WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 AND INDEPENDENT AUDITOR'S REPORT

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY

CONTENTS

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July 15, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Waycross-Ware County Development Authority

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2025, 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 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, 2025, and the respective changes in financial position and the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS),* 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 issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *GAS*, 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 management's discussion and analysis that accounting principles generally accepted in the United States of America require 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated July 15, 2026, 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 *GAS* in considering the Authority's internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

BASIC FINANCIAL STATEMENTS

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash	$ 1,641,018
Leases Receivable	5,355,584
Capital Assets	
Not Being Depreciated	2,391,899
Depreciable, Net of Accumulated Depreciation	1,167,599
Total Assets	10,556,100
Liabilities	
Accounts Payable	2,431
Unearned Revenue	4,824
Notes Payable	
Due Within One Year	19,562
Due In More Than One Year	570,783
Total Liabilities	597,600
Deferred Inflows of Resources	
Related to Leases	5,354,883
Net Position	
Net Investment in Capital Assets	2,969,153
Unrestricted	1,634,464
Total Net Position	$ 4,603,617

See accompanying notes which are an integral part of these financial statements.

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenue (Expenses) and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental Activities					
Economic Development	$ 679,793	$ 624,059	$ 237,500	$ 384,986	$ 566,752
Interest on Long-Term Debt	34,399	-	-	-	(34,399)
	$ 714,192	$ 624,059	$ 237,500	$ 384,986	532,353
General Revenues					
Gain on Sale of Capital Assets					924,350
Unrestricted Interest Earnings					4,626
Total General Revenues					928,976
Change in Net Position					1,461,329
Net Position - Beginning					3,142,288
Net Position - Ending					$ 4,603,617

See accompanying notes which are an integral part of these financial statements.

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Cash	$ 1,641,018
Leases Receivable	5,355,584
Total Assets	$ 6,996,602
Liabilities	
Accounts Payable	2,430
Unearned Revenue	4,825
Total Liabilities	7,255
Deferred Inflows of Resources	
Related to Leases	5,354,883
Fund Balance	
Nonspendable	701
Unassigned	1,633,763
Total Fund Balance	1,634,464
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 6,996,602
Total Fund Balance of Governmental Fund	1,634,464
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	3,559,498
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	
Notes Payable	(590,345)
Net Position of Governmental Activities	$ 4,603,617

See accompanying notes which are an integral part of these financial statements.

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

		General Fund
Revenues		
Intergovernmental		
City Appropriations	$	50,000
County Appropriations		162,500
Grants		25,000
Special Purpose Local Option Sales Tax (SPLOST)		384,986
Leases		538,731
Interest Income - Leases		85,328
Interest		4,626
Total Revenues		1,251,171
Expenditures		
Current		
Economic Development		
Personnel		166,895
General and Administrative		476,059
Debt Service		
Principal		16,144
Interest		34,399
Total Expenditures		693,497
Excess of Revenues Over Expenditures		557,674
Other Financing Sources		
Proceeds from Sale of Capital Assets		1,000,000
Net Change in Fund Balance		1,557,674
Fund Balance - Beginning		76,790
Fund Balance - Ending	$	1,634,464

See accompanying notes which are an integral part of these financial statements.

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Total Governmental Fund	$	1,557,674
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital Assets		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:		
Depreciation		(36,839)
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		
Sale of Capital Assets		(75,650)
Long-Term Debt		
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.		
Principal Repayments		16,144
Change in Net Position in Governmental Activities	$	1,461,329

See accompanying notes which are an integral part of these financial statements.

WAYCROSS-WARE COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget Amounts			Variance
	Original	**Final**	**Actual**	**with Final**
Revenues				
Intergovernmental				
City Appropriations	$ 50,000	$ 50,000	$ 50,000	$ -
County Appropriations	150,000	175,000	162,500	(12,500)
Grants	50,000	25,000	25,000	-
Special Purpose Local Option Sales Tax (SPLOST)	750,000	425,000	384,986	(40,014)
Leases	124,681	132,881	538,731	405,850
Interest Income - Leases	-	-	85,328	85,328
Interest	3,200	4,000	4,626	626
Other	1,125,000	325,000	-	(325,000)
Total Revenues	2,252,881	1,136,881	1,251,171	114,290
Expenditures				
Current				
Economic Development				
Personnel	176,500	191,500	166,895	24,605
General and Administrative	1,424,900	1,409,900	476,059	933,841
Debt Service				
Principal	-	-	16,144	(16,144)
Interest	40,000	40,000	34,399	5,601
Total Expenditures	1,641,400	1,641,400	693,497	947,903
Excess (Deficiency) of Revenues over Expenditures	611,481	(504,519)	557,674	1,062,193
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	-	1,000,000	1,000,000
Net Change in Fund Balance	611,481	(504,519)	1,557,674	2,062,193
Fund Balance - Beginning	76,790	76,790	76,790	-
Fund Balance - Ending	$ 688,271	$ (427,729)	$ 1,634,464	$ 2,062,193

See accompanying notes which are an integral part of these financial statements.

(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. Reporting Entity

The Authority was created in November 1954. The Board is made up of eight members, four appointed by Ware County (the County) and four appointed by the City of Waycross (the City). The Authority would report a discretely presented or blended component unit if such an entity existed, but the Authority has no such component units.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements

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 is one major fund, the general fund, that accounts for all activities of the Authority.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures / expenses during the period. Actual results could differ from those estimates.

Cash

State statutes require all deposits, including certificates of deposit, 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.

Leases Receivable

The Authority's leases receivable are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a systematic and rational manner over the term of the lease.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(1) Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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.

Asset Class	Useful Lives
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

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.

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 Authority 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has not reported any items meeting this criterion in the accompanying financial statements. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Authority's leases meet the criteria for this category.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for the government-wide 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.

(1) Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources in reporting using the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding debt that is attributable to the acquisition, constructions, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balances as described above. The remaining 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.

Revenues

The City and County appropriations are recognized when received. Grants are recognized as revenues upon compliance with the related agreements.

Lease revenues include amounts earned for short-term lease revenues and also include amortization of the deferred inflows of resources recognized, in accordance with Governmental Accounting Standards Board (GASB) 87, on a systematic and rational manner over the term of the lease.

(2) Economic Dependency

The Authority is economically dependent upon funding provided by the City of Waycross and Ware County governments.

(3) Stewardship, Compliance And Accountability

Annual 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. The budget is prepared in conformity with generally accepted accounting principles.

(4) 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. Bank balances totaled $1,713,687 as of December 31, 2025 with $1,213,686 uncollateralized and exposed to custodial credit risk.

(5) Leases Receivable

The Authority leases properties to commercial and industrial tenants under agreements which provide for base rents. The Authority has recognized and measured its leases receivable at the present value of the lease payments expected to be received during the applicable lease, using an applicable discount rate stated or implicit in the lease, less any provisions for uncollectible amounts. The Authority has also recognized a deferred inflow of resources at the amount of the lease receivable, including any lease payments received from the lessee before commencement related to future periods and less any lease incentives. The leases may be terminated by the lessee upon 30 days written notice and payment in full of any amounts due under the lease agreement.

The future minimum lease payments as of December 31, 2025, payable by the tenants under leases are as follows:

	Total Minimum Payments
2026	$ 819,943
2027	888,459
2028	682,012
2029	669,468
2030	662,974
2031-2035	2,893,256
2036-2040	100,000
Total	6,716,112
Less: Present Value Adjustment	(1,360,528)
Leases Receivable	$ 5,355,584

(6) Capital Assets

Capital assets activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 2,467,549	$ -	$ (75,650)	$ 2,391,899
Total Capital Assets, Not Being Depreciated	2,467,549	-	(75,650)	2,391,899
Capital Assets, Being Depreciated				
Land Improvements	2,737,285	-	-	2,737,285
Furniture, Fixtures and Equipment	99,657			99,657
Signs	42,892	-	-	42,892
Vehicles	25,855	-	-	25,855
Total Capital Assets, Being Depreciated	2,905,689	-	-	2,905,689
Less Accumulated Depreciation for				
Land Improvements	(1,593,795)	(32,478)	-	(1,626,273)
Furniture, Fixtures and Equipment	(77,310)	(1,502)	-	(78,812)
Signs	(4,291)	(2,859)	-	(7,150)
Vehicles	(25,855)	-	-	(25,855)
Total Accumulated Depreciation	(1,701,251)	(36,839)	-	(1,738,090)
Total Capital Assets, Being Depreciated, Net	1,204,438	(36,839)	-	1,167,599
Governmental Activities Capital Assets, Net	$ 3,671,987	$ (36,839)	$ (75,650)	$ 3,559,498

For the year ended December 31, 2025, the Authority recognized $36,838 in depreciation expense in the economic development function.

(7) Long-Term Liabilities

The following is a summary of long-term debt activity of the Authority for the year ended December 31, 2025:

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 percent, beginning June 25, 2023, with a balloon payment of the remaining balance due at May 25, 2028. The outstanding balance as of December 31, 2025 is $590,345.

	Beginning Balance	Additions	Decreases	Ending Balance	Due Within One Year
Note Payable	$ 606,489	$ -	$ (16,144)	$ 590,345	$ 19,562

(7) Long-Term Liabilities (Continued)

Annual installments of principal and interest are required as follows:

Year	Principal	Interest	Total
2026	$ 19,562	$ 34,474	$ 54,036
2027	21,791	33,218	55,009
2028	548,992	13,452	562,444
	$ 590,345	$ 81,144	$ 671,489

(8) Conduit Debt Obligations

The Authority has issued revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans or leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority nor the State of Georgia or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

In accordance with the 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, 2025 is $1,685,000.

(9) 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.

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July 15, 2026

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*

Board of Directors
Waycross-Ware County Development Authority

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, 2025, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 15, 2026.

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 procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-01 that we consider to be a material weakness.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards,* and is described in the accompanying schedule of findings and responses as item 2025-02.

Waycross-Ware County Development Authority's Response to Findings

Government Auditing Standards (GAS) requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *GAS* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

Financial Statement Findings and Responses

2025-01 – Leases Receivable

Criteria: Under GASB 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of a lease, measured based on the present value of expected lease payments and other applicable assumptions.

Condition/Context: The Authority did not recognize leases receivable related to one or more lease agreements in its financial statements as required.

Effect: As a result, leases receivable and deferred inflows of resources were understated in the Authority's internally prepared financial statements, and the internally prepared financial statements did not fully reflect the Authority's rights to receive future lease payments. Audit adjustments were required to recognize the lease receivables and deferred inflows of resources in accordance with GASB 87.

Cause: This appears to have resulted from incomplete identification of lease arrangements and insufficient application of GASB 87 accounting requirements.

Recommendation: We recommend that management review all contracts and agreements to identify lease arrangements subject to GASB 87, calculate the related lease receivable and deferred inflow of resources, and record any necessary prior-period adjustments or current-period entries to ensure the financial statements are complete and accurate.

Authority's Response: Management concurs with the finding. We will work with our bookkeeper to ensure that current and future leases are accounted for in accordance with GASB 87.

Compliance Findings and Responses

2025-02 – Public Funds

Criteria: Georgia law requires public deposits of local governmental entities and similar authorities to be protected through pledged collateral in accordance with applicable state depository requirements.

Condition/Context: The Authority maintained public funds in a depository institution during the fiscal year without ensuring that the deposits were secured by pledged securities or other approved collateral.

Effect: The Authority maintained public funds in a depository institution during the fiscal year without ensuring that the deposits were secured by pledged securities or other approved collateral.

Cause: This condition appears to have resulted from inadequate oversight of the depository relationship and insufficient monitoring to ensure collateral was properly pledged and maintained in accordance with Georgia requirements.

Recommendation: We recommend that the Authority immediately require its depository institution to pledge and maintain sufficient eligible collateral for all uninsured public deposits in accordance with Georgia law. Management should also establish procedures to monitor collateral compliance at least monthly, review bank collateral reports or confirmations, and promptly investigate and correct any collateral deficiencies.

Authority's Response: Management concurs with the finding. Management will monitor collateral for public funds to ensure compliance with state law.

McNair McLemore Middlebrooks & Co
Certified Public Accountants

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July 15, 2026

**MATTERS COMMUNICATED TO
THOSE CHARGED WITH GOVERNANCE**

Board of Directors
Waycross-Ware County Development Authority

We have audited the financial statements of the **Waycross-Ware County Development Authority (the Authority)** for the year ended December 31, 2025 and have issued our report thereon dated July 15, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 4, 2026, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding *material weaknesses in financial reporting,* and material noncompliance, and other matters noted during our audit in a separate letter to you dated July 15, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope we previously communicated to you. The timing of the audit was delayed for lease agreements to be located and provided to us.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

The engagement team prepared the Authority's financial statements and related notes. The performance of this nonattest service is considered a threat to our independence. As a safeguard to eliminate this threat, the Authority's financial statements and related notes have been reviewed by another firm employee not affiliated with the engagement team.

Significant Risks Identified

We have identified the following significant risks:

Management override of internal control and fraudulent revenue recognition - management may override controls to intentionally misstate the nature and timing of revenue or other transactions by (1) recording fictitious business events or transactions or changing the timing of recognition of legitimate transactions, particularly those recorded close to the end of an accounting period; (2) establishing or reversing reserves to manipulate results, including intentionally biasing assumptions and judgments used to estimate account balances; and (3) altering records and terms related to significant or unusual transactions. Management override of controls is a presumed fraud risk in all audits performed under auditing standards generally accepted in the United States of America (U.S. GAAS).

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We are not aware of any highly sensitive estimates for the Authority.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgement and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority relate to leases receivable.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management are included in the attached schedule.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management and those charged with governance, which are included in the attached letter dated July 15, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of Board of Directors of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Mc Nair, Mc Lemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

Client: ***Waycross-Ware County Development Authority***
Engagement: ***Waycross-Ware County Development Authoirty***
Period Ending: ***12/31/2025***
Trial Balance: ***3600 - TB Database***
Workpaper: ***3700 - Combined Journal Entries Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To remove capital assets for fund presentation.				
150	Land		75,650.10	
180	Accumulated Depreciation		1,738,089.59	
315	Invested in Capital Assets		2,636,421.03	
350	Unrestricted Fund Balance		1,035,565.43	
150	Land			2,467,548.86
151	Land Improvements			2,737,285.33
165	Equipment			99,656.76
167	Signs			42,891.52
170	Vehicles			25,855.25
614	Depreciation			36,838.33
715	"Other Income - Gain(Loss) Fixed Assets"			75,650.10
Total			**5,485,726.15**	**5,485,726.15**
Adjusting Journal Entries JE # 3				
To adjust notes payable for fund presentation.				
239	"Current Portion of Long Term Debt"		19,561.77	
262	N/P - Waycross Bank & Trust		590,344.76	
643	Principal on Notes		16,144.12	
279	"Current Portion of Long Term Debt"			19,561.77
350	Unrestricted Fund Balance			606,488.88
Total			**626,050.65**	**626,050.65**
Adjusting Journal Entries JE # 5		**4210**		
To record Blackwater Solar lease.				
190	Lease Receivable - Blackwater		287,143.00	
280	Deferred Inflow of Resources - Blackwater Lease		35,892.00	
410	Revenue - Blackwater		14,108.00	
190	Lease Receivable - Blackwater			37,286.00

280	Deferred Inflow of Resources - Blackwater Lease			287,143.00
455	Interest Income - Leases			12,714.00
Total			**337,143.00**	**337,143.00**

Adjusting Journal Entries JE # 6
To record PSC lease.

191	Lease Receivable - PSC		1,085,182.39	
281	Deferred Inflow of Resources - PSC		18,086.37	
191	Lease Receivable - PSC			2,055.41
281	Deferred Inflow of Resources - PSC			1,085,182.39
411	Revenue - Lease			12,086.37
455	Interest Income - Leases			3,944.59
Total			**1,103,268.76**	**1,103,268.76**

Adjusting Journal Entries JE # 7 **4214**
To record GATX #1, #2 and #3 leases.

192	Lease Receivable - GATX #1		173,939.22	
193	Lease Receivable - GATX #2		8,993.49	
194	Lease Receivable - GATX #3		130,331.75	
404	GATX		4,825.00	
235	Unearned Revenue			4,825.00
282	Deferred Inflow of Resources - GATX #1			152,258.37
283	Deferred Inflow of Resources - GATX #2			7,870.49
284	Deferred Inflow of Resources - GATX #3			34,636.99
410	Revenue - Blackwater			17,318.50
410	Revenue - Blackwater			634.66
411	Revenue - Lease			76,129.19
411	Revenue - Lease			3,935.24
455	Interest Income - Leases			12,363.72
455	Interest Income - Leases			639.20
455	Interest Income - Leases			7,478.10
Total			**318,089.46**	**318,089.46**

Adjusting Journal Entries JE # 8 **5212**
To record GATX #4

195	Lease Receivable - GATX #4		3,227,452.51	
404	GATX		559,298.00	
285	Deferred Inflow of Resources - GATX #4			3,408,075.46
411	Revenue - Lease			378,675.05
Total			**3,786,750.51**	**3,786,750.51**

Adjusting Journal Entries JE # 9 **4213**
To record GATX #5 lease amendment.

	196	Lease Receivable - GATX #5	481,883.48	
	286	Deferred Inflow of Resources - GATX #5		433,695.13
	455	Interest Income - Leases		48,188.35
Total			**481,883.48**	**481,883.48**
		Total Adjusting Journal Entries	**12,138,912.01**	**12,138,912.01**

GASB Entries

GASB Entries JE # 2

To record capital assets for government-wide presentation.

	150	Land	2,391,898.76	
	151	Land Improvements	2,737,285.33	
	165	Equipment	99,656.76	
	167	Signs	42,891.52	
	170	Vehicles	25,855.25	
	614	Depreciation	36,838.33	
	715	"Other Income - Gain(Loss) Fixed Assets"	75,650.10	
	180	Accumulated Depreciation		1,738,089.59
	315	Invested in Capital Assets		3,671,986.46
Total			**5,410,076.05**	**5,410,076.05**

GASB Entries JE # 4

To record GASB entry for long term debt.

	279	"Current Portion of Long Term Debt"	19,561.77	
	350	Unrestricted Fund Balance	606,488.88	
	239	"Current Portion of Long Term Debt"		19,561.77
	262	N/P - Waycross Bank & Trust		590,344.76
	643	Principal on Notes		16,144.12
Total			**626,050.65**	**626,050.65**
		Total GASB Entries	**6,036,126.70**	**6,036,126.70**
		Total All Journal Entries	**18,175,038.71**	**18,175,038.71**

Waycross-Ware County
Development Authority

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July 15, 2026

McNair, McLemore, Middlebrooks & Co., LLC
389 Mulberry Street
Macon, Georgia 31201

This representation letter is provided in connection with your audit of the financial statements of Waycross and Ware County Development Authority (Authority), which comprise the respective statement of financial position of the governmental activities and balance sheet of the general fund as of December 31, 2025, and the respective statement of activities and statement of revenues, expenditures and changes in fund balance of the general fund for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinion on whether the financial statements present fairly, in all material respects in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of July 15, 2026.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 4, 2026, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
6. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which codifies FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
10. All funds and activities are properly classified.
11. All funds that meet the quantitative criteria in Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*,

and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

12. All net position components and fund balance classifications have been properly reported and, if applicable, approved.
13. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
14. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
15. All interfund and intra-entity transactions and balances have been properly classified and reported.
16. Special items and extraordinary items have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. Capital assets, including infrastructure assets and right-to-use assets, are properly capitalized, reported, and if applicable, depreciated or amortized.
19. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
20. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
21. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
22. We have a process to track the status of audit findings and recommendations.
23. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
24. We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
25. We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
26. With respect to financial statement preparation services, we have performed the following:
    a. Made all management decisions and performed all management functions;
    b. Assigned a competent individual to oversee the services;
    c. Evaluated the adequacy of the services performed;
    d. Evaluated and accepted responsibility for the result of the service performed; and
    e. Established and maintained controls, including a process to monitor the system of internal control.

Information Provided

31. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit;
    c. Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence;
32. All transactions have been recorded in the accounting records and are reflected in the financial statements.
33. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
34. We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions, events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
35. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

a. Management;
b. Employees who have significant roles in internal control; or
c. Others where the fraud could have a material effect on the financial statements.

36. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.
37. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
38. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
39. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse or waste that you have reported to us.
40. We have a process to track the status of audit findings and recommendations.
41. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
42. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
43. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
44. We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
45. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
46. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.
47. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
48. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
49. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
50. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
51. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
52. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

Waycross-Ware County
Development Authority

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b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

53. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
54. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Jason Rubenbauer, President and CEO