years	Current Year	Total to Date	Project Authorization
2012 SPLOST				
REVENUES:				
Taxes	$ 13,019,874	$ 3,016,406	$ 16,036,280	$ 22,000,000
Investment earnings	3,952	3,028	6,980	-
Total revenues	13,023,826	3,019,434	16,043,260	22,000,000
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	3,540,616	919,517	4,460,133	8,450,000
Emergency vehicles and fire equipment	1,650,000	-	1,650,000	1,650,000
Recreation	500,365	140,311	640,676	900,000
Total expenditures	5,690,981	1,059,828	6,750,809	11,000,000
EXCESS OF REVENUES OVER EXPENDITURES	7,332,845	1,959,606	9,292,451	11,000,000
OTHER FINANCING SOURCES (USES):				
Transfer out to debt service fund	(6,509,937)	(1,508,203)	(8,018,140)	(11,000,000)
NET CHANGES IN FUND BALANCES	822,908	451,403	1,274,311	-
FUND BALANCE, Beginning	-	822,908	-	-
FUND BALANCE, Ending	$ 822,908	$ 1,274,311	$ 1,274,311	$ -

SCHEDULE 22

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS

FOR THE YEAR ENDED DECEMBER 31, 2016

	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	$ 1,057,726	$ 344,288	$ 1,402,014	32.95%
County recreation	900,000	900,000	500,365	140,311	640,676	71.19%
City of Jesup road and sewer improvement	3,730,100	3,730,100	2,207,520	511,431	2,718,951	72.89%
City of Odum road and sewer improvement	184,800	184,800	109,367	25,338	134,705	72.89%
City of Screven road and sewer improvement	280,500	280,500	166,003	38,460	204,463	72.89%
Emergency vehicles and fire equipment	1,650,000	1,650,000	1,650,000	-	1,650,000	100.00%
Hospital debt	11,000,000	11,000,000	6,509,937	1,508,203	8,018,140	72.89%
Total	$ 22,000,000	$ 22,000,000	$ 12,200,918	$ 2,568,031	$ 14,768,949	

SCHEDULE 23

WAYNE COUNTY, GEORGIA
TRANSPORTATION SPLOST CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2016

	Prior Year	Current Year	Total to Date
TSPLOST			
REVENUES:			
Taxes	$ 4,557,766	$ 6,631,505	$ 11,189,271
Intergovernmental	1,892,826	660,883	2,553,709
Miscellaneous	24,017	4,783	28,800
Total revenues	6,474,609	7,297,171	13,771,780
EXPENDITURES:			
Capital outlay:			
Road and sewer improvements	5,319,259	6,907,919	12,227,178
Total expenditures	5,319,259	6,907,919	12,227,178
EXCESS OF REVENUES OVER EXPENDITURES	1,155,350	389,252	1,544,602
NET CHANGES IN FUND BALANCES	1,155,350	389,252	1,544,602
FUND BALANCE, Beginning	-	1,155,350	-
FUND BALANCE, Ending	$ 1,155,350	$ 1,544,602	$ 1,544,602

SCHEDULE 24

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 15p-y-151-1-5776 SPECIAL REVENUE FUND
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE PERIOD ENDING DECEMBER 31, 2016

Total program year 2015 funds allocated to recipient	**$ 500,000**
Less: Total program year 2015 funds drawn by recipient	**(4,000)**
Funds still available from program year 2015 resources	**$ 496,000**
Total program year 2015 funds drawn and received by recipient in current year	**4,000**
Less: Funds applied and expended to program year 2015 costs	**(4,000)**
Total program year 2015 funds held by recipient in current year	**$ -**

SCHEDULE 25

WAYNE COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT 15p-y-151-1-5776 SPECIAL REVENUE FUND
PROJECT COST SCHEDULE
FOR THE PERIOD ENDING DECEMBER 31, 2016

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	$ 20,000	$ -	$ -	$ -	$ -
Construction/Site prep					
P-03J-01	427,450	-	-	-	-
Architect					
T-03J-00	22,550	4,000	-	4,000	-
Administration					
A-21A-01	30,000	-	-	-	-
TOTAL	$ 500,000	$ 4,000	$ -	$ 4,000	$ -

SCHEDULE 26

WAYNE COUNTY, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2016

Revenue -	
Hotel/motel taxes	**$14,378**
Expenditures -	
Tourism expenditures	**$14,378**
Percentage of expenditures to revenues	**100%**

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

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 the Wayne County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Wayne County, Georgia's basic financial statements and have issued our report thereon dated June 22, 2017. We did not audit the financial statements of The Hospital Authority of Wayne County and The Wayne County Board of Health. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Hospital Authority of Wayne County and the Wayne County Board of Health, is based solely on the report of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Wayne County, Georgia's internal control. We did not audit the financial statements of The Hospital Authority of Wayne County and The Wayne County Board of Health. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Hospital Authority of Wayne County and the Wayne County Board of Health, is based solely on the report of the other auditors.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 June 22, 2017.

Wayne County, Georgia's Response to Findings

Wayne County, Georiga'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.

Jesup, Georgia

June 22, 2017

SCHEDULE 28

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016

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 ensure proper cash management and financial reporting.

Recommendation:

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

Response:

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

JUNE 22, 2017

WAYNE COUNTY

FYE December 31, 2016

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 2017 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. 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, 2017.

Sincerely,

Luther Smart
County Administrator

WAYNE COUNTY, GEORGIA

MANAGEMENT LETTER

YEAR ENDED DECEMBER 31, 2016

To the Board of Commissioners

Of Wayne County, Georgia

In planning and performing our audit of 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, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Wayne County, Georgia's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

CAPITAL ASSETS

Each department should at least annually review a list of their capital assets.

SPLOST CAPITAL PROJECTS FUND

1. **All invoices should be regularly reviewed for compliance with contracts. If contracts are modified, change orders should be approved by the Commissioners.**
2. **Any transfers of SPLOST funds to any other funds other than as allowed by the SPLOST referendum (such as to a debt service fund), for any period of time, are strictly prohibited by Georgia Code Section 48-8-121.**

GRANTS AND GRANT FUNDS

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

GENERAL FUND

FINANCIAL ADMINISTRATION

1. **According to IRS Publication 463, any allowances or reimbursements without invoice or receipt should be added to the employees' W-2 wages in Box 1, including, but not limited to uniform, travel, and telephone allowances, etc.**

2. **It was noted that the County's purchasing and bidding policy is not being complied with by all departments. All department heads should abide by the County's purchasing and bidding policy.**

CLERK OF SUPERIOR AND STATE COURTS

1. **All judgments outstanding over two years should be reviewed to determine the proper action to be taken in order to disburse these monies.**

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

MAGISTRATE COURT

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

PROBATE COURT

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

SHERIFF

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

TAX COMMISSIONER

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

RECREATION DEPARTMENT

1. **It was noted that a written policy over cash collections, disbursements, oversight, and program administration was absent in the recreation department. A written policy over cash collections, disbursements, and oversight needs to be created and approved by the County Commissioners. A policy over department head and employee authority over program policy administration should be created and approved by the County Commissioners. These policies are to ensure that there are strict criteria for cash handling, recording, and discounts given through each program. Due to the Recreation Department having**

several revenue streams located at several areas throughout the County, it is recommended to have a policy for each revenue stream to be followed closely.

2. **It is noted the Recreation Department does not have proper controls over the handling of cash in place.**
3. **It was noted that were instances of circumventions of controls pertaining to cash reconciliations of the daily cash collection sheets.**
4. **The department head should be the only department staff with access to the Recreation Department safe.**
5. **The Active net software should be used for all revenue streams of income for the Recreation department. (i.e. field rentals, registration fees, and concessions)**
6. **It was noted no rental schedule/calendar is being used for field or building rentals. In order to insure proper revenue collections and bookings a calendar should be kept.**

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

Jesup, Georgia
June 22, 2016

FYE December 31, 2016

Summary of Corrective Action Plan Review

WAYNE COUNTY AUDIT – CORRECTIVE ACTION PLAN

a. Capital Assets

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

b. SPLOST Capital Projects Fund

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

The County will not move funds from SPLOST to any other fund any-time throughout the year other than as authorized by the SPLOST referendum.

c. Grants and Grant Funds

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

d. Inadequate segregation of duties

The County concurs with this finding. Some offices have only one or two employees; therefore, it is impossible to have complete segregation of duties. Because of financial constraints in the budget, our resources are limited, and we are unable to fund more employees. In addition, these offices do not have a work load that would warrant more employees. In the offices where there are adequate employees, we have segregation of duties. The county manager and chief financial officer instituted a policy January 1, 2008, whereby they spend two hours per week observing operations in the offices of the magistrate court, probate court, sheriff's department, and tax commissioner, where segregation of duties is a problem. We will continue this policy in 2016 and are working on a plan to have centralized revenue collection to remove the handling and recording of cash from those who have access to accounts receivable, general ledger, and reconciliation of bank accounts.

e. Financial Administration

The County will include all allowances and reimbursements that have not been substantiated by invoice and/or receipt in the employee's W-2 in box 1 or issue Form 1099 if the allowance or reimbursement is to an individual that is not employed by the county.

The County concurs that it did not follow its purchasing and bidding policies. The County is working to update these policies and to enforce the policies moving forward.

WAYNE COUNTY AUDIT – CORRECTIVE ACTION PLAN (CONTINUED)

f. Clerk of Superior and State Courts

All judgments outstanding over two years should be reviewed to determine the proper action to be taken in order to disburse these monies.

The County concurs with this finding. A proper segregation of duties is not practical or economically feasible; however, the clerk of court does put in place mitigating controls to do the best job with the current resources.

g. Magistrate Court

The County concurs with this finding. A proper segregation of duties is not practical or economically feasible; however, the magistrate judge does put in place mitigating controls to do the best job with the current resources

h. Probate Court

The County concurs with this finding. A proper segregation of duties is not practical or economically feasible; however, the probate judge does put in place mitigating controls to do the best job with the current resources

i. Sheriff

The County concurs with this finding. A proper segregation of duties is not practical or economically feasible; however, the sheriff does put in place mitigating controls to do the best job with the current resources

j. Tax Commissioner

The County concurs with this finding. A proper segregation of duties is not practical or economically feasible; however, the tax commissioner does put in place mitigating controls to do the best job with the current resources

g. Recreation Department

The County concurs with these findings. The County Administrator, Recreation Director, and Commissioners will create a written policy over the cash collections, recording, and remittance process for the Recreation Department. The County Administrator will oversee the implementation and adherence to the policy once in place. The County Administrator has addressed the issue of circumventing controls and is keeping a watch on the issue.

Sincerely,

Luther Smart
County Administrator

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Commissioners
of Wayne County, Georgia

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Expenditures about Wayne County, Georgia's compliance during the year ended December 31, 2016 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Wayne County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Wayne County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Wayne County, Georgia complied with the aforementioned requirement during the year ended December 31, 2016 is fairly stated, in all material respects.

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

Jesup, Georgia
June 22, 2016

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

In planning and performing our audit of 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, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Wayne County, Georgia's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

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

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

Jesup, Georgia
June 22, 2016

June 22, 2017

To the Board of Commissioners

Of Wayne County, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope

and timing of our audit. We have communicated such information in our letter to you dated December 21, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wayne County, Georgia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by Wayne County, Georgia during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 22, 2017.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Budgetary Comparison Schedule – General Fund and the Schedule of Funding Progress – Postemployment Healthcare Benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining fund financial schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on combining fund financial schedules, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

Harris & Company, P.C.