

**WAYCROSS-WARE COUNTY  
DEVELOPMENT AUTHORITY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors  
Waycross-Ware County  
Development Authority  
Waycross, Georgia

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Waycross-Ware County Development Authority** (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of December 31, 2023, and the respective financial position, and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the Authority'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 the Authority'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 the Waycross-Ware County Development Authority's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
October 10, 2024

## **BASIC FINANCIAL STATEMENTS**

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## STATEMENT OF NET POSITION DECEMBER 31, 2023

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<b>ASSETS</b>	<b>Governmental Activities</b>
Cash and cash equivalents	\$ 577,271
Contribution receivable	12,500
Capital assets, non-depreciable	2,339,155
Capital assets, depreciable (net of accumulated depreciation)	<u>1,217,850</u>
Total assets	<u>4,146,776</u>
<b>LIABILITIES</b>	
Accounts payable	1,437
Notes payable, due within one year	20,678
Notes payable, due in more than one year	<u>607,562</u>
Total liabilities	<u>629,677</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,949,443
Unrestricted	<u>567,656</u>
Total net position	<u><u>\$ 3,517,099</u></u>

The accompanying notes are an integral part of these financial statements.



**WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary government</b>					
Governmental activities:					
Economic development	\$ 727,999	\$ 59,941	\$ 14,500	\$ 890,292	\$ 236,734
Interest on long-term debt	22,024	-	-	-	(22,024)
Total governmental activities	<u>\$ 750,023</u>	<u>\$ 59,941</u>	<u>\$ 14,500</u>	<u>\$ 890,292</u>	<u>214,710</u>
<b>General Revenues:</b>					
Unrestricted interest earnings					3,073
Total general revenues					<u>3,073</u>
Change in net position					217,783
Net position, beginning of year					3,299,316
Net position, end of year					<u>\$ 3,517,099</u>

The accompanying notes are an integral part of these financial statements.

**WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY**

**BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2023**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 577,271
Contribution receivable	12,500
Total assets	\$ 589,771
<b>LIABILITIES</b>	
Accounts payable	\$ 1,437
Total liabilities	\$ 1,437
<b>FUND BALANCE</b>	
Unassigned	\$ 588,334
Total fund balance	588,334
Amounts reported for governmental 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 fund.	3,557,005
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	
Notes payable	(628,240)
Net position of governmental activities	\$ 3,517,099

**The accompanying notes are an integral part of these financial statements.**

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>
<b>Revenues</b>	
Intergovernmental:	
City appropriations	\$ 50,000
County appropriations	150,000
Grant revenue	14,500
Special Purpose Local Option Sales Tax ("SPLOST")	690,292
Interest income	3,073
Other	59,941
Total revenues	<u>967,806</u>
<b>Expenditures</b>	
Current:	
Personnel	139,213
General and administrative	241,871
Debt service:	
Principal	14,759
Interest	22,024
Capital outlay	1,267,499
Total expenditures	<u>1,685,366</u>
Deficit of revenues under expenditures	(717,560)
<b>Other Financing Sources</b>	
Proceeds from issuance of debt	<u>642,999</u>
Total other financing sources	<u>642,999</u>
Net change in fund balance	(74,561)
<b>Fund balance, beginning of year</b>	<u>662,895</u>
<b>Fund balance, end of year</b>	<u><u>\$ 588,334</u></u>

The accompanying notes are an integral part of these financial statements.

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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

Net change in fund balance - governmental fund	\$	(74,561)
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The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		955,335
Depreciation expense		(34,751)

The issuance of long-term debt provides current financial resources to governmental funds, and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of the principal on long-term debt is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.

Debt issued		(642,999)
Principal repayments		14,759

Change in net position - governmental activities	\$	<u>217,783</u>
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**The accompanying notes are an integral part of these financial statements.**

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Original/Final Budget	Actual	Variance
<b>Revenues</b>			
Intergovernmental:			
City appropriations	\$ 50,000	\$ 50,000	\$ -
County appropriations	150,000	150,000	-
Grant revenue	-	14,500	14,500
Special Purpose Local Option Sales Tax ("SPLOST")	200,000	690,292	490,292
Interest income	1,000	3,073	2,073
Other	530,000	59,941	(470,059)
Total revenues	931,000	967,806	36,806
<b>Expenditures</b>			
Current:			
Personnel	150,000	139,213	10,787
General and administrative	140,360	241,871	(101,511)
Debt service:			
Principal	-	14,759	(14,759)
Interest	100	22,024	(21,924)
Capital outlay	650,000	1,267,499	(617,499)
Total expenditures	940,460	1,685,366	(744,906)
Deficiencies of revenues under expenditures	(9,460)	(717,560)	(708,100)
<b>Other Financing Sources (Uses)</b>			
Collection of property taxes for GATX	121,672	-	(121,672)
Property taxes paid to County for GATX	(90,000)	-	90,000
Proceeds from issuance of debt	-	642,999	642,999
Total other financing sources, net	31,672	642,999	611,327
Net change in fund balance	22,212	(74,561)	(96,773)
<b>Fund balance, beginning of year</b>	662,895	662,895	-
<b>Fund balance, end of year</b>	\$ 685,107	\$ 588,334	\$ (96,773)

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Waycross-Ware County Development Authority (the "Authority") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### A. The Financial Reporting Entity

The reporting entity of the Authority consists of the primary authority governmental unit (which includes all of the funds, organizations, institutions, agencies, and offices that make up the legal entity, plus those funds which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); the organization for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statement to be misleading or incomplete.

Component units are legally separated organizations for which the elected officials of the primary government are financially accountable. The Authority is financially accountable if its Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the Authority. The Authority may also be financially accountable for another organization if fiscally dependent on the Authority.

There are no component units to the Authority's operation.

#### 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 activities of the Authority. The Authority reports only governmental activities.

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 those 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*.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority 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 are recorded only when payment is due.

There are no reportable funds as separate accounting entities for the Authority. They are all funds from the same general sources used for the same general purpose.

#### D. Cash

State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

#### E. Capital Assets

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2003 were not required to be capitalized by the Authority.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is charged an allocation expense against operations in the government-wide financial statements.

Accumulated depreciation is reported on the government-wide Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method.

Land and land rights	Not depreciated
Improvements other than buildings	10 – 25 years
Buildings	40 – 99 years
Machinery, furniture and equipment	3 – 25 years
Infrastructure	25 – 50 years
Utility property and improvement	10 – 50 years

#### F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts and deferred charges are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the governmental fund recognizes bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, as well as any premium received on debt issuances, is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Conduit debt consists of certain limited obligation bonds issued by the Authority for the express purpose of providing capital financing for a specific third-party that is not part of the issuer's financial reporting entity. Conduit debt obligations bear the name of the governmental issuer, but the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third-party on whose behalf they are issued.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, the governmental fund reports fund balance classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors through the adoption of a resolution. Only the Board of Directors may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the Authority’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balances, it is the Authority’s policy to use fund balances in the following order: 1) committed, 2) assigned, and 3) unassigned.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Fund Equity (Continued)

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The component of net position “net investment in capital assets” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Authority has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balances as described in the section above. The remaining component of net position is reported as unrestricted.

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position amounts are available.

#### H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2. RELATED ORGANIZATIONS

The Authority is a related organization of the City of Waycross and Ware County governments.

### NOTE 3. ECONOMIC DEPENDENCY

The Authority is economically dependent upon funding provided by the City of Waycross and Ware County governments. Four members of the Authority are appointed by the Waycross City Commission and four members are appointed by the Board of Commissioners of Ware County.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. LEGAL COMPLIANCE – BUDGETS

A request for budget appropriations for the next fiscal year is prepared for the General Fund operations and is submitted to the Board of Directors of the Authority for approval.

#### Excess of Expenditures Over Appropriations

There were expenditures in excess of appropriations for the following departments:

	<u>Excess</u>
General and Administrative	\$ 101,511
Debt service - principal	14,759
Debt service - interest	21,924
Capital outlay	617,499

### NOTE 5. DEPOSITS

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2023, all of the Authority's bank balances were covered by federal depository insurance.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,426,712	\$ 912,443	\$ -	\$ 2,339,155
Total capital assets, not being depreciated	<u>1,426,712</u>	<u>912,443</u>	<u>-</u>	<u>2,339,155</u>
Capital assets, depreciable:				
Land improvements	2,737,285	-	-	2,737,285
Furniture, fixtures and equipment	77,122	-	-	77,122
Signs	-	42,892	-	42,892
Vehicles	25,855	-	-	25,855
Total capital assets, depreciable	<u>2,840,262</u>	<u>42,892</u>	<u>-</u>	<u>2,883,154</u>
Less accumulated depreciation for:				
Land improvements	1,528,843	32,476	-	1,561,319
Furniture, fixtures and equipment	75,855	845	-	76,700
Signs	-	1,430	-	1,430
Vehicles	25,855	-	-	25,855
Total accumulated depreciation	<u>1,630,553</u>	<u>34,751</u>	<u>-</u>	<u>1,665,304</u>
Total capital assets, depreciable, net	<u>1,209,709</u>	<u>8,141</u>	<u>-</u>	<u>1,217,850</u>
Total capital assets, net	<u>\$ 2,636,421</u>	<u>\$ 920,584</u>	<u>\$ -</u>	<u>\$ 3,557,005</u>

For the year ended December 31, 2023, the Authority recognized \$34,751 in depreciation expense in the economic development function.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term debt activity of the Authority for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable	\$ -	\$ 642,999	\$ 14,759	\$ 628,240	\$ 20,678
	<u>\$ -</u>	<u>\$ 642,999</u>	<u>\$ 14,759</u>	<u>\$ 628,240</u>	<u>\$ 20,678</u>

On May 31, 2023, the Authority entered into a loan agreement from the Waycross Bank and Trust in the amount of \$642,999 to finance the rail property with buildings the Authority purchased. The loan is to be repaid in monthly payments of \$4,584, including interest at 5.95%, beginning June 25, 2023, with a balloon payment of the remaining balance due at May 25, 2028. The outstanding balance as of December 31, 2023 is \$628,240.

Annual installments of principal and interest are required as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,678	\$ 29,747	\$ 50,425
2025	19,382	35,627	55,009
2026	20,567	34,442	55,009
2027	21,825	33,184	55,009
2028	545,788	13,437	559,225
	<u>\$ 628,240</u>	<u>\$ 146,437</u>	<u>\$ 774,677</u>

### NOTE 8. LEASEHOLD CONDUIT LOANS

The Authority has entered into various agreements with private industry to secure financing for their capital buildings, equipment and other leasehold improvements. These arrangements are done to provide favorable property tax incentives to new or expanding businesses. The Authority is not considered to be liable for the outstanding balances of these loans as the property is considered the only collateral.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 9. CONDUIT DEBT OBLIGATIONS**

In accordance with provisions of the Revenue Bonds Laws of the State of Georgia, the Authority issued a number of Revenue Bonds in 2017 for the purpose of loaning the proceeds to a local business to finance the acquisition and/or construction of facilities and equipment. Conduit debt outstanding as of December 31, 2023 is \$27,577,117.

### **NOTE 10. RISK MANAGEMENT**

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by management. Settled claims in the past three years have not exceeded the coverages.

## **COMPLIANCE SECTION**





**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**

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**To the Waycross-Ware County  
Development Authority  
Waycross, 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 and the major fund of the Waycross-Ware County Development Authority (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 10, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
October 10, 2024

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2023

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### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

Yes  No

Significant deficiencies identified not considered to be material weaknesses?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

There was not an audit of major federal award programs as of December 31, 2023 due to the Authority spending less than \$750,000 in federal funds.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None in the current year.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable.

# WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2023

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### STATUS OF PRIOR YEAR FINDINGS

#### 2022-001. SEGREGATION OF DUTIES

**Criteria:** Adequate number of personnel should be employed to reduce conflicting job duties.

**Condition:** Due to the size of the Authority, there is not an adequate number of employees to provide for the proper segregation of duties.

**Status:** Resolved.

#### 2022-002. ANTI-FRAUD PROGRAM

**Criteria:** The Authority does not have a written Anti-Fraud Program.

**Condition:** The Association of Certified Fraud Examiners reports that fraud prevention requires a system of rules, which, in their aggregate, minimize the likelihood of fraud occurring while maximizing the possibility of detecting and fraudulent activity that may transpire. The potential of being caught most often persuades likely perpetrators not to commit the fraud. Because of this principle, the existence of a thorough control system is essential to fraud prevention.

**Status:** Resolved.

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