WAYNE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

WAYNE COUNTY, GEORGIA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Exhibit	Pages
FINANCIAL SECTION		
INDEPENDENT AUDITORS' REPORT		1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS		3-11
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		12
Statement of Net Position	A	13-14
Statement of Activities	B	15-16
Fund Financial Statements:		17
Governmental Funds:		
Balance Sheet	C	18-19
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	D	20
Statement of Revenues, Expenditures and Changes in Fund Balances	E	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	23
Fiduciary Funds -		
Statement of Fiduciary Assets and Liabilities	G	24
Notes to the Basic Financial Statements		25-53
	Schedule	
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:		54
Budgetary Comparison Schedule – General Fund	1	55-64
Schedule of Funding Progress – Postemployment Healthcare Benefits	2	65
Notes to Required Supplementary Information		66-67
SUPPLEMENTARY DATA- COMBINING FUND FINANCIAL SCHEDULES:		68
Non-major Governmental Funds:		
Combining Balance Sheet	3	69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	70

WAYNE COUNTY, GEORGIA
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Schedule	Pages
Budgetary Comparison Schedules – Non-major Governmental Funds:		
Hotel/Motel Tax	5	71
Emergency Telephone System	6	72
Revolving Loan Fund	7	73
Community Development Block Grant 15p-y-151-1-5776	8	74
Budgetary Comparison Schedules – Major Governmental Fund –		
Debt Service	9	75
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	10	76
Combining Schedule of Changes in Assets and Liabilities	11	77
Component Units – Major and Non-major:		
Combining Schedule of Net Position	12	78
Combining Schedule of Activities	13	79
Capital Assets used in the Operation of Governmental Funds:		
Comparative Schedule by Source	14	80
Schedule by Function and Activity	15	81-82
Schedule of Changes by Function and Activity	16	83-84
COMPLIANCE SECTION		85
Revolving Loan Special Revenue Fund – Balance Sheet	17	86
Revolving Loan Special Revenue Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance	18	87
SPLOST Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	19	88
Schedule of Projects Constructed with Special Sales Tax Proceeds	20	89
SPLOST Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (2012)	21	90
Schedule of Projects Constructed with Special Sales Tax Proceeds (2012)	22	91
SPLOST Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances (Transportation)	23	92
Schedule of Community Development Block Grant 15p-y-151-1-5776 Special Revenue Fund Source and Application of Funds	24	93
Schedule of Community Development Block Grant 15p-y-151-1-5776 Special Revenue Fund Project Cost	25	94
Schedule of Required Expenditures Generated by Hotel/Motel Tax	26	95
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		97-98
Report on Compliance on Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		99-100
Schedule of Findings and Responses	28	101-102
Corrective Action Plan		103

HARRIS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, and the related notes to the financial statements, which collectively comprise 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 88.91 percent, 83.53 percent, and 97.82 percent, respectively, of the assets, net position, and revenues of the County's aggregate discretely presented component units or the Wayne County Board of Health, which represents 1.65 percent, .83 percent, and 1.45 percent, respectively, of the assets, net position, and revenues of the County's aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County,

Georgia, as of December 31, 2017, 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; budgetary comparison information on pages 55 – 64; schedule of funding progress of other postemployment healthcare benefits on page 65; and related notes to the required supplementary information on pages 66 - 67 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, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, compliance section, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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 June 22, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wayne County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County, Georgia's internal control over financial reporting and compliance.

Harris & Company, P.C.
Jesup, Georgia
June 25, 2018

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, 2017. 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, 2017 by $55,561,364 (*net position*). Of this amount, ($17,987,135) is reported as unrestricted net position. This is a decrease of $5,660,044 (45.9%) over the previous fiscal year. Total net position increased by $3,097,972 over the previous fiscal year.

- As of December 31, 2017, Wayne County's governmental funds reported combined ending fund balances of $11,015,025. Approximately 2.8% of this total amount or $308,831 is reported as unassigned. Approximately 90%, or $9,912,759, 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 69. 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 69-70 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 25-53 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, Georgia
Net Position (Financial Position)
Fiscal Years 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	$ 17,141,518	$ 18,360,143	$ 21,083,985	$ 18,133,839	$ 38,225,503	$ 36,493,982
Capital assets	64,192,466	57,518,746	28,298,208	31,461,557	92,490,674	88,980,303
Other noncurrent assets	396,612	423,228	959,000	-	1,355,612	423,228
Total assets	81,730,596	76,302,117	50,341,193	49,595,396	132,071,789	125,897,513
Deferred outflows of resources	-	-	652,624	651,105	652,624	651,105
Current liabilities	6,327,644	5,674,849	5,652,954	5,046,560	11,980,598	10,721,409
Noncurrent liabilities	19,841,588	18,163,876	14,964,639	16,651,129	34,806,227	34,815,005
Total liabilities	26,169,232	23,838,725	20,617,593	21,697,689	46,786,825	45,536,414
Deferred inflows of resources	-	-	30,205	50,907	30,205	50,907
Net position:						
Invested in capital assets	64,142,466	57,418,746	14,556,208	15,502,807	78,698,674	72,921,553
Restricted	9,406,033	7,371,737	754,220	828,171	10,160,253	8,199,908
Unrestricted	(17,987,135)	(12,327,091)	15,035,591	12,166,927	(2,951,544)	(160,164)
Total net position	$ 55,561,364	$ 52,463,392	$ 30,346,019	$ 28,497,905	$ 85,907,383	$ 80,961,297

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 $55,561,364 at the close of fiscal year 2017. Approximately 115% 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 6% from 109% at December 31, 2016. 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 16.93%. 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 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues		
Program revenues		
Charges for service	$ 4,074,302	$ 4,668,571
Operating grants and contributions	304,410	558,115
Capital grants and contributions	1,624,021	918,336
General revenues:		
Property tax	10,839,917	10,230,506
Local option sales tax	1,754,442	1,602,062
Special purpose local option sales tax	9,476,906	9,647,911
Other taxes	1,588,507	1,672,793
Interest & investment earnings	7,033	3,043
Other revenue	584,763	601,235
Total revenues	30,254,301	29,902,572
Expenses		
General government	3,035,784	2,450,585
Judicial	2,886,685	2,798,771
Public safety	10,143,338	9,235,981
Public works	7,044,528	6,991,085
Health and welfare	891,305	651,385
Culture and recreation	1,769,449	1,871,294
Housing and development	1,114,430	1,115,421
Interest on long-term debt	270,810	761,606
Total expenses	27,156,329	25,876,128
Increase (decrease) in net position before transfers	3,097,972	4,026,444
Transfers	-	-
Increase (decrease) in net position	3,097,972	4,026,444
Net position - beginning	52,463,392	48,436,948
Net position - ending	$ 55,561,364	$ 52,463,392

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 $11,015,025. Of this amount, $308,831 (2.8%) 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 $308,831, while total fund balance reached $1,102,266. 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 28% of total fund balance in the General Fund. Unassigned fund balance also represents 1.43% of total General Fund expenditures, while total fund balance represents approximately 50.89% of that same amount. The County ended the fiscal year realizing a substantial decrease in the overall fund balance in the General Fund by $2,428,589, or approximately 68.8%. The County decreased unassigned fund balance in the General Fund by $2,571,786, or 89.3%. The Wayne County Policy on fund balance calls for a minimum of 17% unassigned fund balance to be retained. Wayne County had maintained a percentage well in excess of 17% for the last fourteen fiscal years until the current fiscal year.

General Fund Budget Highlights

Overall the General Fund expenditures totaled approximately $1,237,152 under the final amended budget projections or 5.4%. Expenditures exceeded revenues in the General Fund by $1,960,681 or 9.1% for the fiscal year. Overall the General Fund budgeted revenues exceeded the actual revenues by $3,607,257 or 15.5%. The primary causes for the General Fund expenditures exceeding revenues were due to the combination of reduction in revenues along with increased expenditures.

It is anticipated that the General Fund budget for fiscal year 2018 will decrease or stay about the same as fiscal year 2017. It is anticipated that the County will increase the millage rate to increase property taxes for additional revenue to build back up the General Fund fund balance. No additional portion of the fund balance in the General Fund is budgeted for use in fiscal year 2018 aside from the original appropriation. Current General Fund revenues are meeting estimates for fiscal year 2018 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 $64,192,466 in capital assets (net of accumulated depreciation) compared to $57,418,746 in the previous fiscal year. This represents an increase of approximately 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 2017 and 2016

	Governmental Activities	
	2017	2016
Land	$ 3,292,533	$ 3,292,533
Construction in progress	5,371,697	10,017,462
Buildings	15,237,335	15,208,654
Improvements	8,553,877	5,249,454
Equipment, vehicles and furniture	45,613,168	8,137,849
Infrastructure	16,064,510	43,237,529
Total	94,133,120	85,143,481
Accumulated depreciation	(29,940,654)	(27,624,735)
Net capital assets	$ 64,192,466	$ 57,518,746

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
- Construction of new mental health facility

Additional information on Wayne County's capital assets can be found in Note III. C. on pages 39-40 of this report.

Debt/Capital Leases

On December 31, 2017, Wayne County had a total long-term debt balance outstanding for governmental activities in the amount of $19,841,588, as compared to $18,163,876 the previous fiscal year. Wayne County's outstanding debt for governmental activities has increased by $1,677,712 during the course of the fiscal year. 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 41-43 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 2017 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
- 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: ejeffords@co.wayne.ga.us

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government		Component Units	
			Major	Non-major
	Governmental Activities	Total	Hospital Authority of Wayne County	Other Component Units Combined
ASSETS				
Cash	$ 10,737,226	$10,737,226	$ 708,000	$ 2,097,667
Receivable (net of allowance for uncollectibles)	4,222,297	4,222,297	9,347,000	
Inventory			1,620,000	
Prepaids	111,331	111,331	902,000	
Restricted cash	692,449	692,449	6,347,000	
Intergovernmental	1,378,215	1,378,215		62,318
Noncurrent receivables:				
Due within one year	27,425	27,425		
Due in more than one year	369,187	369,187		
Capital assets not being Depreciated:				
Land	3,292,533	3,292,533	345,000	2,751,272
Construction in progress	16,064,510	16,064,510		
Capital assets net of accumulated Depreciation:				
Buildings	10,400,619	10,400,619	21,546,000	673,593
Improvements other than buildings	2,469,658	2,469,658		
Equipment, vehicles and furniture	2,766,180	2,766,180	2,982,000	343
Infrastructure	29,198,966	29,198,966		
Other assets			959,000	
Total Assets	81,730,596	81,730,596	44,756,000	5,585,193
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding			482,000	
Proportionate share of collective deferred outflows of resources				170,624
Total assets and deferred outflows of resources	81,730,596	81,730,596	45,238,000	5,755,817

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

EXHIBIT A

WAYNE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	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	$ 6,266,469	$ 6,266,469	$ 5,630,000	$ 22,954
Accrued interest payments	61,175	61,175		
Non-current liabilities:				
Due within one year	1,072,663	1,072,663	1,175,000	
Due in more than one year	18,768,925	18,768,925	13,085,000	704,639
Total liabilities	26,169,232	26,169,232	19,890,000	727,593
DEFERRED INFLOWS OF RESOURCES:				
Proportionate share of collective Deferred inflows of resources				30,205
Total liabilities and deferred Inflows of resources:	26,169,232	26,169,232	19,890,000	757,798
NET POSITION				
Net investment in capital assets	64,142,466	64,142,466	11,131,000	3,425,208
Restricted for:				
Prior year program income				165,220
Debt service	4,595,402	4,595,402	589,000	
Capital projects	4,810,631	4,810,631		
Unrestricted	(17,987,135)	(17,987,135)	13,628,000	1,407,591
Total net position	$ 55,561,364	$ 55,561,364	$ 25,348,000	$ 4,998,019

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Component Units: Major: Hospital Authority of Wayne County	Component Units: Non-major: Other Component Units Combined
Primary Government:							
Governmental activities:							
General government	$ 3,035,784	$ 561,959	$ 5,798		$ (2,468,027)		
Judicial	2,886,685	1,090	79,923		(2,805,672)		
Public safety	10,143,338	2,196,571	52,519	$ 4,413	(7,889,835)		
Public works	7,044,528	799,263	44,758	914,482	(5,286,025)		
Health and welfare	891,305	256,973	82,014	634,981	82,663		
Culture and recreation	1,769,449	118,310	8,009		(1,643,130)		
Housing and development	1,114,430	140,136	31,389	70,145	(872,760)		
Interest on long-term debt	270,810				(270,810)		
Total primary government	$ 27,156,329	$ 4,074,302	$ 304,410	$ 1,624,021	(21,153,596)		
Component units:							
Hospital Authority of Wayne County	$ 56,230,000	$ 58,041,000	$ 20,000			$ 1,831,000	
Other Component Units combined	1,144,949	212,175	947,841				$ 15,067
Total component units	$ 57,374,949	$ 58,253,175	$ 967,841	$ -		1,831,000	15,067

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

WAYNE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	$ (21,153,596)	$ 1,831,000	$ 15,067
General revenues:			
Property taxes	10,839,917		
Sales taxes for general purposes	1,754,442		
Special purpose local option sales taxes	9,476,906		
Other taxes	1,588,507		
Unrestricted investment earnings	7,033	(130,000)	264
Miscellaneous revenues	584,763		131,783
Total general revenues	24,251,568	(130,000)	132,047
Change in net position	3,097,972	1,701,000	147,114
Net position, beginning	52,463,392	23,647,000	4,850,905
Net position, ending	$ 55,561,364	$ 25,348,000	$ 4,998,019

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, 2017

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 595,447	$ 850,000	$ 1,326,825	$ 4,365,031	$ 3,404,519	$ 195,404	$ 10,737,226
Receivables (net of allowances for uncollectibles)	3,929,552			291,546		1,199	4,222,297
Intergovernmental	407,507		308,181		556,475	106,052	1,378,215
Prepaid expenditures	111,331						111,331
Restricted cash	692,449						692,449
RLF Loans Receivable						396,612	396,612
TOTAL ASSETS	$ 5,736,286	$ 850,000	$ 1,635,006	$ 4,656,577	$ 3,960,994	$ 699,267	$ 17,538,130
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	4,389,018		409,533		1,225,836	192,541	6,216,928
Other accruals and deferrals	49,541			61,175			110,716
Total liabilities	4,438,559	-	409,533	61,175	1,225,836	192,541	6,327,644
Deferred Inflows of Resources:							
Deferred revenue	195,461				-		195,461
Total Deferred Inflows of Resources	195,461	-	-	-	-	-	195,461

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, 2017

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Fund Balances:							
Nonspendable -							
Prepaid expenditures	$ 111,331						$ 111,331
Restricted for:							
Economic development						$ 506,726	506,726
Infrastructure		$ 850,000	$ 1,225,473		$ 2,735,158		4,810,631
Intergovernmental road and sewer							-
Debt service				$ 4,595,402			4,595,402
Unrestricted:							
Committed to:							
Drug interdiction	153,535						153,535
Drug education	64,714						64,714
Juvenile services	70,868						70,868
DFACS expenditures	351,520						351,520
Drug court fees	41,467						41,467
Unassigned	308,831						308,831
Total fund balances	1,102,266	850,000	1,225,473	4,595,402	2,735,158	506,726	11,015,025
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,736,286	$ 850,000	$ 1,635,006	$ 4,656,577	$ 3,960,994	$ 699,267	$ 17,538,130

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, 2017

Total Governmental Fund Balances		$ 11,015,025
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 $29,940,654		64,192,466
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds		195,461
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postclosure care costs	$ 911,184	
General obligation bonds	9,460,000	
Note payable	50,000	
Other postemployment benefits	9,420,404	
Combined adjustment		(19,841,588)
Net position of Governmental Activities		$ 55,561,364

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, 2017

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Property taxes	$ 11,512,295			$ 379			$ 11,512,674
Other taxes	3,326,263		$ 3,304,036		$ 6,172,870	$ 16,686	12,819,855
Licenses and permits	153,110						153,110
Intergovernmental revenues	597,255				1,750,418	391,522	2,739,195
Charges for services	2,754,000					426,220	3,180,220
Fines and fees	740,972						740,972
Investment income	7,033	$ 653	6,730	4,838		12,333	31,587
Other revenue	592,764						592,764
Total revenues	19,683,692	653	3,310,766	5,217	7,923,288	846,761	31,770,377
EXPENDITURES:							
Current:							
General government	3,030,099						3,030,099
Judiciary	2,615,901						2,615,901
Public safety	7,706,052					894,128	8,600,180
Public works	4,956,537						4,956,537
Health and welfare	791,256						791,256
Culture and recreation	1,558,592						1,558,592
Housing and development	985,936					16,686	1,002,622
Debt service:							
Principal							
Interest				199,535			199,535
Capital outlay:							
Public works		564,994	889,024		6,732,732		8,186,750
Health and welfare						391,522	391,522
Culture and recreation			188,482				188,482
Intergovernmental -							
Public works		781	630,080				630,861
Total expenditures	21,644,373	565,775	1,707,586	199,535	6,732,732	1,302,336	32,152,337

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, 2017

	GENERAL	2006 SPLOST	2012 SPLOST	DEBT SERVICE	TSPLOST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,960,681)	$ (565,122)	$ 1,603,180	$ (194,318)	$ 1,190,556	$ (455,575)	$ (381,960)
OTHER FINANCING SOURCES (USES):							
Transfers in				1,652,018		467,908	2,119,926
Transfers (out)	(467,908)		(1,652,018)				(2,119,926)
Sale of assets							-
Total other financing sources (uses)	(467,908)	-	(1,652,018)	1,652,018	-	467,908	-
NET CHANGE IN FUND BALANCES	(2,428,589)	(565,122)	(48,838)	1,457,700	1,190,556	12,333	(381,960)
FUND BALANCES, BEGINNING	3,530,855	1,415,122	1,274,311	3,137,702	1,544,602	494,393	11,396,985
FUND BALANCES, ENDING	$ 1,102,266	$ 850,000	$ 1,225,473	$ 4,595,402	$ 2,735,158	$ 506,726	$ 11,015,025

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, 2017

Net change in fund balances – Total governmental funds		$ (381,960)
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	$ 9,413,108	
Depreciation expense	(2,739,388)	
		6,673,720
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		102,430
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds –		
Deferred revenues decreased by this amount this year		(1,516,076)
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		(1,780,142)
Change in net position of Governmental Activities		$ 3,097,972

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, 2017

	AGENCY FUNDS
ASSETS	
Cash	$ 1,485,602
Receivables	2,283,206
Total assets	3,768,808
LIABILITIES	
Due to others	3,768,808
Total liabilities	$ 3,768,808

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Note		Page
I.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	27
	A. Reporting entity	27-28
	B. Government-wide and fund financial statements	29
	C. Measurement focus, basis of accounting and financial statement presentation	29-30
	D. Assets, liabilities, and net position or equity	31
	1. Deposits	31
	2. Receivables and payables	31
	3. Prepaid items	32
	4. Restricted assets	32
	5. Capital assets	32
	6. Compensated absences	33
	7. Long-term obligations	33
	8. Fund equity	33-34
	9. Expenditures and expenses	34
	10. Interfund transactions	34
	11. Use of estimates	35
II.	STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	35
	A. Budgetary information	35
	B. Excess of expenditures over appropriations	35-36
	C. Deficit fund equity	36
III.	DETAILED NOTES OF ALL FUNDS	37
	A. Deposits	37
	B. Receivables	38
	C. Capital assets	39-40
	D. Interfund receivables, payables, and transfers	40
	E. Leases	41
	F. Long-term debt	41-43
	G. Postclosure care costs	44
	H. Short-term debt	44
	I. Reservation of fund balances and restricted asset accounts	45-46
IV.	OTHER INFORMATION	46
	A. Risk management	46-47
	B. Contingent liabilities	48
	C. Joint venture	48
	D. Sales tax revenue	49
	E. Hotel/Motel excise tax	49-50
	F. Employee retirement systems	50-51
	G. Other postemployment benefits	51-53
	H. Subsequent events	53

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.

A. Reporting entity (continued)

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 513
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.

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

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, 2017
Millage rate adopted by resolution	August 28, 2017
County tax digest approved by the State of Georgia	September 5, 2017
Real and personal property tax bills rendered	September 15, 2017
Real property tax payment due	November 15, 2017
Tax sales 2011-2016 delinquent real property tax and other assessments	Various

D. Assets, liabilities and net position or equity (Continued)

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.

D. Assets, liabilities and net position or equity (Continued)

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.

D. Assets, liabilities and net position or equity (Continued)

8. Fund balance (Continued)

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

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

a. 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.

D. Assets, liabilities and net position or equity (Continued)

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, 2017, 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:	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL FUND			
GENERAL GOVERNMENT-			
Finanacial administration:			
Capital outlays	$ 6,000	$ 114,489	$ 108,489
Debt Service	66,000	121,275	55,275
JUDICIARY-			
District Attorney-			
Supplies	-	93	93
HEALTH AND WELFARE-			
Community Services-			
Capital Outlays	7,400	244,307	236,907
NON-MAJOR FUNDS-			
EMERGENCY TELEPHONE SYSTEM-			
Interdepartment Charges	137,200	173,299	36,099
DEBT SERVICE-			
Interest & Fiscal Charges	107,747	199,535	91,788

C. Deficit fund equity

The County did not have a fund with a deficit fund balance as of December 31, 2017.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

As of December 31, 2017, the County had the following investments:

Investment	Rating	Average Maturity (Days)	Fair Value
Georgia Fund 1	AAAm	46 WAM	$ 896,607
Total investments			896,607
Cash-checking and certificates of deposit			12,018,670
Total cash and investments			$12,915,277

Reconciliation of financial statements to notes:	
Primary Government:	
Cash and investments:	
Governmental activities	$10,737,226
Restricted cash	692,449
Agency funds	1,485,602
Total cash and investments	$12,915,277

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, 2017, all of the County's monies were either insured or collateralized.

B. Receivables

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

Receivables:	Taxes	Accounts and Notes	Agencies	Gross Receivables	Less Allowance for Uncollectibles	Net Receivables	Intergovernmental
General	$ 3,380,363	$ 407,556	$ 471,633	$ 4,259,552	$ (330,000)	$ 3,929,552	$ 407,507
Nonmajor governmental		397,811		397,811		397,811	106,052
2012 SPLOST							308,181
TSPLOST							556,475
Debt service		301,546		301,546	(10,000)	291,546	
Total	3,380,363	1,106,913	471,633	4,958,909	$ (340,000)	$ 4,618,909	$ 1,378,215
Less allowance for uncollectibles	(330,000)	(10,000)		(340,000)			
Net receivables	$ 3,050,363	$ 1,096,913	$ 471,633	$ 4,618,909			

C. Capital Assets

Capital assets activity for the year ended December 31, 2017 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,292,533			$ 3,292,533
Construction in progress	10,017,462	$ 6,124,924	$ 77,876	16,064,510
Total capital assets, not being depreciated	13,309,995	6,124,924	77,876	19,357,043
Capital assets, being depreciated:				
Improvements	5,249,454	122,242		5,371,696
Buildings	15,208,654	28,682		15,237,336
Equipment, vehicles and furniture	8,137,849	839,497	423,469	8,553,877
Infrastructure	43,237,529	2,375,639		45,613,168
Total assets, being depreciated	71,833,486	3,366,060	423,469	74,776,077
Less accumulated depreciation for:				
Improvements	2,678,043	223,995		2,902,038
Buildings	4,483,306	353,411		4,836,717
Equipment, vehicles and furniture	5,413,811	797,355	423,469	5,787,697
Infrastructure	15,049,575	1,364,627		16,414,202
Total accumulated depreciation	27,624,735	2,739,388	423,469	29,940,654
Total capital assets, being depreciated, net	44,208,751	626,672	-	44,835,423
Net Governmental Activities Capital Assets	$ 57,518,746	$ 6,751,596	$ 77,876	$ 64,192,466

C. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	$ 50,504
Judiciary	23,492
Public safety	632,002
Public works	1,647,177
Health and welfare	55,682
Culture/recreation	164,102
Housing and development	166,429
Total depreciation expense	$2,739,388

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, 2017.

D. Interfund receivables, payables, and transfers

There were no interfund receivable and/or payable balances at December 31, 2017.

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

	Transfers In	Transfers Out
Major Fund:		
General to emergency telephone system		$ 467,908
2012 SPLOST to debt service		1,652,018
Debt service from capital projects	$1,652,018	
Non-major Fund:		
Special revenue – Emergency telephone system from General	467,908	
Total	$2,119,926	$2,119,926

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 $58,192 for 2017.

Future minimum lease payments are as follows:

Year	Amount
2017	58,192
2018	45,976
2019	38,826
2020	31,959
2021	15,408
2022 and beyond	3,410
Total	$193,771

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, 2017.

F. Long-term debt

Governmental Activities:

General Fund – Public Works

The County has accrued $1,746,601 in estimated postclosure care costs to provide for the postclosure costs of a landfill. The amount outstanding is $911,184 payable annually through 2027, non-interest bearing.

General Fund – Health and Welfare

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, 2017 are as follows:

	Governmental Activities		
Year Ending December 31	Estimated Postclosure Care Costs		
	Principal	Interest	Total
2018	$ 92,663		$ 92,663
2019	92,663		92,663
2020	92,663		92,663
2021	92,663		92,663
2022	92,663		92,663
2023	92,663		92,663
2024	92,663		92,663
2025	92,663		92,663
2026	92,663		92,663
2027	77,217		77,217
Total	$ 911,184		$ 911,184

General obligation bonds (Series 2016) –

The annual requirements to amortize the general obligation bonds of the primary government at December 31, 2017 including interest payments of $864,367 are as follows:

	Government Activities		
Year Ending December 31	General Obligation Bonds (Series 2016)		
	Principal	Interest	Total
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	$ 864,367	$ 10,324,367

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
2018	$ 50,000	$ 5,309	$ 55,309

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, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Estimated postclosure care costs	$ 963,614		$ 52,430	$ 911,184	$ 92,663
Net OPEB obligation	7,640,262	$ 1,780,142		9,420,404	
Total	8,603,876	1,780,142	52,430	10,331,588	92,663
Note payable- James Griffin	100,000	-	50,000	50,000	50,000
General obligation bonds (Series 2016)	9,460,000	-	-	9,460,000	930,000
Total	9,560,000	-	50,000	9,510,000	980,000
Total governmental activities	$ 18,163,876	$ 1,780,142	$ 102,430	$ 19,841,588	$ 1,072,663

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 $911,184 and this amount is reflected as a liability at December 31, 2017. 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, 2017, 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 6, 2017 the County borrowed $4,500,000 with a tax anticipation note (TAN). The TAN was paid December 31, 2017, along with $65,966 in interest at 1.47%.

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, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Interest Paid
Tax anticipation note (TAN)	$ 0	$ 4,500,000	$ 4,500,000	$ 0	$ 65,966
Total governmental activities	$ 0	$ 4,500,000	$ 4,500,000	$ 0	$ 65,966

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	$ 98,932	$ 113,711	$ 65,922	$ 70,608	$ 282,391	$ 18,674	$ 4,234,035	$ 3,137,702	$ 494,393
Increase (decrease) in reserve	12,399	39,824	(1,208)	260	69,129	22,793	576,596	1,457,700	12,333
Restricted fund balance, end of year	$ 111,331	$ 153,535	$ 64,714	$ 70,868	$ 351,520	$ 41,467	$ 4,810,631	$ 4,595,402	$ 506,726

Restricted assets are comprised of the following:

	2017
General Fund:	
Wayne County Drug Interdiction - Cash	$ 153,535
Wayne County Drug Education – Cash	64,714
Wayne County Juvenile Services - Cash	70,868
Wayne County DFACS Building - Cash	351,520
Wayne County Drug Court Fees - Cash	41,467
Wayne County Excess Sales - Cash	10,345
Total General Fund	692,449
Total restricted assets	$ 692,449

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, 2017 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
2017	$ 285,571	$2,430,149	$2,471,031	$244,689

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, 2017, the County-guaranteed bonds outstanding were as follows:

Description	Balance
Series 2015 revenue bonds of Hospital Authority of Wayne County	$12,655,000

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

C. Joint venture

Wayne County, Georgia, in conjunction with cities and counties in the seventeen (17) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each County and municipality in the state is required by law to pay minimum annual dues to the RC. Each County paid annual dues in the amount of $18,615 to the RC for the year ended December 31, 2017. 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 on 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.

2018 SPLOST

On November 7, 2017, Wayne County voters approved a six year referendum to raise an estimated $21,000,000 for (a) payment on 2007 general obligation bonds, (b) road, street, and bridge projects and road equipment, (c) emergency vehicles and fire equipment and (d) water and sewer projects; streets, beautification and drainage projects; sanitation; recreation projects; public safety vehicles and fire equipment within the cities of Jesup, Odum, and Screven.

The sales tax levy takes effect on July 1, 2018 and the County expects to receive its first check in August 2018. 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, 2017.

E. Hotel/Motel excise tax (Continued)

	Amount	Percentage
Lodging tax receipts	$16,686	100%
Disbursements to Wayne County Board of Tourism for promotion of tourism	16,686	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, 2017, there were 273 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 2017 year, the County contributed $395,416 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.

F. Employee retirement systems (Continued)

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 (130) plan members invest their contributions ($312,059 for 2017) in annuity contracts with Nationwide Insurance Company. Sixty-one (61) plan members invest their contributions ($152,596 for 2017) in various mutual funds held in trust by the Charles Schwab Trust Company administered by GEBCorp. A financial report can be obtained from GEBCorp at 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia, 30339.

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

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

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

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

G. Other Postemployment Benefits

Description

Effective January 1, 2008, the County adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". In addition to the relevant disclosures within this note related to the implementation of GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of $9,420,404 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 nineteen (19) retirees meet those eligibility requirements. The policy for paying insurance premiums and medical costs for retirees and their dependents is the same as it is for its regular employees as described in Note IV (A). The County is under no statutory or contractual obligation to provide these postretirement healthcare benefits. No stand-alone financial report is either available or generated.

G. Other Postemployment Benefits (Continued)

Fund Policy

Premiums for postemployment healthcare benefits are funded by the retirees desiring such coverage via co-pays paid to the County in accordance with rates established by the County. For the year ended December 31, 2017, retirees receiving benefits paid $45,188, 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 $228,612, represents the County's net cost paid for the current year. These benefits are financed on pay-as-you-go basis. Any employee hired after October 7, 2013 will not receive OPEB benefits.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 1,588,540
Interest on net OPEB obligation	420,214
Adjustment to annual required contribution	(0)
Annual OPEB cost	2,008,754
Contributions made	(228,612)
Increase (decrease) in net OPEB obligation	1,780,142
Net OPEB obligation – beginning of year	7,640,262
Net OPEB obligation – end of year	$9,420,404

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 thru 2017 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
12/31/17	$2,008,754	11.38%	$9,420,404

Because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of the years preceding 2009.

G. Other Postemployment Benefits (Continued)

Funding Status and Funding Progress

As of January 1, 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 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

There were no additional subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 11,926,891	$ 11,926,891	$ 11,512,295	$ (414,596)
Other taxes	3,130,000	3,130,000	3,326,263	196,263
Licenses and permits	120,000	120,000	153,110	33,110
Intergovernmental revenue	3,938,004	3,938,004	597,255	(3,340,749)
Charges for services	3,145,650	3,145,650	2,754,000	(391,650)
Fines and fees	679,100	679,100	740,972	61,872
Investment income	2,000	2,000	7,033	5,033
Other revenue	349,604	349,304	592,764	243,460
TOTAL REVENUES	23,291,249	23,290,949	19,683,692	(3,607,257)
EXPENDITURES:				
GENERAL GOVERNMENT:				
ELECTIONS:				
Personal services and employee benefits	16,453	16,623	15,986	(637)
Purchased/contract services	9,575	9,005	3,459	(5,546)
Supplies	3,400	3,800	2,411	(1,389)
Capital outlays	1,700	1,700	-	(1,700)
Total elections	31,128	31,128	21,856	(9,272)
REGISTRAR:				
Personal services and employee benefits	70,367	67,497	61,343	(6,154)
Purchased/contract services	9,930	8,940	6,044	(2,896)
Supplies	875	1,225	780	(445)
Capital outlays	1,000	1,010	302	(708)
Interdepartmental charges	5,000	93,500	92,984	(516)
Total registrar	87,172	172,172	161,453	(10,719)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
FINANCIAL ADMINISTRATION:				
Personal services and employee benefits	$ 359,736	$ 365,736	$ 366,205	$ 469
Purchased/contract services	299,105	484,005	316,971	(167,034)
Supplies	9,100	7,600	5,654	(1,946)
Capital outlays	5,000	6,000	114,489	108,489
Interdepartmental charges	46,700	55,200	55,527	327
Other costs	1,513,096	1,097,081	506,181	(590,900)
Debt service	40,000	66,000	121,275	55,275
Total financial administration	2,272,737	2,081,622	1,486,302	(595,320)
TAX COMMISSIONER:				
Personal services and employee benefits	249,841	257,841	256,500	(1,341)
Purchased/contract services	112,180	90,930	80,034	(10,896)
Supplies	4,900	5,150	4,408	(742)
Capital outlays	5,500	2,500	-	(2,500)
Interdepartmental charges	63,000	62,500	49,593	(12,907)
Total tax commissioner	435,421	418,921	390,535	(28,386)
TAX ASSESSOR:				
Personal services and employee benefits	343,813	353,613	353,285	(328)
Purchased/contract services	181,995	121,095	92,028	(29,067)
Supplies	8,050	8,150	6,003	(2,147)
Capital outlays	2,800	2,800	16,200	13,400
Interdepartmental charges	68,700	82,700	62,002	(20,698)
Total tax assessor	605,358	568,358	529,518	(38,840)
GOVERNMENT BUILDINGS & PLANTS:				
Personal services and employee benefits	234,163	283,428	283,310	(118)
Purchased/contract services	61,900	52,735	48,552	(4,183)
Supplies	82,700	66,600	63,334	(3,266)
Capital outlay	13,000	31,000	29,305	(1,695)
Interdepartmental charges	50,000	27,000	15,934	(11,066)
Total government buildings	441,763	460,763	440,435	(20,328)
TOTAL GENERAL GOVERNMENT	3,873,679	3,732,964	3,030,099	(702,865)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
JUDICARY:				
JUDICIAL ADMINISTRATION:				
Personal services and employee benefits	$ 456,864	$ 444,489	$ 439,629	$ (4,860)
Purchased/contract services	357,350	210,450	225,054	14,604
Supplies	37,300	39,650	38,271	(1,379)
Capital outlays	16,200	15,700	11,798	(3,902)
Interdepartmental charges	115,000	131,100	111,636	(19,464)
Total judicial administration	982,714	841,389	826,388	(15,001)
STATE AND SUPERIOR COURTS:				
Personal services and employee benefits	347,995	390,495	390,434	(61)
Purchased/contract services	169,500	178,975	172,111	(6,864)
Supplies	45,500	45,525	40,341	(5,184)
Capital outlays	1,000	1,000	500	(500)
Other costs	30,000	32,000	31,769	(231)
Interdepartmental charges	19,000	31,000	25,673	(5,327)
Total state and superior courts	612,995	678,995	660,828	(18,167)
DISTRICT ATTORNEY:				
Personal services and employee benefits	9,045	9,045	9,065	20
Purchased/contract services	1,300	2,274	1,889	(385)
Supplies	-	-	91	91
Other costs	150,150	150,151	150,150	(1)
Total district attorney	160,495	161,470	161,195	(275)
MAGISTRATE COURT:				
Personal services and employee benefits	189,494	195,894	195,894	-
Purchased/contract services	20,550	21,900	20,563	(1,337)
Supplies	2,450	5,750	5,493	(257)
Capital outlays	825	2,425	2,298	(127)
Interdepartmental charges	53,910	62,210	53,394	(8,816)
Total magistrate court	267,229	288,179	277,642	(10,537)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PROBATE COURT:				
Personal services and employee benefits	$ 192,761	$ 197,011	$ 196,513	$ (498)
Purchased/contract services	36,050	31,600	29,437	(2,163)
Supplies	3,300	3,500	2,654	(846)
Capital outlays	9,000	2,000	504	(1,496)
Interdepartmental charges	77,000	49,000	47,715	(1,285)
Total probate court	318,111	283,111	276,823	(6,288)
JUVENILE COURT:				
Personal services and employee benefits	128,070	129,970	129,755	(215)
Purchased/contract services	35,350	35,850	34,004	(1,846)
Supplies	2,500	2,600	2,547	(53)
Total juvenile court	165,920	168,420	166,306	(2,114)
PUBLIC DEFENDER:				
Purchased/contract services	450	650	377	(273)
Other costs	182,070	171,370	170,336	(1,034)
Total public defender	182,520	172,020	170,713	(1,307)
DRUG COURT:				
Purchased/contract services	100,350	77,850	76,006	(1,844)
Total drug court	100,350	77,850	76,006	(1,844)
TOTAL JUDICIARY	2,790,334	2,671,434	2,615,901	(55,533)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PUBLIC SAFETY:				
SHERIFF:				
Personal services and employee benefits	$ 2,446,867	$ 2,272,567	$ 2,234,298	$ (38,269)
Purchased/contract services	268,350	233,950	230,254	(3,696)
Supplies	265,950	220,950	221,172	222
Capital outlays	277,200	326,400	318,551	(7,849)
Interdepartmental charges	355,000	211,500	181,965	(29,535)
Total sheriff	3,613,367	3,265,367	3,186,240	(79,127)
JAIL:				
Personal services and employee benefits	1,038,258	1,134,158	1,136,163	2,005
Purchased/contract services	395,775	424,975	413,481	(11,494)
Supplies	549,250	485,050	479,175	(5,875)
Capital outlays	95,000	27,100	24,756	(2,344)
Interdepartmental charges	145,000	200,000	167,273	(32,727)
Other costs	28,500	30,500	30,218	(282)
Total jail	2,251,783	2,301,783	2,251,066	(50,717)
OTHER PUBLIC SAFETY:				
Purchased/contract services	50	125	108	(17)
Supplies	8,600	8,925	8,644	(281)
Total other public safety	8,650	9,050	8,752	(298)
RURAL FIRE DEPARTMENTS:				
Personal services and employee benefits	24,000	31,000	30,096	(904)
Purchased/contract services	50,045	77,695	54,251	(23,444)
Supplies	37,650	26,624	13,240	(13,384)
Capital outlays	96,400	28,175	6,798	(21,377)
Other costs	19,500	21,601	19,879	(1,722)
Total rural fire departments	227,595	185,095	124,264	(60,831)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EMERGENCY MEDICAL SERVICES:				
Personal services and employee benefits	$ 982,577	$ 869,177	$ 856,494	$ (12,683)
Purchased/contract services	153,780	173,130	154,867	(18,263)
Supplies	112,800	110,850	99,775	(11,075)
Capital outlays	193,400	275,400	265,658	(9,742)
Interdepartmental charges	285,000	530,000	536,595	6,595
Total emergency medical services	1,727,557	1,958,557	1,913,389	(45,168)
CORONER:				
Personal services and employee benefits	31,831	29,631	25,755	(3,876)
Purchased/contract services	13,610	13,810	8,666	(5,144)
Supplies	3,275	3,275	2,145	(1,130)
Captial outlays	700	700	-	(700)
Interdepartmental charges	50,000	145,000	64,616	(80,384)
Total coroner	99,416	192,416	101,182	(91,234)
ANIMAL CONTROL-				
Supplies	8,000	8,000	6,752	(1,248)
Total animal control	8,000	8,000	6,752	(1,248)
EMERGENCY MANAGEMENT AGENCY:				
Personal services and employee benefits	53,258	85,304	84,396	(908)
Purchased/contract services	24,825	22,029	17,716	(4,313)
Supplies	7,200	8,350	6,408	(1,942)
Capital outlays	23,000	8,000	373	(7,627)
Interdepartmental charges	8,000	3,100	1,014	(2,086)
Other Costs	-	5,000	4,500	(500)
Total emergency management agency	116,283	131,783	114,407	(17,376)
TOTAL PUBLIC SAFETY	8,052,651	8,052,051	7,706,052	(345,999)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
PUBLIC WORKS:				
HIGHWAYS AND STREETS:				
Personal services and employee benefits	$ 1,633,478	$ 1,734,078	$ 1,739,609	$ 5,531
Purchased/contract services	456,339	503,539	496,598	(6,941)
Supplies	321,450	309,350	307,316	(2,034)
Capital outlays	28,650	40,950	30,450	(10,500)
Interdepartmental charges	563,000	790,000	773,893	(16,107)
Total highways and streets	3,002,917	3,377,917	3,347,866	(30,051)
SOLID WASTE & RECYCLING:				
Purchased/contract services	955,300	986,800	983,505	(3,295)
Capital outlays	100,000	39,000	37,117	(1,883)
Total solid waste & recycling	1,055,300	1,025,800	1,020,622	(5,178)
COUNTY SHOP:				
Personal services and employee benefits	357,458	309,698	299,508	(10,190)
Purchased/contract services	48,960	39,410	26,861	(12,549)
Supplies	41,315	41,625	33,192	(8,433)
Capital outlays	20,450	20,450	12,577	(7,873)
Interdepartmental charges	129,510	84,510	22,701	(61,809)
Other Costs	183,000	194,000	193,210	(790)
Total county shop	780,693	689,693	588,049	(101,644)
TOTAL PUBLIC WORKS	4,838,910	5,093,410	4,956,537	(136,873)
HEALTH AND WELFARE:				
PUBLIC HEALTH ADMINISTRATION:				
Purchased/contract services	21,300	11,300	6,211	(5,089)
Other costs	103,425	103,425	103,218	(207)
Total public health administration	124,725	114,725	109,429	(5,296)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
WELFARE ADMINISTRATION:				
Purchased/contract services	$ 23,900	$ 12,100	$ 8,972	$ (3,128)
Supplies	4,500	1,300	382	(918)
Other costs	3,500	3,500	2,101	(1,399)
Total welfare administration	31,900	16,900	11,455	(5,445)
COMMUNITY SERVICES:				
Personal services and employee benefits	229,754	268,029	266,781	(1,248)
Purchased/contract services	43,310	71,535	68,094	(3,441)
Supplies	99,000	92,300	90,562	(1,738)
Capital outlays	18,700	7,400	244,307	236,907
Interdepartmental charges	5,000	5,000	628	(4,372)
Total community services	395,764	444,264	670,372	226,108
TOTAL HEALTH AND WELFARE	552,389	575,889	791,256	215,367
CULTURE AND RECREATION:				
RECREATION:				
Personal services and employee benefits	502,705	532,605	532,455	(150)
Purchased/contract services	300,190	303,190	288,896	(14,294)
Supplies	361,600	409,700	404,031	(5,669)
Capital outlays	213,700	87,400	79,134	(8,266)
Interdepartmental charges	82,000	82,000	61,571	(20,429)
Other costs	20,000	20,000	18,724	(1,276)
Debt Service	50,000	-	-	-
Total recreation	1,530,195	1,434,895	1,384,811	(50,084)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
LIBRARY -				
Other costs	$ 173,781	$ 173,781	$ 173,781	$ -
Total library	173,781	173,781	173,781	-
TOTAL CULTURE AND RECREATION	1,703,976	1,608,676	1,558,592	(50,084)
HOUSING AND DEVELOPMENT:				
CONSERVATION:				
Personal services and employee benefits	98,874	95,874	92,281	(3,593)
Purchased/contract services	46,600	46,190	39,938	(6,252)
Supplies	15,095	16,005	14,050	(1,955)
Capital outlays	37,500	30,000	28,743	(1,257)
Interdepartmental charges	30,000	40,000	35,142	(4,858)
Other costs	54,129	54,129	53,042	(1,087)
Total conservation	282,198	282,198	263,196	(19,002)
FOREST RESOURCES:				
Personal services and employee benefits	36,981	36,981	36,390	(591)
Purchased/contract services	3,875	3,025	2,152	(873)
Supplies	300	917	658	(259)
Capital outlays	-	583	583	-
Interdepartmental charges	3,000	2,650	-	(2,650)
Other costs	37,000	37,000	36,257	(743)
Total forest resources	81,156	81,156	76,040	(5,116)
BUILDING INSPECTION:				
Personal services and employee benefits	62,954	63,994	62,724	(1,270)
Purchased/contract services	6,425	7,275	6,234	(1,041)
Supplies	3,100	3,300	2,714	(586)
Capital outlays	100	-	-	-
Interdepartmental charges	10,000	6,225	2,589	(3,636)
Total building inspection	82,579	80,794	74,261	(6,533)

SCHEDULE 1

WAYNE COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
ECONOMIC DEVELOPMENT:				
Personal services and employee benefits	$ 58	$ 93	$ 93	$ -
Purchased/contract services	10,000	19,365	19,365	-
Other costs	300,000	300,000	300,000	-
Total economic development	310,058	319,458	319,458	-
AIRPORT:				
Purchased/contract services	38,595	43,145	37,560	(5,585)
Supplies	138,550	134,000	121,134	(12,866)
Capital outlays	206,350	206,350	94,287	(112,063)
Total airport	383,495	383,495	252,981	(130,514)
TOTAL HOUSING AND DEVELOPMENT	1,139,486	1,147,101	985,936	(161,165)
TOTAL EXPENDITURES	22,951,325	22,881,525	21,644,373	(1,237,152)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	339,924	409,424	(1,960,681)	(2,370,105)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(339,924)	(409,424)	(467,908)	(58,484)
Total other financing sources and (uses)	(339,924)	(409,424)	(467,908)	(58,484)
NET CHANGE IN FUND BALANCES	-	-	(2,428,589)	(2,428,589)
FUND BALANCES, BEGINNING	3,530,855	3,530,855	3,530,855	3,530,855
FUND BALANCES, ENDING	$ 3,530,855	$ 3,530,855	$ 1,102,266	$ 1,102,266

SCHEDULE 2

WAYNE COUNTY, GEORGIA
SCHEDULE OF FUNDING PROGRESS-POSTEMPLOYMENT HEALTHCARE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2017

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%
1/1/2017	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, 2017, the following supplemental increases and decreases in budget appropriations were approved:

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General	$ 22,951,325	$ 0	$ 69,800	$ 22,881,525
Special Revenue	$ 1,316,924	$ 69,800	$ 0	$ 1,386,724
Debt Service	$ 882,747	$ 0	$ 0	$ 882,747

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

GOVERNMENTAL FUNDS:	BUDGETARY AMOUNT	ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
GENERAL FUND			
GENERAL GOVERNMENT-			
Finanacial administration:			
Capital outlays	$ 6,000	$ 114,489	$ 108,489
Debt Service	66,000	121,275	55,275
JUDICIARY-			
District Attorney-			
Supplies	-	93	93
HEALTH AND WELFARE-			
Community Services-			
Capital Outlays	7,400	244,307	236,907
NON-MAJOR FUNDS-			
EMERGENCY TELEPHONE SYSTEM-			
Interdepartment Charges	137,200	173,299	36,099
DEBT SERVICE-			
Interest & Fiscal Charges	107,747	199,535	91,788

C. Deficit fund equity
The County did not have a fund with a deficit fund balance as of December 31, 2017.

SUPPLEMENTARY DATA – COMBINING FUND FINANCIAL SCHEDULES

SCHEDULE 3

WAYNE COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	Capital Projects	Special Revenue				Total Non-major Governmental Funds
	SPLOST IV	Hotel/Motel Tax Fund	Emergency Telephone System	RLF	CDBG	
ASSETS:						
Cash	$ 1			$ 110,114	$ 85,289	$ 195,404
Receivables		$ 1,199				1,199
Intergovernmental					106,052	106,052
RLF Loans Receivable				396,612		396,612
TOTAL ASSETS	$ 1	$ 1,199	$ -	$ 506,726	$ 191,341	$ 699,267
LIABILITIES AND FUND BALANCE						
LIABILITIES-						
Accounts payable	1	1,199			191,341	192,541
Total Liabilities	1	1,199	-	-	191,341	192,541
FUND BALANCES:						
Restricted for capital outlay						-
Restricted for economic development				506,726		506,726
Unassigned						-
Total Fund Balance	-	-	-	506,726	-	506,726
TOTAL LIABILITIES AND FUND BALANCES	$ 1	$ 1,199	$ -	$ 506,726	$ 191,341	$ 699,267

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, 2017

	Capital Projects	Special Revenue				Total Non-major Governmental Funds
	SPLOST IV	Hotel/Motel Tax Fund	Emergency Telephone System	RLF	CDBG	
REVENUES:						
Taxes		$ 16,686				$ 16,686
Intergovernmental					$ 391,522	391,522
Charges for services			$ 426,220			426,220
Investment income				$ 12,333		12,333
Total revenues		16,686	426,220	12,333	391,522	846,761
EXPENDITURES:						
Current:						
Public safety			894,128			894,128
Housing and development		16,686				16,686
Capital outlay - Health & welfare					391,522	391,522
Total expenditures		16,686	894,128	-	391,522	1,302,336
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITUES	-	-	(467,908)	12,333	-	(455,575)
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	-	-	467,908	-	-	467,908
Total other financing sources (uses)	-	-	467,908	-	-	467,908
NET CHANGES IN FUND BALANCES	-	-	-	12,333	-	12,333
FUND BALANCE, Beginning	-	-	-	494,393	-	494,393
FUND BALANCE, Ending	$ -	$ -	$ -	$ 506,726	$ -	$ 506,726

SCHEDULE 5

WAYNE COUNTY, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Taxes	$ 13,500	$ 13,800	$ 16,686	$ 2,886
Total revenues	13,500	13,800	16,686	2,886
EXPENDITURES -				
Housing and development-				
Other costs	13,500	13,800	16,686	2,886
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning of year	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ -	$ -

SCHEDULE 6

WAYNE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES –				
Charges for services	$ 463,500	$ 463,500	$ 426,220	$ (37,280)
Total revenues	463,500	463,500	426,220	(37,280)
EXPENDITURES:				
Personal services and employee benefits	553,976	553,076	550,411	(2,665)
Purchased/contract services	117,398	127,698	121,540	(6,158)
Supplies	28,850	29,450	27,811	(1,639)
Capital outlays	14,000	25,500	21,067	(4,433)
Interdepartmental charges	89,200	137,200	173,299	36,099
Total expenditures	803,424	872,924	894,128	21,204
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(339,924)	(409,424)	(467,908)	(58,484)
OTHER FINANCING SOURCES (USES) -				
Transfer in	339,924	409,424	467,908	58,484
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, 2017

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES-				
Investment income	$ -	$ -	$ 12,333	$ 12,333
Total revenues	-	-	12,333	12,333
EXPENDITURES -				
Housing and development -				
Purchased/contract services				-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	12,333	12,333
OTHER FINANCING SOURCES (USES) –				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	12,333	12,333
FUND BALANCE, Beginning	494,393	494,393	494,393	-
FUND BALANCE, Ending	$ 494,393	$ 494,393	$ 506,726	$ 12,333

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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES -				
Intergovernmental	$ 500,000	$ 500,000	$ 395,522	$ (104,478)
Total revenues	500,000	500,000	395,522	(104,478)
EXPENDITURES -				
Capital outlay -				
Health & welfare	500,000	500,000	395,522	(104,478)
Total expenditures	500,000	500,000	395,522	(104,478)
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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES:				
Property taxes	$ 1,771,108	$ 1,771,108	$ 379	$ (1,770,729)
Investment income	-	-	4,838	4,838
Total revenues	1,771,108	1,771,108	5,217	(1,765,891)
EXPENDITURES-				
Debt service:				
Interest and fiscal charges	107,747	107,747	199,535	91,788
Principal	775,000	775,000	-	(775,000)
Total expenditures	882,747	882,747	199,535	(683,212)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	888,361	888,361	(194,318)	(1,082,679)
OTHER FINANCING SOURCES –				
Transfer in/(out)	(1,000,000)	(1,000,000)	1,652,018	2,652,018
Total other financing sources (uses)	(1,000,000)	(1,000,000)	1,652,018	2,652,018
NET CHANGE IN FUND BALANCE	(111,639)	(111,639)	1,457,700	1,569,339
FUND BALANCE, Beginning	3,137,702	3,137,702	3,137,702	-
FUND BALANCE, Ending	$ 3,026,063	$ 3,026,063	$ 4,595,402	$ 1,569,339

SCHEDULE 10

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2017

	AGENCY FUNDS					
	Tax Commissioner	Clerk of Court	Sheriff's Department	Magistrate Court	Probate Court	Total
ASSETS						
Cash	$ 1,126,224	$ 256,510	$ 78,949	$ 3,356	$ 20,563	$ 1,485,602
Taxes receivable	2,283,206					2,283,206
Total assets	$ 3,409,430	$ 256,510	$ 78,949	$ 3,356	$ 20,563	$ 3,768,808
LIABILITIES						
Due to others	$ 3,409,430	$ 256,510	$ 78,949	$ 3,356	$ 20,563	$ 3,768,808
Total liabilities	$ 3,409,430	$ 256,510	$ 78,949	$ 3,356	$ 20,563	$ 3,768,808

SCHEDULE 11

WAYNE COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
TAX COMMISSIONER				
Assets:				
Cash	$ 8,349,390	$ 31,162,403	$ 38,385,569	$ 1,126,224
Taxes receivable	3,138,298	30,307,311	31,162,403	$ 2,283,206
Total assets	$ 11,487,688	$ 61,469,714	$ 69,547,972	$ 3,409,430
Liabilities –				
Due to others	$ 11,487,688	$ 61,469,714	$ 69,547,972	$ 3,409,430
CLERK OF COURT				
Assets –				
Cash	$ 596,596	$ 2,592,481	$ 2,932,567	$ 256,510
Liabilities –				
Due to others	$ 596,596	$ 2,592,481	$ 2,932,567	$ 256,510
SHERIFF'S DEPARTMENT				
Assets –				
Cash	$ 112,936	$ 448,282	$ 482,269	$ 78,949
Liabilities –				
Due to others	$ 112,936	$ 448,282	$ 482,269	$ 78,949
MAGISTRATE COURT				
Assets –				
Cash	$ 16,301	$ 133,624	$ 146,569	$ 3,356
Liabilities –				
Due to others	$ 16,301	$ 133,624	$ 146,569	$ 3,356
PROBATE COURT				
Assets –				
Cash	$ 19,082	$ 195,433	$ 193,952	$ 20,563
Liabilities –				
Due to others	$ 19,082	$ 195,433	$ 193,952	$ 20,563
TOTALS – AGENCY FUNDS				
Assets:				
Cash	$ 9,094,305	$ 34,532,223	$ 42,140,926	$ 1,485,602
Taxes receivable	3,138,298	30,307,311	31,162,403	2,283,206
Total assets	$ 12,232,603	$ 64,839,534	$ 73,303,329	$ 3,768,808
Liabilities –				
Due to others	$ 12,232,603	$ 64,839,534	$ 73,303,329	$ 3,768,808

SCHEDULE 12

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2017

	MAJOR HOSPITAL AUTHORITY OF WAYNE COUNTY	NON-MAJOR WAYNE COUNTY INDUSTRIAL AUTHORITY	NON-MAJOR WAYNE COUNTY BOARD OF HEALTH	TOTAL COMPONENT UNITS
ASSETS				
Cash	$ 708,000	$ 1,327,879	$ 769,788	$ 2,805,667
Receivables (net of allowance for uncollectibles)	9,347,000			9,347,000
Inventory, at lower of cost or market	1,620,000			1,620,000
Other current assets	902,000			902,000
Restricted cash	6,347,000			6,347,000
Due from other governments			62,318	62,318
Capital assets, net of accumulated depreciation				
Land	345,000	2,751,272		3,096,272
Other capital assets	24,528,000	673,593	343	25,201,936
Other assets	959,000			959,000
Total assets	44,756,000	4,752,744	832,449	50,341,193
DEFERRED OUTFLOWS OF RESOURSES:				
Deferred loss on refunding	482,000			482,000
Proportionate share of collective deferred inflows of resources			170,624	170,624
Total assets and deferred outflows of resources	45,238,000	4,752,744	1,003,073	50,993,817
LIABILITIES				
Current liabilities:				
Accounts payable	3,718,000	1,598		3,719,598
Accrued expenses	1,912,000	3,668	17,688	1,933,356
Non-current liabilities:				
Due within one year	1,175,000			1,175,000
Due in more than one year	13,085,000		704,639	13,789,639
Total liabilities	19,890,000	5,266	722,327	20,617,593
DEFERRED INFLOWS OF RESOURCES:				
Proportionate share of collective deferred inflows of resources			30,205	30,205
Total liabilities and deferred inflows	19,890,000	5,266	752,532	20,647,798
NET POSITION				
Net investment in capital assets	11,131,000	3,424,865	343	14,556,208
Restricted:				
Debt service	589,000			589,000
Prior year program income			165,220	165,220
Unrestricted	13,628,000	1,322,613	84,978	15,035,591
Total net position	$ 25,348,000	$ 4,747,478	$ 250,541	$ 30,346,019

SCHEDULE 13

WAYNE COUNTY, GEORGIA
COMPONENT UNITS – MAJOR AND NON-MAJOR
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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	$ 56,230,000	$ 58,041,000	$ 20,000		$ 1,831,000			$ 1,831,000
Wayne County Development Authority	285,221		300,000			$ 14,779		14,779
Wayne County Board of Health	859,728	212,175	647,841				$ 288	288
Total component units	$ 57,374,949	$ 58,253,175	$ 967,841	$ -	$ 1,831,000	$ 14,779	$ 288	$ 1,846,067
General Revenues:								
Unrestricted investment earnings					(130,000)	264		(129,736)
Miscellaneous						64,943		64,943
Sale of assets						66,840		66,840
Total general revenues					(130,000)	132,047	-	2,047
Changes in Net Position					1,701,000	146,826	288	1,848,114
Net Position, Beginning					23,647,000	4,600,652	250,253	28,497,905
Net Position, Ending					$ 25,348,000	$ 4,747,478	$ 250,541	$ 30,346,019

SCHEDULE 14

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2017 AND 2016

	2017	2016
Governmental Funds Capital Assets		
Land	$ 3,292,533	$ 3,292,533
Improvements	5,371,697	5,249,454
Buildings	15,237,335	15,208,654
Equipment, vehicles and furniture	8,553,877	8,137,849
Infrastructure	45,613,168	43,237,529
Construction in progress	16,064,510	10,017,462
Total governmental funds capital assets	$ 94,133,120	$ 85,143,481
Investments in Governmental Funds Capital Assets by Source		
General fund	$ 39,182,015	$ 38,797,565
Special revenue funds	2,772,364	2,772,364
Donations	2,541,481	2,541,481
State and federal grants	7,564,877	7,173,355
Capital project funds	42,072,383	33,858,716
Total governmental funds capital assets	$ 94,133,120	$ 85,143,481

SCHEDULE 15

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2017

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			$ 197,929			348,531
Tax Commissioner				11,945			11,945
Tax Assessor				28,145			28,145
Buildings and Properties	152,078	$ 51,254	731,169	70,723			1,005,224
Total General Government	302,680	51,254	776,003	308,742	-	-	1,438,679
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				1,381,176			1,381,176
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	748,145		$ 185,485	956,719
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	3,510,342	-	185,485	12,292,810

SCHEDULE 15

WAYNE COUNTY, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2017

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	$ 3,404,503	$ 45,613,168	$ 13,641,874	$ 63,126,344
Sanitation	131,625					78,518	210,143
Maintenance Shop			139,243	127,274			266,517
Total Public Works	488,385	16,522	232,760	3,531,777	45,613,168	13,720,392	63,603,004
Health and Welfare:							
Public Health Administration				10,998			10,998
Buildings and Properties	959,609	20,000	1,853,381	9,124		391,522	3,233,636
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	-	391,522	3,400,412
Culture/Recreation:							
Recreation	1,045,065	1,161,731	768,642	479,166		80,649	3,535,253
Parks	70,418	840,045	52,910	51,243			1,014,616
Library			31,767				31,767
Total Culture/Recreation	1,115,483	2,001,776	853,319	530,409	-	80,649	4,581,636
Housing and Development:							
Agriculture Resources			233,761	101,848			335,609
Economic Development	37,110						37,110
Airport	103,593	3,205,596	827,694	334,499		1,686,462	6,157,844
Building Inspection			12,515	1,500			14,015
Total Housing and Development	140,703	3,205,596	1,073,970	437,847	-	1,686,462	6,544,578
Total Governmental Funds Capital Assets	$ 3,292,533	$ 5,371,697	$ 15,237,335	$ 8,553,877	$ 45,613,168	$ 16,064,510	$ 94,133,120

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, 2017

Function and Activity	Capital Assets January 1, 2017	Additions	Deductions	Capital Assets December 31, 2017
General Government:				
Elections	$ 44,834			$ 44,834
Financial Administration	205,191	$ 143,340		348,531
Tax Commissioner	11,945			11,945
Tax Assessor	12,645	15,500		28,145
Buildings and Properties	976,542	28,682		1,005,224
Construction in progress	34,510		$ 34,510	-
Total General Government	1,285,667	187,522	34,510	1,438,679
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	1,387,656	165,271	171,751	1,381,176
Law Enforcement Administration	4,781,203			4,781,203
Jail	3,848,111			3,848,111
Other Public Safety	82,011			82,011
Fire Prevention	608,568			608,568
Emergency Medical Services	831,806	131,092	191,664	771,234
Coroner	11,733			11,733
E-911	405,540			405,540
Emergency Management Agency	217,749			217,749
Construction in progress	59,202	126,283		185,485
Total Public Safety	12,233,579	422,646	363,415	12,292,810
Public Works:				
Highways and Streets	46,878,497	2,666,027	60,054	49,484,470
Sanitation	131,625			131,625
Maintenance Shop	226,610	39,907		266,517
Construction in progress	8,331,575	5,432,183	43,366	13,720,392
Total Public Works	55,568,307	8,138,117	103,420	63,603,004

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, 2017

Function and Activity	Capital Assets January 1, 2017	Additions	Deductions	Capital Assets December 31, 2017
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	49,700			49,700
Construction in Progress		$ 391,522		391,522
Total Health and Welfare	3,008,890	391,522	-	3,400,412
Culture/Recreation:				
Recreation	3,300,862	153,742		3,454,604
Parks	1,014,616			1,014,616
Library	31,767			31,767
Construction in Progress		80,649		80,649
Total Culture/Recreation	4,347,245	234,391	-	4,581,636
Housing and Development:				
Agricultural Resources	313,110	22,499		335,609
Economic Development	37,110			37,110
Airport	4,471,382			4,471,382
Building Inspection	14,015			14,015
Construction in progress	1,592,175	94,287		1,686,462
Total Housing and Development	6,427,792	116,786	-	6,544,578
Total Governmental Funds Capital Assets	$ 85,143,481	$ 9,490,984	$ 501,345	$ 94,133,120

COMPLIANCE SECTION

SCHEDULE 17

WAYNE COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2017 AND JUNE 30, 2016

ASSETS

	2017	2016
Cash	$ 90,639.69	$ 51,690.93
RLF Loans receivable	410,019.65	436,239.78
TOTAL ASSETS	$ 500,659.34	$ 487,930.71

LIABILITIES AND FUND BALANCE

LIABILITIES		
FUND BALANCE-		
Restricted for –		
Economic development	$ 500,659.34	$ 487,930.71
TOTAL LIABILITIES AND FUND BALANCE	$ 500,659.34	$ 487,930.71

SCHEDULE 18

WAYNE COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2017 AND JUNE 30, 2016

	2017	2016
REVENUES:		
Interest earned from RLF loans	$ 12,728.63	14,662.01
Total revenues	12,728.63	14,662.01
EXPENDITURES -		
Housing and development –		
Purchased/contract services	-	204.75
Total expenditures	-	204.75
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,728.63	14,457.26
OTHER FINANCING SOURCES (USES) -		
Transfer in	-	-
Total other financing sources (uses)	-	-
NET CHANGE IN FUND BALANCE	12,728.63	14,457.26
FUND BALANCE, Beginning	487,930.71	473,473.45
FUND BALANCE, Ending	$ 500,659.34	$ 487,930.71

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, 2017

	Prior Years	Current Year	Total to Date	Project Authorization
2006 SPLOST				
REVENUES:				
Taxes	$ 24,528,587	$ -	$ 24,528,587	$ 22,465,591
Investment earnings	361,284	653	361,937	-
Total revenues	24,889,871	653	24,890,524	22,465,591
EXPENDITURES-				
Capital outlay:				
Road and sewer improvements	11,474,749	565,775	12,040,524	10,465,591
Hospital construction	1,284,822	-	1,284,822	1,284,822
Total expenditures	12,759,571	565,775	13,325,346	11,750,413
EXCESS OF REVENUES OVER EXPENDITURES	12,130,300	(565,122)	11,565,178	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	1,415,122	(565,122)	850,000	-
FUND BALANCE, Beginning	-	1,415,122	-	-
FUND BALANCE, Ending	$ 1,415,122	$ 850,000	$ 850,000	$ -

SCHEDULE 20

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2006 SPLOST:						
County road improveme	$ 6,370,405	$ 8,795,338	$ 7,380,344	$ 564,994	$ 7,945,338	90.34%
City of Jesup road and sewer improvement	3,655,631	3,655,631	3,655,631	-	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	781	276,292	100.00%
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	$ 22,465,691	$ 24,890,524	$ 23,474,749	$ 565,775	$ 24,040,524	

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, 2017

2012 SPLOST	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES:				
Taxes	$ 16,036,280	$ 3,304,036	$ 19,340,316	$ 22,000,000
Investment earnings	6,980	6,730	13,710	-
Total revenues	16,043,260	3,310,766	19,354,026	22,000,000
EXPENDITURES:				
Capital outlay:				
Road and sewer improvements	4,460,133	1,519,104	5,979,237	8,450,000
Emergency vehicles and fire equipment	1,650,000	-	1,650,000	1,650,000
Recreation	640,676	188,482	829,158	900,000
Total expenditures	6,750,809	1,707,586	8,458,395	11,000,000
EXCESS OF REVENUES OVER EXPENDITURES	9,292,451	1,603,180	10,895,631	11,000,000
OTHER FINANCING SOURCES (USES):				
Transfer out to debt service fund	(8,018,140)	(1,652,018)	(9,670,158)	(11,000,000)
NET CHANGES IN FUND BALANCES	1,274,311	(48,838)	1,225,473	-
FUND BALANCE, Beginning	-	1,274,311	-	-
FUND BALANCE, Ending	$ 1,274,311	$ 1,225,473	$ 1,225,473	$ -

SCHEDULE 22

WAYNE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	$ 1,402,014	$ 889,024	$ 2,291,038	53.85%
County recreation	900,000	900,000	640,676	188,482	829,158	92.13%
City of Jesup road and sewer improvement	3,730,100	3,730,100	2,718,951	560,200	3,279,151	87.91%
City of Odum road and sewer improvement	184,800	184,800	134,705	27,754	162,459	87.91%
City of Screven road and sewer improvement	280,500	280,500	204,463	42,126	246,589	87.91%
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	8,018,140	1,652,018	9,670,158	87.91%
Total	$ 22,000,000	$ 22,000,000	$ 14,768,949	$ 3,359,604	$ 18,128,553	

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, 2017

	Prior Year	Current Year	Total to Date
TSPLOST			
REVENUES:			
Taxes	$11,189,271	$6,172,870	$17,362,141
Intergovernmental	2,553,709	1,750,418	4,304,127
Miscellaneous	28,800	-	28,800
Total revenues	13,771,780	7,923,288	21,695,068
EXPENDITURES-			
Capital outlay-			
Road and sewer improvements	12,227,178	6,732,732	18,959,910
Total expenditures	12,227,178	6,732,732	18,959,910
EXCESS OF REVENUES OVER EXPENDITURES	1,544,602	1,190,556	2,735,158
NET CHANGES IN FUND BALANCES	1,544,602	1,190,556	2,735,158
FUND BALANCE, Beginning	-	1,544,602	-
FUND BALANCE, Ending	$ 1,544,602	$2,735,158	$ 2,735,158

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, 2017

Total program year 2015 funds allocated to recipient	$ 500,000
Less: Total program year 2015 funds drawn by recipient	(395,522)
Funds still available from program year 2015 resources	$ 104,478
Total program year 2015 funds drawn and received by recipient in current year	200,181
Less: Funds applied and expended to program year 2015 costs	(114,892)
Total program year 2015 funds held by recipient in current year	$ 85,289

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, 2017

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	352,972	-	352,972	-
Architect					
T-03J-00	22,550	22,550	-	22,550	-
Administration					
A-21A-01	30,000	20,000	-	20,000	-
TOTAL	$ 500,000	$ 395,522	$ -	$ 395,522	$ -

SCHEDULE 26

WAYNE COUNTY, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2017

Revenue -	
Hotel/motel taxes	**$16,686**
Expenditures -	
Tourism expenditures	**$16,686**
Percentage of expenditures to revenues	**100%**

SCHEDULE 27

WAYNE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Transportation			
Pass through from the Georgia Department of Transportation			
Airport Improvement Project	20.106	AP014-9026-24-(305)	$ 67,924
Rural Transportation	20.509	GA-18-X033	293,585
Total U.S. Department of Transportation			361,509
U.S. Housing and Urban Development			
Pass through from the Department of Community Affairs			
Public Facility	14.228	15p-y-151-1-5776	391,522
Total U.S. Housing and Urban Development			391,522
U.S. Department of Justice			
Direct Award			
Bulletproof Vest Partnership Grant	16.607	N/A	13,763
Total U.S. Department of Justice			13,763
U.S. Department of Agriculture			
Pass through from the Georgia Association of Conservation District Supervisors			
NRCS Salary Reimbursement	10.901	GACDS-02-16-010	19,056
Total U.S. Department of Agriculture			19,056
U.S. Department of Homeland Security			
Pass through from the Georgia Emergency Management Agency			
Disaster Recovery Grant	97.036	FEMA-1833-DR-GA	44,757
Hazard Mitigation	97.039	PDMC-PL-2014-003	14,803
EMPG Response and Recovery	97.042	OEM-17-153	25,028
Total U.S. Department of Homeland Security			84,588
Total Federal Expenditures			$ 870,438

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

HARRIS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Wayne County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Georgia, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Wayne County, Georgia's basic financial statements and have issued our report thereon dated June 25, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* nor which are described in the accompanying schedule of findings and questioned costs as items.

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

Wayne County, Georgia's Response to Findings

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

Purpose of this Report

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

Harris & Company, P.C.

Jesup, Georgia
June 25, 2018

HARRIS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Wayne County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Wayne County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wayne County, Georgia's major federal programs for the year ended December 31, 2017. Wayne County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Wayne County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 1981.1. Our opinion on each major federal program is not modified with respect to these matters.

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

Wayne County, Georgia's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Harris & Company, P.C.

Jesup, Georgia
June 25, 2018

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDIT RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the financial statements of Wayne County, Georgia.

2. Significant deficiencies relating to the audit of the financial statements are disclosed in the 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. We do not consider these significant deficiencies to be material weaknesses.

3. No instances of noncompliance material to the financial statements of Wayne County, Georgia were disclosed during the audit.

Federal Awards

Internal control over major programs:

Material weaknesses identified?	____yes __X__no
Significant deficiencies identified considered to be material weakness?	____yes __X__no
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)?	____yes __X__no

Identification of major program:

CFDA Number	Name of Federal Program
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee Qualified as low-risk auditee?	____yes __X__no

SCHEDULE 28

WAYNE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

County Administrator
Ed Jeffords
County Attorney
Andy R. Beaver
County Clerk
Amanda Hannah

Wayne County
where it all comes together
Board of Commissioners

Board of Commissioners
Herschell Hires
Jerry Wright
Mike Roberts
James Thomas
Ralph Hickox

JUNE 25, 2018

WAYNE COUNTY

FYE December 31, 2017

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 2018 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, 2018.

Sincerely,

Ed Jeffords
County Administrator

Wayne County Board of Commissioners
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