This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 26, 2016

New Issue
Book-Entry Only

Rating: Moody 's "A1"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "Tax Matters" herein).

WAYNE COUNTY, TENNESSEE

$7,605,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
(Bank Qualified)

Dated: Date of Delivery

Due: December 1, as shown below*

The $7,605,000* General Obligation Refunding Bonds, Series 2016 (the "Bonds") of Wayne County, Tennessee (the "County") will be issued in fully registered book-entry only form, without coupons, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of $5,000 or multiples thereof through DTC Participants. The Bonds will bear interest at the annual rates shown below, payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2017, calculated on the basis of a 360-day year consisting of twelve 30-day months.

So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., which will in turn remit principal and interest payments on the Bonds to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Purchasers will not receive physical delivery of Bonds purchased by them. See "DESCRIPTION OF THE BONDS-Book-Entry-Only System." U.S. Bank National Association, Olive Branch, Mississippi, is the registration and paying agent for the Bonds (the "Registration Agent").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. See "Security and Sources of Payment" herein. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are subject to redemption prior to their stated maturities as more fully set forth herein.

Maturity (Dec. 1)*	Principal*	Interest Rate	Price or Yield	CUSIP No.**
2017	$575,000			
2018	585,000			
2019	600,000			
2020	610,000			
2021	625,000			
2022	635,000			
2023	650,000			
2024	445,000			
2025	455,000			
2026	460,000			
2027	475,000			
2028	485,000			
2029	495,000			
2030	510,000			

The Bonds have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Andrew Yarbrough, Esq., Counsel to the County. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about October 20, 2016.

GUARDIAN ADVISORS, LLC
Municipal Advisor

October __, 2016

*Preliminary, subject to change

** These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Bondholders. Neither the Underwriter nor the County is responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement has been prepared by:

GUARDIAN ADVISORS, LLC

Municipal Advisor to Wayne County

Guardian Advisors, LLC provides fiduciary services only and does not broker, underwrite or deal in securities. Any investment interest in the Bonds herein described will be referred to the Underwriter.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by Wayne County, Tennessee (the "County") from time to time, may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Guardian Advisors, LLC (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of Wayne County, Tennessee General Obligation Refunding Bonds, Series 2016.

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NOTICE OF SALE

WAYNE COUNTY, TENNESSEE

\$7,605,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
(Bank Qualified)

Notice is hereby given that Wayne County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all of the County's \$7,605,000* General Obligation Refunding Bonds, Series 2016 (the "Bonds") until:

10:30 A.M. C.S.T. on October 6, 2016.

Written bids must be addressed and delivered to the County to the attention of the Wayne County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors at guardianadvisors@hughes.net or faxed to Guardian Advisors, LLC at (931) 796-0779. Electronic bids must be submitted to PARITY® via BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. The sale on October 6, 2016 may be postponed prior to the time bids are received as published on www.I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www. I-dealProspectus.com upon forty-eight hours notice.

The Bonds will be dated the date of delivery and will mature on December 1 in the years 2017 through 2030, inclusive, with term bonds optional. The interest rate or rates on the Bonds shall not exceed five percent (5.00%) per annum and shall be payable semi-annually on June 1 and December 1, commencing June 1, 2017. No bid for the Bonds will be considered for less than ninety-nine percent (99.00%) of par. The Bonds maturing December 1, 2025 and thereafter are callable on December 1, 2024 and thereafter as provided in the Detailed Notice of Sale. The Bonds will be awarded to the bidder whose bid results in the lowest true interest cost on the Bonds.

The Bonds have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The book-entry only Bonds (except that the Bonds shall not be required to be book-entry if purchased by a bidder who does not intend to reoffer the Bonds) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the office of the County Executive, P.O. Box 848, Waynesboro, Tennessee 38485, or from the County's Municipal Advisor, Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, telephone: (931) 796-0777 or (866) 823-2500; fax: (931) 796-0779, Attention: Stephen L. Bates.

If any provisions of this Notice of Sale conflict with information provided by BiDCOM/PARITY® as the provider of electronic bidding services, this Notice of Sale shall control.

Jim Mangubat
County Executive

*Subject to adjustment as provided in the Detailed Notice of Sale.

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DETAILED NOTICE OF SALE

WAYNE COUNTY, TENNESSEE

$7,605,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
(Bank Qualified)

Notice is hereby given that Wayne County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's $7,605,000* General Obligation Refunding Bonds, Series 2016 (the " Bonds") until:

10:30 A.M. C.S.T. on October 6, 2016.

Written bids must be addressed and delivered to the County to the attention of the Wayne County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors at guardianadvisors@hughes.net or faxed to Guardian Advisors, LLC at (931) 796-0779. Electronic bids must be submitted to PARITY® via BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. The sale on October 6, 2016 may be postponed prior to the time bids are received as published on www.I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.I-dealProspectus.com upon forty-eight hours notice. The Bonds will be awarded on such sale date by the County Executive.

Terms of Bonds and Book-Entry System

The Bonds will be issued in fully registered, book-entry form, be dated the date of delivery, be issued, or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate (except that the Bonds shall not be required to be issued in book-entry form or issued in $5,000 denominations or multiples thereof if purchased by a bidder who does not intend to reoffer the Bonds), and will mature and be payable on December 1 of each year as follows:

Year* (Dec. 1)	Principal*
2017	$575,000
2018	585,000
2019	600,000
2020	610,000
2021	625,000
2022	635,000
2023	650,000
2024	445,000
2025	455,000
2026	460,000
2027	475,000
2028	485,000
2029	495,000
2030	510,000

*Subject to adjustment as provided herein.

Except as otherwise provided herein in the case of a bidder who does not intend to reoffer the Bonds, the Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC.

Interest on the Bonds will be payable semiannually on June 1 and December 1, beginning June 1, 2017, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds (except as otherwise provided herein in the case of a bidder who does not intend to reoffer the Bonds). Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If the book-entry-only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond certificates in fully registered form will be delivered to, and registered in the names of, the DTC participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank National Association, Olive Branch, Mississippi, as registration and paying agent (the "Registration Agent"), at its principal corporate trust office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

Redemption – Optional and Mandatory

Bonds maturing December 1, 2017 through December 1, 2024 shall mature without option of prior redemption. Bonds maturing on December 1, 2025 and thereafter shall be subject to redemption prior to maturity at the option of the County on or after December 1, 2024 as a whole or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the Bonds to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all of a Bond within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At the option of the bidders, certain consecutive serial maturities of the Bonds may be designated as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount of each such serial maturity, together with accrued interest to the date fixed for redemption. The mandatory sinking fund redemption shall be made on the date on which each designated serial maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided above for optional redemption of Bonds within a single maturity.

Authority, Security and Purpose

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are being issued for the purpose of providing funds to (i) refund the County's School Refunding Bonds, Series 2005A, dated March 31, 2005, maturing December 1, 2023, and General Obligation Bonds, Series 2006, dated March 1, 2006, maturing December 1, 2030, and (ii) pay costs incident to the issuance and sale of the Bonds.

The Bonds are being issued pursuant to Sections 9-21-101, *et seq.*, Tennessee Code Annotated, as amended, and a resolution duly adopted by the Board of County Commissioners of the County on July 28, 2016.

Revised Maturity Schedule

The aggregate principal amount (the "Preliminary Aggregate Principal Amount") and the annual principal amounts (the "Preliminary Annual Principal Amounts" and collectively with the Preliminary Aggregate Principal Amount, the "Preliminary Amounts") of the Bonds set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.I-dealProspectus.com) NOT LATER THAN 4:00 P.M., CENTRAL DAYLIGHT TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts by so advising and faxing their telecopier number(s) to (931) 796-0779 Guardian Advisors, LLC, Municipal Advisor to the County, by 12:00 Noon, Central Standard Time, at least one day prior to the date for receipt of the bids.

Changes to Aggregate Principal Amount and to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts of the Bonds after determination of the winning bidder, by increasing or decreasing the principal amount of each maturity to the extent necessary to provide for approximately level debt service for the Bonds. Such changes, if any, will determine the final annual principal amounts (the "Final Annual Principal Amounts") and the final aggregate principal amount (the "Final Aggregate Principal Amount"), provided that the aggregate principal amount of the Bonds may not be decreased by more than 10% and does not exceed $8,550,000. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts and the Final Aggregate Principal Amount for the Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE

ASSUMPTION THAT THE COUPON RATE, REOFFERING PRICE, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Bids, Award and Good Faith Deposit

Written bids must be submitted on the Official Bid Form, included in the Preliminary Official Statement or a reasonable facsimile thereof, either enclosed in a sealed envelope marked "Bid for Bonds" and addressed and delivered to the Wayne County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors at guardianadvisors@hughes.net or faxed to Guardian Advisors, LLC at (931) 796-0779. The bidder's name must be clearly marked on the envelope or the emailed or faxed transmission. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the County Executive and/or BiDCOMP/PARITY®, respectively, before the time stated above. The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Bids for the Bonds must be for all and not less than all of the Bonds. Bidders must bid not less than ninety-nine percent (99.00%) of par for all of the Bonds, and name the interest rate or rates the Bonds are to bear in multiples of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%), but no rate specified for the Bonds shall be in excess of five percent (5.00%) per annum. There is no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

The Bonds will be awarded to the bidder whose bid results in the lowest true interest cost for the Bonds, unless no award is made. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a yield equal to the purchase price of the Bonds exclusive of accrued interest. For the purpose of calculating the true interest cost, the principal amount of Term Bonds, if any, scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Executive shall determine, in his sole discretion, which of the bidders shall be awarded the Bonds.

The right to waive any irregularity or informality in any bid, and to reject any or all bids, is reserved by the County. Notice of rejection of any bid will be made promptly. Award of the Bonds will be made by the County Executive on October 6, 2016, unless all bids are rejected.

A good faith check is not required to accompany a bid. However, the successful bidder for the Bonds will be required to forward an amount equal to two percent (2%) of the par amount of the Bonds either by overnight delivery in the form of a certified check or bank cashier's or treasurer's check or by wire transfer for arrival no later than the day following the sale date. Instructions for wire transfers will be given to the successful bidder. Such good faith deposit shall be held as a guarantee of good faith, to be forfeited to said County by said successful bidder as liquidated damages should he or it fail to take up and pay for the Bonds when ready. The good faith deposit of the bidder whose proposal is accepted will be held unused until the delivery of the Bonds or forfeiture. No interest will be paid upon any good faith deposit. In the event of the failure of the County to deliver said Bonds to the purchaser in accordance with the terms of this notice within thirty (30) days after the date of sale, said good faith deposit will, at the option of the purchaser, be promptly returned to the purchaser.

Within one hour of the award of the Bonds, the successful bidder shall furnish to the County a certificate acceptable to bond counsel stating (i) the reoffering prices (as shown in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of the Bonds at such reoffering prices; and (iii) that the successful bidder reasonably expects that the Bonds (or at least 10% of each maturity of the Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at those reoffering prices. If the successful bidder does not intend to reoffer the Bonds, a certificate to that effect shall be provided.

As a condition to the delivery of the Bonds, the successful bidder (unless it does not intend to reoffer the Bonds) will be required to deliver a certificate to the County confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Bonds given in connection with the award of the Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Bonds as bond counsel may request.

Continuing Disclosure Certificate

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County not later than twelve (12) months after each of the County's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board at emma.msrb.org and any State Information Depository established in the State of Tennessee. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's Official Statement to be prepared and distributed in connection with the sale of the Bonds.

Closing Certificates

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the Official Statement, in final form (as described herein), signed by the County Executive and the County Clerk acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the Official Statement, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the Official Statement, in final form, no event has occurred which should have been set forth in such amendment or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the Official Statement, in final form, and having attached thereto a copy of the Official Statement, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) a non-arbitrage certificate which supports the conclusions that based upon facts, estimates and circumstances in effect, upon delivery of the Bonds, the proceeds of the Bonds will not be based in a manner which would cause the Bonds to be arbitrage bonds; (iii) certificates as to the delivery and payment, signed by the County Executive and/or County Clerk acting in their official capacities, evidencing delivery and payment for the Bonds; and (iv) a signature identification and incumbency certificate, signed by the County Executive and County Clerk acting in their official capacities certifying as to the due execution of the Bonds. If the successful bidder does not intend to reoffer the Bonds and no Official Statement is prepared, the County shall not be required to deliver any certificates upon delivery of the Bonds relating to an Official Statement.

Bond Counsel Opinion

The approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds, together with the transcripts), will be furnished to the purchaser of the Bonds at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is made to the Official Statement and the form of bond counsel opinion contained in the Official Statement.

Bank Qualification

The Bonds have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Delivery, Payment and CUSIPs

The Bonds are expected to be ready for delivery within thirty (30) days after the sale of the Bonds, in book-entry only form. At least seven (7) days' notice of delivery will be given the successful bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser(s). Payment for the Bonds must be made in federal funds or other immediately available funds. As provided herein, the Bonds shall not be required to be issued in book-entry form if purchased by a bidder who does not intend to reoffer the Bonds.

Unless the successful bidder does not intend to reoffer the Bonds, CUSIP identification numbers must be provided by the successful bidder at the expense of the bidder. Although CUSIP numbers will be printed on the Bonds (except where the Bonds will not be reoffered, in which case, CUSIP numbers are not required), the County will assume no obligation for assignment or insertion of such numbers on the Bonds or the correctness of such numbers, and neither failure to print or type any such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser(s) thereof to accept delivery of and make payment for the Bonds.

Preliminary and Final Official Statements

The successful bidder will be provided with copies of the final Official Statement by the County sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Final Official Statements will be provided to the successful bidder not later than seven (7) business days after the sale, or if the County or its Municipal Advisor is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the Final Official Statements will be provided in sufficient time to accompany such confirmation. Copies of the Preliminary Official Statement may be obtained at the office of the County Executive, P.O. Box 848, Waynesboro, Tennessee 38485, or from the County's Municipal Advisor, Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462 (931-796-0777/866-823-2500), Attention: Stephen L. Bates. If the successful bidder does not intend to reoffer the Bonds, no Final Official Statement is required to be prepared and, in such case, the successful bidder shall execute and deliver an investment certificate to the County, in a form satisfactory to Bond Counsel, upon delivery of the Bonds.

Jim Mangubat, County Executive

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OFFICIAL BID FORM

The Honorable Jim Mangubat
Wayne County Executive
P.O. Box 848
Waynesboro, Tennessee 38485

October 6, 2016

Dear Mr. Mangubat:

For your legally issued, properly executed Wayne County, Tennessee (the “County”) $7,605,000 General Obligation Refunding Bonds, Series 2016 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of $______________________________.

The Bonds will be dated the date of delivery, will mature on December 1 as shown below, and shall bear interest at the following rates:

Year	Principal Amount	Coupon Rate
2017	$575,000	_______%
2018	585,000	_______
2019	600,000	_______
2020	610,000	_______
2021	625,000	_______
2022	635,000	_______
2023	650,000	_______
2024	445,000	_______
2025	455,000	_______
2026	460,000	_______
2027	475,000	_______
2028	485,000	_______
2029	495,000	_______
2030	510,000	_______

We have the option to designate two or more consecutive serial maturities as Term Bonds as indicated below (if more than three Term Bonds, please indicate):

Term Bond 1: from December 1, ____ to December 1, ____ @ ____%
Term Bond 2: from December 1, ____ to December 1, ____ @ ____%
Term Bond 3: from December 1, ____ to December 1, ____ @ ____%

This bid is made with the understanding that the County will furnish without cost to us the unqualified approving legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel to the County, and the executed Bonds. Delivery of the book-entry-only Bonds will be made through The Depository Trust Company, New York, New York, at the County's expense, elsewhere at our expense. It is understood that the Bonds shall not be required to be issued in book-entry form if we do not intend to reoffer the Bonds.

It is understood that if we are the successful bidder for the Bonds, we shall be required to send a good faith deposit in the amount of two percent (2%) of the par amount of the Bonds in order to secure the faithful performance of the terms of this bid in accordance with the Detailed Notice of Sale.

Respectfully submitted,

Firm Name:____

Signature:____

Title:____

Phone:____

(For informational purposes only):

Total Interest Cost from October 20, 2016 to final maturity: $____________________
Less: Premium Bid: $______________________________
Add: Discount Bid: $______________________________
Net Interest Cost: $______________________________
True Interest Rate: $ ______________________________

Accepted this 6th day of October, 2016

____
Jim Mangubat, County Executive

Attest:

____
Joey S. Horton, County Clerk

WAYNE COUNTY, TENNESSEE

The Honorable Jim Mangubat, County Executive

Board of County Commissioners

Steve Anderson	Joseph A. Hanback
O. C. Berry Jr.	Rickey R. Kelley
Herbert H. Brewer	James Martin
Phillip A. Casteel	Tom H. Mathis Jr.
Brent Gobble	John W. McDonald
Joe I. Hall	Stephen Pevahouse
Stan Hanback	Tim Powell

County Officials

Joey S. Horton, County Clerk
Janice Smith, County Trustee
Dustin White, Tax Assessor
Marlon Davis, Director of Schools

County Attorney

Andrew Yarbrough, Esq.
Waynesboro, Tennessee

Municipal Advisor

Guardian Advisors, LLC
Hohenwald, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank National Association
Olive Branch, Mississippi

Underwriter

____
____

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SUMMARY STATEMENT

This Summary is expressly qualified by the entire Official Statement which should be viewed in its entirety by potential investors.

ISSUER	Wayne County, Tennessee (the "County").
ISSUE	$7,605,000* General Obligation Refunding Bonds, Series 2016 (the "Bonds"), dated October 20, 2016, maturing December 1, 2017 through December 1, 2030, inclusive, with interest payable each June 1 and December 1, commencing June 1, 2017.
PURPOSE	(i) refund the County's School Refunding Bonds, Series 2005A, dated March 31, 2005, maturing December 1, 2023, and General Obligation Bonds, Series 2006, dated March 1, 2006, maturing December 1, 2030, and (ii) pay costs incident to the issuance and sale of the Bonds.
OPTIONAL REDEMPTION	Bonds maturing December 1, 2025 and thereafter are subject to redemption prior to maturity at the option of the County on and after December 1, 2024 at the price of par plus interest accrued to the redemption date.
SECURITY..	Unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged to the prompt payment of principal of and interest on the Bonds.
RATING	The Bonds have been assigned a rating of "A1" by Moody's Investors Service ("Moody's"), based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Municipal Advisor makes any representation as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.
TAX MATTERS	Bass, Berry & Sims PLC will provide an unqualified opinion as to the tax exemption of the Bonds discussed under "TAX MATTERS" herein.
BANK QUALIFICATION	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
REGISTRATION AND PAYING AGENT......	U.S. Bank National Association, Olive Branch, Mississippi
MUNICIPAL ADVISOR.................................	Guardian Advisors, LLC, Hohenwald, Tennessee

* Preliminary, subject to change.

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OFFICIAL STATEMENT

WAYNE COUNTY, TENNESSEE

$7,605,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 (BANK QUALIFIED)

The purpose of this Official Statement, including the appendices attached hereto, is to set forth certain information concerning Wayne County, a political subdivision of the State of Tennessee (the "County"), and its $7,605,000* General Obligation Refunding Bonds, Series 2016 (the "Bonds"). The Bonds are being issued pursuant to the authority of Sections 9-21-101, et seq. Tennessee Code Annotated (the "Act") and a resolution of the Board of County Commissioners of the County, adopted on July 28, 2016 (the "Resolution"). The Resolution authorizes and sets forth the terms and conditions of the Bonds and authorizes the issuance of bonds in an aggregate principal amount up to $8,550,000.

The proceeds from the sale of the Bonds will be used for the purpose of providing funds to (i) refund the County's School Refunding Bonds, Series 2005A, dated March 31, 2005, maturing December 1, 2023, and General Obligation Bonds, Series 2006, dated March 1, 2006, maturing December 1, 2030 (the "Outstanding Bonds"), and (ii) pay costs incident to the issuance and sale of the Bonds. For a more complete description of the use of Bond proceeds, see the sections entitled "THE BONDS" – Disposition of Bond Proceeds" and "THE BONDS" – Plan of Refunding" contained herein.

Included in this Official Statement are descriptions of the Bonds, the Resolution and the County. All references to the Resolution are qualified in their entirety by references to the document itself. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Resolution. Copies of the Resolution and any other documents described in this Official Statement may be obtained from the office of the County Executive.

THE BONDS

Description

The Bonds, dated as of October 20, 2016, will be issued as fully registered book-entry Bonds, without coupons, in denominations of $5,000 or any integral multiple thereof. The Bonds will mature on the dates and in the amounts set forth on the cover page and bear interest at the rates per annum set forth on the cover page calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year (herein an "Interest Payment Date"), commencing June 1, 2017.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. U.S. Bank National Association, Olive Branch, Mississippi (the "Registration Agent"), will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the

* Preliminary, subject to change.

continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

The Bonds maturing December 1, 2017 through December 1, 2024 shall mature without option of prior redemption. The Bonds maturing December 1, 2025 and thereafter shall be subject to redemption prior to maturity at the option of the County on December 1, 2024 and thereafter as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interest within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to the credit hereinafter provided, the County shall redeem Bonds maturing December 1, 20__ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, or such Person as shall then be serving as the securities depository for the

Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds maturing December 1, 20__ to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing December 1, 20__ so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail or certified mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, if applicable), notices of which shall be given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged to the prompt payment of principal of and interest on the Bonds.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Disposition of Bond Proceeds

The following tables set forth the estimated sources and uses of the funds in connection with the issuance of the Bonds.

Sources:	Bond Proceeds	$ ____________
	Original Issue (Discount) Premium	____________
	Issuer Contribution	____________
	Total	$ ____________
Uses:	Deposit to Escrow Fund	$ ____________
	Underwriter's Discount	____________
	Costs of Issuance	____________
	Total	$ ____________

Plan of Refunding

As provided herein, the Bonds are being issued to provide funds for the (a) refunding of the County's Outstanding Bonds and (b) payment of costs incident to the issuance and sale of the Bonds. A portion of the proceeds of the Bonds, together with other legally available funds of the County, will be deposited in an escrow fund established with U.S. Bank National Association, Olive Branch, Mississippi, as Escrow Agent under the Escrow Agreement. The monies in the escrow fund will be used to purchase investments authorized under Tennessee law sufficient to redeem the Outstanding Bonds on the earliest possible redemption date therefor. Neither the principal of nor the interest on said escrow investments will be available for payment of the Bonds.

Defeasance

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in the Resolution, neither Federal Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. Federal Obligations means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the defeasance of bonds, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

FUTURE BONDS

The County does not expect to issue any other general obligation debt in fiscal year 2017. It is not possible, however, to foresee all capital needs, and circumstances may change.

LITIGATION

There is no litigation of any nature now pending or, to the knowledge of the County, threatened to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the issuance and sale of the Bonds, the pledge or application of any monies or security provided for the payment of the Bonds or the existence or the powers of the County insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of monies and security.

RATINGS

The Bonds have been assigned a rating of "A1" by Moody's Investors Service ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Municipal Advisor makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Andrew Yarbrough, Esq., Waynesboro, Tennessee, Tennessee, Counsel to the County.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986 (the "Code"),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “Bond premium” on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Bondholder’s Federal income tax.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Miscellaneous

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

THE UNDERWRITER

______________________ (the "Underwriter"), acting for and on behalf of itself and such other securities dealers as may be designated, will purchase the Bonds for an aggregate purchase price of $___________ (consisting of $___________ aggregate principal amount, less $___________ underwriter's discount, plus $___________ original issue premium, less $___________ original issue discount), plus accrued interest to the date of delivery.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County and to provide notice of the occurrence of certain enumerated events. The financial information and operating data and notices of events will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at emma.msrb.org and with any State Information Depository which may hereafter be established in Tennessee. The specific nature of the information to be contained in the Annual Report or the notices of events can be found in the form of the Continuing Disclosure Certificate attached hereto as Appendix B. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule"). The County's General Obligation Public Improvement Bonds, Series 2009 (the "Series 2009 Bonds") are insured by Assured Guaranty Corp. ("Assured"), which bond insurer has experienced multiple rating changes since 2009. The County did not timely file with the MSRB notice of these rating changes, the information on which was widely available and reported to the market. The County has since filed notice of these rating changes with the MSRB. Although the County timely filed its Annual Reports for the Series 2009 Bonds with the MSRB for fiscal years 2010 through 2014, it did not include in its Annual Reports updates to the information included in the section "Per Capita Ratios", as required by a prior continuing disclosure certificate, though much of this information was otherwise available in the County's audited financial statements and other publicly available information. Commencing with fiscal year 2015, the County has included and will include updates to the information included in the section "Per Capita Ratios" in its Annual Reports for the Series 2009 Bonds.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders of the Bonds. Any of the estimates is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is deemed near final for the purposes of the Rule and does not contain any untrue statement of a material fact which should be included in this Official Statement for the purpose for which the Official Statement is to be used, or which is necessary in order to make statements herein contained, in light of the circumstances under which they were made not misleading in any material respect.

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CERTIFICATE OF ISSUER

I, Jim Mangubat, do hereby certify that I am the duly qualified and acting County Executive of Wayne County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement issued in connection with the sale of its General Obligation Refunding Bonds, Series 2016, dated October 20, 2016, of said County that to the best of my knowledge, information and belief (a) the description and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of acceptance of the winning bid and does not on the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of October, 2016

/s/____________________________________
County Executive

I, Joey S. Horton, do hereby certify that I am the duly qualified and acting County Clerk of Wayne County, Tennessee, and as such official I do hereby further certify that Jim Mangubat is the duly qualified and acting County Executive of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of Wayne County, Tennessee as of the date subscribed to the foregoing certificate.

/s/____________________________________
County Clerk

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<u>APPENDIX A</u>

Proposed Form of Bond Counsel Opinion of Bass, Berry & Sims PLC,
Nashville, Tennessee relating to the Bonds.

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(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Wayne County, Tennessee (the "Issuer") in connection with the issuance of $_______ General Obligation Refunding Bonds, Series 2016, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of alternative minimum tax on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and in Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Form of Continuing Disclosure Certificate.

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FORM OF
CONTINUING DISCLOSURE CERTIFICATE

This Disclosure Certificate (this "Disclosure Certificate") is executed and delivered this ___ day of October, 2016 by Wayne County, Tennessee (the "Issuer") in connection with the issuance of $_________ in aggregate principal amount of its General Obligation Refunding Bonds, Series 2016 (the "Bonds"). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Beneficial Owners (as herein defined) of the Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution (as herein defined), which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to the Rule and this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means the Issuer, or any successor designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Fiscal Year" shall mean any period of twelve (12) consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the Official Statement of the Issuer relating to the Bonds.

"Participating Underwriter" shall mean ____.

"Resolution" shall mean the Resolution of the Issuer pursuant to which the Bonds were issued, adopted July 28, 2016.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports. The Issuer shall, or shall cause the Dissemination Agent to, not later than one (1) year after the end of the Issuer's fiscal year, commencing with the report for the Fiscal Year ending June 30, 2016, provide to the MSRB and to the State Repository, if any, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements of the Issuer are not yet available, the unaudited financial statements of the Issuer, and when audited financial statements are available, the audited financial statements of the Issuer, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Such financial statements shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If the accounting principles changed from the previous Fiscal Year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) An update of the information in the Official Statement under the following headings:

1. "Combined Statement of Revenues and Expenditures, All Government Fund Types for the Fiscal Year";

2. "Statement of Fund Balances ";

3. "Property Tax Base";

4. "Property Tax Rates, Assessments, Levies and Collections";

5. "Property Tax Rates and Allocations ";

6. "Top Ten Taxpayers";

7. "Sales Tax Receipts";

8. "Outstanding Debt"; and

9. "Debt Service Requirements".

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(vii) Modifications to rights of the security holders, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the security, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon the occurrence of a Listed Event, the Issuer shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and State Repository, if any.

(c) For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Issuer shall determine the materiality of such event as soon as possible after learning of its occurrence.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. If the Issuer's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Issuer, and the original Issuer shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Issuer shall be the dissemination agent.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Issuer to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(vii) hereof shall explain, in narrative form, the reasons for the amendment or wavier and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to the MSRB and each State Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Issuer of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Issuer), and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

WAYNE COUNTY, TENNESSEE

By: ________________________________

County Executive

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APPENDIX C

Supplemental Information Regarding the County.

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THE ISSUER

The County

Wayne County was established in 1819 and is governed by a County Executive and a 14-member Board of Commissioners, all of which serve 4-year terms. The County is located in the south-central section of Middle Tennessee, on the Tennessee-Alabama state line. Waynesboro, the County seat, is located approximately 95 miles southwest of Nashville and approximately 30 miles north of the Alabama state line. The County has an approximate land area of 474,240 acres, with approximately 41% of the County being in farmland. In addition to livestock and livestock products, principal crops include corn, hay, wheat, soybeans and other grains, while forest land supports logging and other timber-related businesses.

The County is the second largest county in land mass within the State of Tennessee and is known primarily for the outdoor recreational activities provided by the diverse scenic landscapes within its borders. Scenic areas within Wayne County include the Buffalo River, Tennessee River, Natural Bridge, as well as the "Natchez Trace Parkway". The County provides public services including law enforcement, fire protection, highway and bridge maintenance, public education, healthcare facilities, ambulance and emergency response service, solid waste disposal, and water utility services. The County has approximately 615 employees, of which approximately 418 are employed by the County Board of Education.

Transportation facilities are provided by U.S. highway 64, State highways 13, 99, 114, 128, 103, and 227. Additionally, a commercial port facility (licensed for aggregate) is located in Wayne County on the shores of the Tennessee River and provides barge shipping for year-round water transportation to areas as far north as the Great Lakes and south to the Gulf Coast (via the Tennessee-Tom Bigbee waterway) as part of the national inland waterway.

The County has three incorporated cities: Waynesboro (2,449), Clifton (2,694), and Collinwood (982).

Population trends for the County are as follows:

1970 ………………….	12,365	2000 ………………….	16,842
1980 ………………….	13,946	2010 ………………….	17,021
1990 ………………….	13,935		

Source: U.S. Census Bureau.

Top Employers

Leading industries and companies located in the County are as follows:

Industry	Employees	Type Business
Corrections Corp. of America	367	Prison Facility
Wayne Medical Center	185	Hospital/Healthcare
Turney Center Annex	121	Prison Facility
Hassell & Hughes Lumber	120	Lumber/Hardwood Flooring
Waynesboro Health & Rehab Center	109	Rehabilitation Center
Wayne County Bank	87	Financial Institution
Tennesse Farmers Insurance	75	Claims Administration Center
Buffalo River Services	65	Recycling
Brown-Foreman Cooperage	60	Wood Products
Mueller Ind. (Lincoln Brass)	60	Brass Valves
Hughes Hardwood	45	Wood Products
Elk Valley Home Health	37	Healthcare
Peoples Bank	36	Financial Institution
American Whirlpool/Praxis	35	Fiberglass Tubs/Showers
Tennessee Fitness Spa	35	Wellness facility
Bank of Waynesboro	34	Financial Institution
Collinwood Lumber	30	Wood Products

Source: Wayne County Chamber of Commerce, Wayne County Mayor.

Employment

Employment information was supplied by the Tennessee Department of Labor and Workforce Development.

	Labor Force		Employed Persons		Unemployment Rate	
Year	County	State	County	State	County	State
2004	6,580	2,891,500	6,010	2,733,800	8.7%	5.5%
2005	6,580	2,942,300	5,780	2,778,500	12.2%	5.6%
2006	6,610	3,009,000	5,920	2,852,800	10.4%	5.2%
2007	6,590	3,021,900	6,080	2,873,600	7.7%	4.9%
2008	6,640	3,050,300	5,960	2,846,100	10.2%	6.7%
2009	6,630	3,020,000	5,740	2,703,000	13.5%	10.5%
2010	6,670	3,084,100	5,820	2,783,000	12.7%	9.8%
2011	6,610	3,132,700	5,800	2,845,000	12.2%	9.2%
2012	6,440	3,099,700	5,730	2,846,400	11.0%	8.2%
2013	6,570	3,081,500	5,930	2,842,200	9.7%	7.8%
2014	6,470	3,046,600	5,920	2,847,800	8.6%	6.5%
2015	6,310	3,062,800	5,840	2,886,000	7.4%	5.8%
July/2016	6,590	3,184,900	6,180	3,029,600	6.1%	4.9%

*Latest estimates available.

Basis of Accounting and Presentation

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental fund types of the County. Revenues for such funds are recognized as they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable. All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, which are fully expended at the time of payment.

Investment and Cash Management Policies

Investment of County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct United States Government obligations, those issued by United States Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by collateral pledges at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loans associations must be collateralized as shown above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds of trusts upon residential property in the state equal to at least 150% of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost, which approximates market value. The County Trustee is responsible for all County investments.

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*** COMBINED STATEMENT OF REVENUES & EXPENDITURES, ALL GOVERNMENTAL FUND TYPES**

	AUDIT 2013	AUDIT 2014	AUDIT 2015	ESTIMATED 2016
Revenues:				
Local Taxes	$8,276,534	$8,461,434	$8,447,046	$8,561,764
Licenses & Permits	$7,895	$7,896	$6,224	$24,024
Forfeitures & Penalties	$161,684	$161,983	$159,094	$150,089
Charges for Current Services	$508,626	$602,499	$551,138	$606,784
Other Local Revenues	$301,454	$253,440	$482,137	$386,631
Fees from County Officials	$675,506	$665,905	$615,710	$675,340
State of Tennessee	$18,787,274	$19,129,904	$19,579,830	$21,312,539
Federal Government	$3,819,615	$3,531,081	$3,142,312	$2,578,110
Other Governmental Groups	$232,074	$214,750	$4,221,994	$480,455
Total Revenues	$32,770,662	$33,028,892	$37,205,485	$34,775,736
Other Sources:				
Proceeds from Refunding Debt	$0	$0	$0	$0
New Debt Proceeds	$1,029,985	$1,804,015	$0	$4,071,988
Capital leases Issued	$0	$0	$0	$0
Insurance Recovery	$28,333	$21,196	$220,083	$0
Operating Transfers	$45,000	$1,246,250	$84,207	$0
Total Revenues/Other sources	**$33,873,980**	**$36,100,353**	**$37,509,775**	**$38,847,724**
Expenditures:				
General	$864,838	$903,697	$944,545	$931,928
Finance	$402,691	$419,334	$445,868	$441,435
Administration of Justice	$656,616	$648,290	$672,066	$703,151
Public Safety	$2,743,885	$2,746,765	$2,763,893	$2,848,038
Public Health & Welfare	$940,308	$977,574	$3,784,630	$2,868,341
Social, Cultural & Recreational	$211,453	$222,668	$215,277	$304,065
Agricultural & Natural Resources	$64,850	$86,319	$73,861	$109,163
Other Operations	$531,719	$869,466	$608,694	$956,904
Highways	$2,620,197	$2,148,019	$2,880,916	$4,385,443
Support Services	$6,172	$10,269	$7,465	$0
Education Instruction	$12,151,907	$12,783,664	$12,174,001	$11,154,376
Support Services for Education	$5,822,001	$5,742,640	$6,370,235	$5,714,436
Non-Instructional Services	$2,393,530	$2,450,516	$2,356,054	$2,394,790
Education Capital Outlay	$0	$0	$0	$900,000
Principal on Debt	$1,501,198	$2,492,912	$1,403,063	$1,955,000
Interest on Debt	$1,023,792	$1,000,188	$966,640	$901,530
Other Debt Service	$417,621	$416,480	$417,661	$331,328
Capital Projects	$1,919,405	$1,130,830	$556,748	$1,410,700
Total Expenditures/Other sources	$34,272,183	$35,049,631	$36,641,617	$38,310,628
Other Uses:				
Payments to Rfg Debt Escrow Agent	$0	$0	$0	$0
Operating Transfers	$45,000	$1,246,250	$84,207	$117,722
Total Expenditures	**$34,317,183**	**$36,295,881**	**$36,725,824**	**$38,428,350**
Excess (Deficiency)	-$443,203	-$195,528	$783,951	$419,374
Combined Fund Balance (Beginning)	**$6,857,175**	**$6,413,972**	**$6,218,444**	**$7,002,395**
Combined Fund Balance (Ending)	**$6,413,972**	**$6,218,444**	**$7,002,395**	**$7,421,769**

* Compiled by the Municipal Advisor from Audited Annual Financial Reports.

Statement of Fund Balances (extracted from audited annual reports)

	Audit 06/30/2013	Audit 06/30/2014	Audit 06/30/2015	* Estimated 06/30/2016
General Fund	$ 835,623	$ 930,562	$ 2,147,834	$ 1,325,741
Highways	1,473,155	1,443,673	740,604	425,355
Solid Waste	236,648	288,652	411,169	431,474
Debt Service Fund	1,773,163	1,737,827	1,812,720	1,457,237
Non Major Gen/Gov Fund(s)	547,827	592,308	514,619	2,407,463
Gen. Purpose School Fund	1,283,212	986,305	1,133,237	1,133,237
Non-Major School Fund(s)	264,344	239,117	242,212	188,844
	$6,413,972	$ 6,218,444	$ 7,002,395	$ 7,369,351

* Unaudited.

Statement of Proposed Operations for Fiscal Year 2017

	Fund Balance 07/01/16	Estimated Revenue	Est. Available Funds	Estimated Expenditures	Fund Balance 06/30/17
County General	$ 1,325,741	$6,083,476	$7,409,217	$6,230,372	$1,178,845
Drug Control	91,790	16,510	108,300	52,882	55,418
Highways	425,355	4,859,426	5,284,781	5,064,629	220,152
Gen. Purpose School	1,133,237	18,297,665	19,430,902	18,739,576	691,326
Central Cafeteria	188,844	1,395,539	1,584,383	1,303,747	280,636
Debt Service	1,457,237	2,667,052	4,134,289	2,680,030	1,454,259
Hwy Cap Projects	554,173	30,000	584,173	700	583,473
Gen Capital Projects	1,407,681	81,172	1,488,853	1,407,140	81,713
Other Special Rev	63,801	140,000	203,801	138,538	65,263
Solid Waste	431,474	893,292	1,324,766	1,003,118	321,648
Water Utilities Fund	290,018	180,730	470,748	186,878	283,870
Totals	$ 7,369,351	$ 34,654,862	$ 42,024,213	$ 36,807,608	$ 5,216,605

Source: Fiscal Year 2017 Wayne County Budget Document.

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Property Tax

The County is authorized to levy a tax on all property within the County without limitation as to rate or amount. All real and personal property within the County is assessed in accordance with the State constitution and statutory provisions by the County Tax Assessor except most utility property, which is assessed by the State Public Service Commission. All property taxes are due on October 1 of each year based on appraisals as of January 1 of the same calendar. All property taxes are delinquent on March 1 of the following calendar year.

All property in the State of Tennessee must be appraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review as required by Title 67, Chapter 5, Part 16, Tennessee Code Annotated, as amended. In the second and fourth years of the review, all real property values must be updated by application of an index or indexes established for each jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, Tennessee Code Annotated, as amended. The State Board of Equalization must also consider any plan submitted by a local tax assessor which would have the effect of maintaining real property values at full value. This alternative plan may be used instead of indexing.

Upon completion of the reappraisal and reassessment processes, the governing body of the County and the municipalities located in the County must determine and certify a tax rate which will provide the same ad valorem tax revenue for the jurisdiction as was levied prior to reappraisal and reassessment, as required by Title 67, Chapter 5, Part 17, Tennessee Code Annotated, as amended. The estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded in computing the new tax rate. As a result, the property tax rate is adjusted preventing a taxing unit from collecting additional property tax revenues solely as a result of reappraisal. Upon compliance with state law and certification of a tax rate providing the same property tax revenue as was collected before reappraisal, a governing body may vote thereafter to approve a tax rate change which would produce more or less tax revenue. The County's last reappraisal program, conducted by the State Board of Equalization, Division of Property Assessment, was completed and went into effect in 2016.

Property Tax Base

The following information on assessed property tax values for Tax Year 2016 was supplied by the Wayne County Assessor of Property Office.

Property Classification:	Assessed Value:
Real Property:	
Industrial and Commercial	$ 30,819,400
Residential	97,667,135
Farm, Open Space	72,405,950
Agricultural	54,456,400
Forest	10,925
Mineral	270,760
Public Utility	25,345,338
Total Real Property	$ 280,975,908
Personal Property:	
Industrial, Commercial and Public Utility	$ 8,368,988
Total Real and Personal Property	$ 289,344,896

Property Tax Rates, Assessments, Levies and Collections

Tax Year	Tax Rate	Assessed Valuations	Taxes Levied	Uncollected Taxes Filed in Chancery Court as of 6/30/16
2005	$ 1.9900	$ 183,051,651	$ 3,642,728	$ 0
2006	2.2500	183,190,029	4,121,776	0
2007	2.2500	186,843,651	4,203,982	0
2008	2.2500	194,633,166	4,379,246	18
2009	2.2500	196,427,812	4,419,626	2,936
2010	1.6414	263,389,781	4,323,280	2,457
2011	2.0700	266,259,561	5,511,573	1,689
2012	2.0700	267,182,648	5,530,681	1,848
2013	2.0700	268,190,574	5,551,545	6,995
2014	2.0700	270,754,480	5,604,616	48,135
2015	2.0700	270,563,345	5,599,626	N/A
2016	2.0500	289,344,896	5,931,570	N/A

Source: Assessor of Property; Chancery Clerk & Master, Comprehensive Annual Financial Reports of the County.

Property Tax Rates and Allocations

Tax Year	General Fund	Highways	Cap. Proj.	Gen. Purp. Schools	Debt Service	Solid Waste	Total Rate
2006	$0.9500	$0.020	$0.00	$0.930	$0.130	$0.22	$2.2500
2007	0.9500	0.020	0.00	0.930	0.130	0.22	2.2500
2008	0.9700	0.020	0.00	0.910	0.160	0.19	2.2500
2009	0.8700	0.020	0.00	0.880	0.290	0.19	2.2500
2010	0.6314	0.015	0.00	0.655	0.200	0.14	1.6414
2011	0.6900	0.015	0.00	0.690	0.405	0.27	2.0700
2012	0.6900	0.015	0.00	0.690	0.385	0.29	2.0700
2013	0.6850	0.015	0.00	0.710	0.370	0.29	2.0700
2014	0.6850	0.015	0.00	0.710	0.370	0.29	2.0700
2015	0.6850	0.015	0.00	0.710	0.370	0.29	2.0700
2016	0.7100	0.000	0.03	0.680	0.350	0.28	2.0500

Source: Comprehensive Annual Financial Reports of the County, Fiscal Year 2017 Budget Document.

Top Ten Taxpayers for Tax Year 2016

Taxpayer	Type Business	Assessed Value	Taxes Levied
*Tennessee Gas Pipeline	Gas Pipeline	$8,941,639	$183,304
*Tennessee Valley Electric	Electric Co-op	8,284,488	169,832
GMO Threshold	Timberland	3,618,325	74,176
GMO Threshold	Timberland	3,494,450	71,636
*Columbia Gulf	Gas Pipeline	2,655,869	54,445
GMO Threshold	Timberland	2,033,575	41,688
Bascom Southern LLC	Timber Products	2,025,075	41,514
Lincoln Brass Works	Brass valves	1,994,871	40,895
GMO Threshold	Timberland	1,960,000	40,180
*Tennessee Telephone	Telecommunications	1,615,685	33,122
		$ 36,623,977	$ 750,792

* 2015 Public Utility assessments.

The top ten taxpayers for the Tax Year 2016, as shown above, represent approximately 12.65755% of the total amount of assessed value of $289,344,896.

Source: Wayne County Trustee; Wayne County Assessor of Property.

Per Capita Ratios (as of October 12, 2015, including the effect of the Bonds)

Taxable Property		Bonded Debt	
Assessed	$16,999.29	Gross	$1,528.46
Actual Market Value	$61,844.63	Net	$1,357.48

Direct Gross Debt	$ 26,015,842
Less: Debt Service Funds	$ 1,454,259
Less: Revenue supported Debt	$ 1,455,842
Net Direct Debt	$ 23,105,741

Per Capita Overlapping Debt	Gross Debt	Net Debt	Net Debt Per Capita
Wayne County	$26,015,842	$23,105,741	$ 1,357.48
Waynesboro	2,533,869	0	0
Collinwood	578,245	0	0
Clifton	983,587	0	0
Total	$30,111,543	$23,105,741	$ 1,357.48

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Higher Education

Located in the City of Clifton is a satellite campus of Columbia State Community College providing area residents with general transfer and career degrees, academic and technical certificates, developmental studies and continuing education opportunities. The college also supports workforce development by delivering education and training responsive to business and industry needs. Columbia State Community College is a Tennessee Board of Regents institution.

Wayne County School System

The Wayne County Board of Education (the "Board") provides administrative and operational direction for the Wayne County School System (the "School System"). Members of the Board are elected by the voters of the County and consist of seven (7) members. The present members, their terms of office and occupations are as follows:

Board Member	Current Term	Occupation
Dwight Bumpus	09/01/14 - 08/31/18	Corrections
Andy Yarbrough	09/01/16 - 08/31/20	Attorney
Charity Horton	09/01/16 - 08/31/20	Insurance
Pat Brown	09/01/16 - 08/31/20	Retired
Sherman Martin	09/01/14 - 08/31/18	Retired
Barry Hanback	09/01/14 - 08/31/18	Retired
Greg Eaton	09/01/16 - 08/31/20	Office Manager

The Board appointed Marlon Davis as Director of Schools effective June 16, 2015 through June 30, 2017.

Enrollment & Attendance

Enrollment and Average Daily attendance of the School System for prior years and the average for the current school year are detailed in the following table:

School Year	1st Month Membership/Net Enrollment	Average Daily Attendance
2008-2009	2,408	2,249
2009-2010	2,275	2,244
2010-2011	2,363	2,207
2011-2012	2,347	2,197
2012-2013	2,314	2,206
2013-2014	2,311	2,209
2014-2015	2,236	2,085
2015-2016	2,335	2,206
** August/2016	2,264	2,185

Source: Department of Education, State of Tennessee. Wayne County Board of Education.

** Most recent month available.

School Facilities

The Board currently operates eight (8) schools in three municipalities within Wayne County. There is one elementary school, one middle school and one high school in Waynesboro and Collinwood, while the City of Clifton has a K-12 facility. The County also has a state-of-the-art Technology Center, located in Waynesboro, which provides high school students county-wide with seven different vocational classes.

Sales Tax

Local Option Sales Tax

Counties and incorporated municipalities are authorized to levy a local option sales tax ("Sales Tax") on the same privileges on which the State levies a sales tax pursuant to Title 67, Chapter 6, Part 7 of Tennessee Code Annotated, as amended (the "Sales Tax Act"). Any Sales Tax rate levied by a county or municipality is limited to two and three-quarters percent (2-3/4%), in addition to the State sales tax rate of seven percent (7%). One-half of all Sales Tax collected throughout the County from a county implemented tax rate, must be expended for educational purposes. The remaining one-half is remitted to the County or the municipalities located within the County, depending on the jurisdiction in which the tax is collected, and may be used for any County or municipal purpose. However, a county or municipality may provide, by contract, for other distribution of the one-half not allocated to school purposes. Boards of Education have the authority to pledge Sales Tax proceeds designated for school purposes to the payment of principal and interest on school debt obligations. The Sales Tax is collected and administered by the State of Tennessee Department of Revenue (the "Department") and disbursed to the County Trustee on a monthly basis, net of collection and administration fees incurred by the Department. The County Trustee disburses the Sales Tax revenues among the County and its incorporated municipalities.

In November, 1964, the County imposed by voter referendum a local option sales tax rate of 1% which was dedicated by contract between all parties to fund education and education debt service. In August, 1974 an increase of .75% was also approved, which increased the local option sales tax rate to 1.75%. This increase was also set aside by contract between all parties to fund education and education debt service. Those sales tax agreements expired on January 1, 2000 and collections of the 1.75% local option sales tax are now being allocated according to State law.

In August, 1998 a 1% increase in the sales tax rate was approved by referendum of the voters of the County, which increased the rate to 2.75%. Agreements were entered into by and between the County and the Cities of Waynesboro, Clifton, and Collinwood, as well as the Board of Education, for the benefit of education debt service related to school construction. The current agreements will expire in fiscal year 2024. The Sales Tax shall continue until such time as said Sales Tax shall be terminated by action of the Board of County Commissioners.

Pursuant to audited financial statements, prior year's Local Option Sales Tax receipts for the County are as follows:

Fiscal Year	Total Sales Tax Receipts	Receipts to Debt Service Fund
2004	$1,827,697	$ 808,349
2005	1,900,408	859,154
2006	1,885,421	865,500
2007	1,887,862	857,353
2008	1,922,928	867,547
2009	1,940,998	877,177
2010	1,972,877	899,574
2011	1,955,873	899,699
2012	2,006,353	887,166
2013	1,904,687	847,726
2014	2,053,755	934,662
2015	2,137,794	962,824
*2016	2,200,674	974,015

* Unaudited.

Source: Comprehensive Annual Financial Reports of the County, Wayne County Trustee.

Outstanding Debt (as of October 12, 2016)

Description of Debt

Capital Outlay Notes

Description of Debt	Original Amount	Unpaid Principal	Coupon Rate	Remaining FY Debt Service	Final Maturity
$ -	$ -	$ -	%	$ -	n/a
TOTALS	**$ -**	**$ -**		**$ -**	

General Obligation Bonds

Description of Debt	Original Amount	Unpaid Principal	Coupon Rate	Remaining FY Debt Service	Final Maturity
General Obligation Bonds, Series 2006, dated 03/01/2006	$ 9,450,000	$ 6,805,000	4.05%	$ 608,718	12/1/2030
Gen. Oblig. Public Imp Bonds, Series 2009, dated 06/03/2009	$ 6,500,000	$ 5,420,000	3.5%-4.375%	$ 414,456	6/1/2037
School Refunding Bonds, Series 2003, dated 6/03/2003	$ 9,495,000	$ 7,535,000	3.72%	$ 1,080,143	12/1/2023
School Refunding Bonds, Series 2005A, dated 03/31/2005	$ 2,355,000	$ 1,400,000	4.00%	$ 207,900	12/1/2023
Public Improvement Bonds, Series 2015, dated 11/05/2015	$ 4,000,000	$ 4,000,000	2.0%-2.6%	$ 315,385	11/1/2030
USDA Loan (#91-03) Series 2008, dated 6/25/2008	$ 332,224	$ 297,080	4.25%	$ 13,239	6/25/2046
USDA Loan (#91-07) Series 2012, dated 3/12/2014	$ 1,207,000	$ 1,158,762	2.75%	$ 34,185	6/25/2046
TOTALS	$ 33,339,224	$ 26,615,842		$ 2,674,025	
Grand Total-All Debt	**$ 33,339,224**	**$ 26,615,842**		**$ 2,674,025**	

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Outstanding Debt Service Requirements (as of October 12, 2016)

FY	G.O. Pub Imp Bonds, Series 2009 Principal	G.O. Pub Imp Bonds, Series 2009 Interest	* G.O Bonds, Series 2006 Principal	* G.O Bonds, Series 2006 Interest	School RFG Bonds, Series 2003 Principal	School RFG Bonds, Series 2003 Interest
2017	$ 200,000	$ 214,456	*$ 340,000*	*$ 268,718*	$ 815,000	$ 265,143
2018	$ 205,000	$ 207,369	*$ 355,000*	*$ 254,644*	$ 850,000	$ 234,174
2019	$ 210,000	$ 200,106	*$ 370,000*	*$ 239,963*	$ 880,000	$ 201,996
2020	$ 215,000	$ 192,669	*$ 385,000*	*$ 224,674*	$ 915,000	$ 168,609
2021	$ 225,000	$ 184,969	*$ 400,000*	*$ 208,778*	$ 960,000	$ 133,734
2022	$ 235,000	$ 176,919	*$ 415,000*	*$ 192,274*	$ 1,000,000	$ 97,278
2023	$ 245,000	$ 168,213	*$ 430,000*	*$ 175,163*	$ 1,045,000	$ 59,241
2024	$ 255,000	$ 158,838	*$ 445,000*	*$ 157,444*	$ 1,070,000	$ 19,902
2025	$ 265,000	$ 148,756	*$ 465,000*	*$ 139,016*	$ -	$ -
2026	$ 275,000	$ 137,784	*$ 485,000*	*$ 119,779*	$ -	$ -
2027	$ 290,000	$ 126,131	*$ 500,000*	*$ 99,833*	$ -	$ -
2028	$ 300,000	$ 113,963	*$ 520,000*	*$ 79,178*	$ -	$ -
2029	$ 315,000	$ 101,278	*$ 545,000*	*$ 57,611*	$ -	$ -
2030	$ 325,000	$ 88,078	*$ 565,000*	*$ 35,134*	$ -	$ -
2031	$ 340,000	$ 73,938	*$ 585,000*	*$ 11,846*	$ -	$ -
2032	$ 355,000	$ 58,734	*$ -*	*$ -*	$ -	$ -
2033	$ 370,000	$ 42,875	*$ -*	*$ -*	$ -	$ -
2034	$ 390,000	$ 26,250	*$ -*	*$ -*	$ -	$ -
2035	$ 405,000	$ 8,859	*$ -*	*$ -*	$ -	$ -
2036	$ -	$ -	*$ -*	*$ -*	$ -	$ -
'37-52	$ -	$ -	*$ -*	*$ -*	$ -	$ -
	$ 5,420,000	**$ 2,430,184**	***$ 6,805,000***	***$ 2,264,051***	**$ 7,535,000**	**$ 1,180,077**

* *To be redeemed with proceeds of the G.O. Refunding Bonds, Series 2016.*

FY	* School RFG Bonds, Series 2005A Principal	* School RFG Bonds, Series 2005A Interest	Rural Dev. Bonds, Series 2012 Principal	Rural Dev. Bonds, Series 2012 Interest	Rural Dev. Bonds, Series 2008 Principal	Rural Dev. Bonds, Series 2008 Interest
2017	*$ 155,000*	*$ 52,900*	$ 13,044	$ 21,140	$ 3,823	$ 9,416
2018	*$ 160,000*	*$ 46,600*	$ 20,020	$ 31,256	$ 5,291	$ 12,361
2019	*$ 165,000*	*$ 40,100*	$ 20,577	$ 30,699	$ 5,520	$ 12,132
2020	*$ 170,000*	*$ 33,400*	$ 21,150	$ 30,126	$ 5,759	$ 11,893
2021	*$ 180,000*	*$ 26,400*	$ 21,739	$ 29,537	$ 6,009	$ 11,643
2022	*$ 185,000*	*$ 19,100*	$ 22,345	$ 28,931	$ 6,269	$ 11,383
2023	*$ 190,000*	*$ 11,600*	$ 22,967	$ 28,309	$ 6,541	$ 11,111
2024	*$ 195,000*	*$ 3,900*	$ 23,607	$ 27,669	$ 6,825	$ 10,827
2025	*$ -*	*$ -*	$ 24,264	$ 27,012	$ 7,120	$ 10,532
2026	*$ -*	*$ -*	$ 24,940	$ 26,336	$ 7,429	$ 10,223
2027	*$ -*	*$ -*	$ 25,635	$ 25,641	$ 7,751	$ 9,901
2028	*$ -*	*$ -*	$ 26,348	$ 24,928	$ 8,087	$ 9,565
2029	*$ -*	*$ -*	$ 27,082	$ 24,194	$ 8,437	$ 9,215
2030	*$ -*	*$ -*	$ 27,836	$ 23,440	$ 8,803	$ 8,849
2031	*$ -*	*$ -*	$ 28,612	$ 22,664	$ 9,184	$ 8,468
2032	*$ -*	*$ -*	$ 29,408	$ 21,868	$ 9,582	$ 8,070
2033	*$ -*	*$ -*	$ 30,227	$ 21,049	$ 9,998	$ 7,654
2034	*$ -*	*$ -*	$ 31,069	$ 20,207	$ 10,431	$ 7,221
2035	*$ -*	*$ -*	$ 31,935	$ 19,341	$ 10,883	$ 6,769
2036	*$ -*	*$ -*	$ 32,824	$ 18,452	$ 11,355	$ 6,297
'37-52	*$ -*	*$ -*	$ 653,131	$ 151,832	$ 141,981	$ 32,068
	$ 1,400,000	***$ 234,000***	**$ 1,158,762**	**$ 654,629**	**$ 297,080**	**$ 225,596**

* *To be redeemed with proceeeds of the G.O. Refunding Bonds, Series 2016.*

FY	Public Imp Bonds, Series 2015 Principal		Public Imp Bonds, Series 2015 Interest		Current Total Principal		Current Total Interest		Current Total P&I	
2017	$	230,000	$	85,385	$	1,756,868	$	917,157	$	2,674,025
2018	$	235,000	$	80,735	$	1,830,311	$	867,139	$	2,697,450
2019	$	240,000	$	75,985	$	1,891,098	$	800,980	$	2,692,078
2020	$	245,000	$	71,135	$	1,956,910	$	732,505	$	2,689,415
2021	$	250,000	$	66,185	$	2,042,748	$	661,245	$	2,703,993
2022	$	255,000	$	61,135	$	2,118,614	$	587,019	$	2,705,634
2023	$	260,000	$	55,985	$	2,199,508	$	509,621	$	2,709,129
2024	$	265,000	$	50,735	$	2,260,431	$	429,315	$	2,689,746
2025	$	270,000	$	45,385	$	1,031,385	$	370,701	$	1,402,086
2026	$	275,000	$	39,935	$	1,067,369	$	334,057	$	1,401,426
2027	$	280,000	$	33,685	$	1,103,385	$	295,191	$	1,398,577
2028	$	290,000	$	26,560	$	1,144,435	$	254,193	$	1,398,628
2029	$	295,000	$	19,248	$	1,190,520	$	211,545	$	1,402,065
2030	$	300,000	$	11,810	$	1,226,639	$	167,311	$	1,393,950
2031	$	310,000	$	4,030	$	1,272,796	$	120,946	$	1,393,742
2032	$	-	$	-	$	393,991	$	88,671	$	482,662
2033	$	-	$	-	$	410,225	$	71,578	$	481,803
2034	$	-	$	-	$	431,500	$	53,678	$	485,178
2035	$	-	$	-	$	447,818	$	34,970	$	482,787
2036	$	-	$	-	$	44,179	$	24,749	$	68,928
'37-52	$	-	$	-	$	795,112	$	183,900	$	979,012
	$	4,000,000	$	727,933	$	26,615,842	$	7,716,470	$	34,332,312

FY	LESS:Refunded Debt P&I		** ADD: G.O. RFG, Series 2016 Principal		** ADD: G.O. RFG, Series 2016 Interest		Total Combined Principal		Total Combined Interest		Total Combined P&I	
2017	$	(816,618)	$	-	$	99,404	$	1,756,868	$	857,744	$	2,614,612
2018	$	(816,244)	$	575,000	$	156,175	$	1,890,311	$	722,070	$	2,612,381
2019	$	(815,063)	$	585,000	$	144,575	$	1,941,098	$	665,493	$	2,606,590
2020	$	(813,074)	$	600,000	$	132,725	$	2,001,910	$	607,156	$	2,609,066
2021	$	(815,178)	$	610,000	$	120,625	$	2,072,748	$	546,692	$	2,619,441
2022	$	(811,374)	$	625,000	$	108,275	$	2,143,614	$	483,920	$	2,627,535
2023	$	(806,763)	$	635,000	$	95,675	$	2,214,508	$	418,533	$	2,633,042
2024	$	(801,344)	$	650,000	$	82,825	$	2,270,431	$	350,796	$	2,621,228
2025	$	(604,016)	$	445,000	$	71,875	$	1,011,385	$	303,560	$	1,314,944
2026	$	(604,779)	$	455,000	$	62,875	$	1,037,369	$	277,153	$	1,314,522
2027	$	(599,833)	$	460,000	$	53,725	$	1,063,385	$	249,084	$	1,312,469
2028	$	(599,178)	$	475,000	$	43,188	$	1,099,435	$	218,203	$	1,317,638
2029	$	(602,611)	$	485,000	$	31,188	$	1,130,520	$	185,122	$	1,315,641
2030	$	(600,134)	$	495,000	$	18,938	$	1,156,639	$	151,114	$	1,307,754
2031	$	(596,846)	$	510,000	$	6,375	$	1,197,796	$	115,474	$	1,313,271
2032	$	-	$	-	$	-	$	393,991	$	88,671	$	482,662
2033	$	-	$	-	$	-	$	410,225	$	71,578	$	481,803
2034	$	-	$	-	$	-	$	431,500	$	53,678	$	485,178
2035	$	-	$	-	$	-	$	447,818	$	34,970	$	482,787
2036	$	-	$	-	$	-	$	44,179	$	24,749	$	68,928
'37-52	$	-	$	-	$	-	$	795,112	$	183,900	$	979,012
	$	(10,703,051)	$	7,605,000	$	1,228,441	$	26,510,842	$	6,609,661	$	33,120,503

** Estimated using a truie interest rate of 1.708466%

APPENDIX D

Excerpted pages from the Audited Financial Statements of Wayne County, Tennessee
for the Fiscal Year ended June 30, 2015.

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ANNUAL FINANCIAL REPORT

WAYNE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

TENNESSEE
COMPTROLLER
OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

WAYNE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

RHONDA DAVIS, CFE
Auditor 4

DONYA WADE, CFE
JACOB KENNEDY, CISA
State Auditors

This financial report is available at www.comptroller.tn.gov

WAYNE COUNTY, TENNESSEE
TABLE OF CONTENTS

Summary of Audit Findings

Annual Financial Report
Wayne County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Wayne County as of and for the year ended June 30, 2015.

Results

Our report on the aggregate discretely presented component units is adverse because the financial statements do not include a material component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unmodified.

Our audit resulted in eight findings and recommendations, which we have reviewed with Wayne County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- The Wayne County Board of Public Utilities had deficiencies in the maintenance of its accounting records.
- Material audit adjustments were required for proper financial statement presentation.
- A tax anticipation note was not issued in compliance with state statutes.
- Written agreements do not exist to document loans to the Wayne County Retirement Facilities.

OFFICE OF COUNTY CLERK

- Employees processed transactions utilizing the same username.

OFFICE OF CLERK AND MASTER

- Funds were not adequately collateralized.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; AND CLERK AND MASTER

- Multiple employees operated from the same cash drawer.

OFFICES OF COUNTY EXECUTIVE; PUBLIC LIBRARY; TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER OF DEEDS

- Duties were not segregated adequately.

INTRODUCTORY SECTION

Wayne County Officials
June 30, 2015

Officials

Jason Rich, County Executive
Charles Moser, Commissioner of Highways
Marlon Davis, Director of Schools
Janice Smith, Trustee
Billy Vencion, Assessor of Property
Stan Horton, County Clerk
Bill Crews, Circuit, General Sessions, and Juvenile Courts Clerk
Carolyn Mathis, Clerk and Master
Ruth Butler, Register of Deeds
Ric Wilson, Sheriff

Board of County Commissioners

Jason Rich, County Executive, Chairman
O.C. Berry, Jr.
Joe Hanback
Stan Hanback
David Martin
Rickey Kelley
Joe Hall
Tim Powell
Herbert Brewer
Brent Gobble
Tom Mathis, Jr.
Warren Miller, III
John McDonald
Steve Anderson
Phillip Casteel

Board of Education

Barry Hanback, Chairman
Andy Yarbrough
Dwight Bumphus
Greg Eaton
Patrick Blackburn
Pat Brown
Sherman Martin

Audit Committee

John McDonald, Chairman
Tim Powell
Regina Tesnow
Sarah Cook

Financial Section

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

Independent Auditor's Report

Wayne County Executive and
Board of County Commissioners
Wayne County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wayne County Emergency Communications District. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wayne County Emergency Communications District, is based solely on the report of the other auditors. We were unable to determine Wayne County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Wayne County Retirement Facilities, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Solid Waste/Sanitation Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The Wayne County Retirement Facilities (which include the Wayne County Nursing Home, the Wayne Care Nursing Home, and the Wayne County Assisted Living Facility), a component unit requiring discrete presentation, was not included in the county's financial statements. Accounting principles generally accepted in the United States of America require that this component unit be presented as part of the aggregate discretely presented component units. Their inclusion would increase the assets, net position, and expenses of the aggregate discretely presented component units. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Wayne County, Tennessee, as of June 30, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Wayne County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions;* GASB Statement No. 69, *Government Combinations and Disposals of Government Operations;* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of the primary government and the discretely presented Wayne County School Department by $157,441 and $3,763,738, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the 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.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 86-92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016, on our consideration of Wayne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control over financial reporting and compliance.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 24, 2016

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Wayne County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Government Governmental Activities	Component Units Wayne County School Department	Component Units Emergency Communications District
ASSETS			
Cash	$ 250,100	$ 555	$ 152,744
Equity in Pooled Cash and Investments	4,674,951	1,600,798	0
Inventories	0	32,951	0
Accounts Receivable	46,926	0	0
Due from Other Governments	924,537	635,736	0
Due from Component Unit	110,390	0	0
Property Taxes Receivable	3,893,744	2,032,764	0
Allowance for Uncollectible Property Taxes	(130,537)	(68,147)	0
Prepaid Items	0	0	17,056
Restricted Assets:			
Customer Deposits	4,950	0	0
Net Pension Asset - Agent Plan	986,226	1,272,278	0
Net Pension Asset - Cost-sharing Plan	0	44,113	0
Capital Assets:			
Assets Not Depreciated:			
Land	765,569	495,517	55,244
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,555,592	11,868,709	692,961
Infrastructure	15,149,302	0	0
Other Capital Assets	1,185,430	1,148,730	607,975
Total Assets	$ 38,417,180	$ 19,064,004	$ 1,525,980
DEFERRED OUTFLOWS OF RESOURCES			
Pension Changes in Experience - Cost-sharing Plan	$ 0	$ 107,097	$ 0
Pension Changes in Contributions after Measurement Date	230,565	1,077,937	0
Total Deferred Outflows of Resources	$ 230,565	$ 1,185,034	$ 0
LIABILITIES			
Accounts Payable	$ 0	$ 0	$ 14,813
Accrued Payroll	6,687	0	0
Payroll Deductions Payable	603	828,947	0
Retainage Payable	18,505	0	0
Due to State of Tennessee	628	8,646	0
Accrued Interest Payable	78,905	0	0
Other Accrued Liabilities	0	0	7,987
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	4,950	0	0
Noncurrent Liabilities:			
Due Within One Year	2,051,299	122,417	30,000
Due in More Than One Year (net of unamortized premium on debt)	22,631,063	3,797,461	424,977
Total Liabilities	$ 24,792,640	$ 4,757,471	$ 477,777

(Continued)

Wayne County, Tennessee
Statement of Net Position (Cont.)

	Primary Government	Component Units	
	Governmental Activities	Wayne County School Department	Emergency Communications District
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 3,561,010	$ 1,859,057	$ 0
Pension Changes in Investment Earnings	547,267	4,340,677	0
Pension Changes in Experience - Agent Plan	494,364	637,753	0
Change in the Proportionate Share of Pension Contributions	0	33,713	0
Total Deferred Inflows of Resources	$ 4,602,641	$ 6,871,200	$ 0
NET POSITION			
Net Investment in Capital Assets	$ 15,484,653	$ 13,512,956	$ 901,203
Restricted for:			
General Government	34,611	0	0
Administration of Justice	17,434	0	0
Public Safety	362,416	0	0
Public Health and Welfare	250,000	0	0
Social, Cultural, and Recreational Services	53,594	0	0
Other Purposes	986,226	0	0
Highway/Public Works	1,140,632	0	0
Education	0	1,523,861	0
Unrestricted	(9,077,102)	(6,416,450)	147,000
Total Net Position	$ 9,252,464	$ 8,620,367	$ 1,048,203

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

Exhibit B

Wayne County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government	Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Wayne County School Department	Emergency Communi-cations District
Primary Government:							
Governmental Activities:							
General Government	$ 1,179,647	$ 226,555	$ 267,604	$ 0	$ (685,488)	$ 0	$ 0
Finance	448,271	374,441	0	0	(73,830)	0	0
Administration of Justice	771,154	333,510	4,500	0	(433,144)	0	0
Public Safety	3,158,302	1,272,120	44,233	0	(1,841,949)	0	0
Public Health and Welfare	3,997,234	35,154	4,305,242	0	343,162	0	0
Social, Cultural, and Recreational Services	424,331	9,687	13,637	183,339	(217,668)	0	0
Agriculture and Natural Resources	72,039	0	2,000	0	(70,039)	0	0
Highways/Public Works	2,529,799	20,531	1,977,640	0	(531,628)	0	0
Interest on Long-term Debt	964,553	0	0	0	(964,553)	0	0
Total Governmental Activities	$ 13,545,330	$ 2,271,998	$ 6,614,856	$ 183,339	$ (4,475,137)	$ 0	$ 0
Total Primary Government	$ 13,545,330	$ 2,271,998	$ 6,614,856	$ 183,339	$ (4,475,137)	$ 0	$ 0
Component Units:							
Wayne County School Department	$ 21,190,270	$ 406,305	$ 3,831,572	$ 0	$ 0	$ (16,952,393)	$ 0
Emergency Communications District	399,982	49,514	226,617	87,681	0	0	(36,170)
Total Component Units	$ 21,590,252	$ 455,819	$ 4,058,189	$ 87,681	$ 0	$ (16,952,393)	$ (36,170)

(Continued)

Wayne County, Tennessee
Statement of Activities (Cont.)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government	Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Wayne County School Department	Emergency Communi-cations District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					$ 2,675,687	$ 1,946,501	$ 0
Property Taxes Levied for Debt Service					1,000,850	0	0
Local Option Sales Tax					967,453	681,340	0
Wheel Tax					576,528	0	0
Litigation Tax					121,206	0	0
Business Tax					88,492	0	0
Mineral Severance Tax					103,449	0	0
Wholesale Beer Tax					127,445	0	0
Other Local Taxes					49,943	28,498	0
Grants and Contributions Not Restricted to Specific Programs					1,124,870	14,065,656	15,251
Unrestricted Investment Earnings					29,060	84	1,360
Miscellaneous					246,134	212,493	1,100
Pension Income					102,036	175,083	0
Total General Revenues					$ 7,213,153	$ 17,109,655	$ 17,711
Change in Net Position					$ 2,738,016	$ 157,262	$ (18,459)
Net Position, July 1, 2014					6,671,889	12,226,843	1,066,662
Restatement - See Note I.D.9.					(157,441)	(3,763,738)	0
Net Position, June 30, 2015					$ 9,252,464	$ 8,620,367	$ 1,048,203

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

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 250,100	$ 0	$ 0	$ 0	$ 0	$ 250,100
Equity in Pooled Cash and Investments	1,696,652	408,091	571,511	1,483,132	515,565	4,674,951
Accounts Receivable	0	0	0	39,367	7,559	46,926
Due from Other Governments	372,975	0	363,223	178,339	10,000	924,537
Due from Other Funds	0	0	0	200,000	0	200,000
Due from Component Units	110,390	0	0	0	0	110,390
Property Taxes Receivable	1,961,187	830,284	42,946	1,059,327	0	3,893,744
Allowance for Uncollectible Property Taxes	(65,748)	(27,835)	(1,440)	(35,514)	0	(130,537)
Restricted Assets	0	0	0	0	4,950	4,950
Total Assets	$ 4,325,556	$ 1,210,540	$ 976,240	$ 2,924,651	$ 538,074	$ 9,975,061
LIABILITIES						
Accrued Payroll	$ 0	$ 0	$ 6,687	$ 0	$ 0	$ 6,687
Payroll Deductions Payable	363	0	240	0	0	603
Retainage Payable	0	0	0	0	18,505	18,505
Due to Other Funds	200,000	0	0	0	0	200,000
Due to State of Tennessee	628	0	0	0	0	628
Current Liabilities Payable From Restricted Assets	0	0	0	0	4,950	4,950
Total Liabilities	$ 200,991	$ 0	$ 6,927	$ 0	$ 23,455	$ 231,373
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 1,793,597	$ 759,333	$ 39,276	$ 968,804	$ 0	$ 3,561,010
Deferred Delinquent Property Taxes	94,519	40,038	2,071	50,924	0	187,552

(Continued)

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES (Cont.)						
Other Deferred/Unavailable Revenue	$ 88,615	$ 0	$ 187,362	$ 92,203	$ 0	$ 368,180
Total Deferred Inflows of Resources	$ 1,976,731	$ 799,371	$ 228,709	$ 1,111,931	$ 0	$ 4,116,742
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 34,611	$ 0	$ 0	$ 0	$ 0	$ 34,611
Restricted for Administration of Justice	17,434	0	0	0	0	17,434
Restricted for Public Safety	269,254	0	0	0	93,162	362,416
Restricted for Public Health and Welfare	250,000	0	0	0	0	250,000
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	53,594	53,594
Restricted for Highways/Public Works	0	0	740,604	0	229,873	970,477
Committed:						
Committed for Public Health and Welfare	0	411,169	0	0	0	411,169
Committed for Debt Service	0	0	0	1,812,720	0	1,812,720
Committed for Capital Projects	676,322	0	0	0	137,990	814,312
Assigned:						
Assigned for Public Safety	896	0	0	0	0	896
Assigned for Social, Cultural, and Recreational Services	38,025	0	0	0	0	38,025
Unassigned	861,292	0	0	0	0	861,292
Total Fund Balances	$ 2,147,834	$ 411,169	$ 740,604	$ 1,812,720	$ 514,619	$ 5,626,946
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,325,556	$ 1,210,540	$ 976,240	$ 2,924,651	$ 538,074	$ 9,975,061

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

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2015

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 5,626,946
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 765,569	
Add: buildings and improvements net of accumulated depreciation	10,555,592	
Add: infrastructure net of accumulated depreciation	15,149,302	
Add: other capital assets net of accumulated depreciation	1,185,430	27,655,893
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (24,102,428)	
Less: other loans payable	(500,000)	
Less: compensated absences payable	(72,522)	
Less: accrued interest on bonds and other loans	(78,905)	
Less: other deferred revenue - premium on debt	(7,412)	(24,761,267)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	$ 230,565	
Less: deferred inflows of resources related to pensions	(1,041,631)	(811,066)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		986,226
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		555,732
Net position of governmental activities (Exhibit A)		$ 9,252,464

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

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 2,341,206	$ 832,250	$ 41,176	$ 2,451,728	$ 114,240	$ 5,780,600
Licenses and Permits	5,659	0	0	0	0	5,659
Fines, Forfeitures, and Penalties	138,313	0	0	0	20,781	159,094
Charges for Current Services	45,631	0	0	0	99,202	144,833
Other Local Revenues	194,911	62,004	126,091	0	28,447	411,453
Fees Received From County Officials	615,710	0	0	0	0	615,710
State of Tennessee	2,473,413	3,637	1,967,192	0	129,487	4,573,729
Federal Government	48,309	0	0	0	183,339	231,648
Other Governments and Citizens Groups	4,008,379	0	0	200,000	13,615	4,221,994
Total Revenues	$ 9,871,531	$ 897,891	$ 2,134,459	$ 2,651,728	$ 589,111	$ 16,144,720
Expenditures						
Current:						
General Government	$ 944,545	$ 0	$ 0	$ 0	$ 0	$ 944,545
Finance	445,868	0	0	0	0	445,868
Administration of Justice	671,575	0	0	0	491	672,066
Public Safety	2,759,098	0	0	0	4,795	2,763,893
Public Health and Welfare	3,009,256	775,374	0	0	0	3,784,630
Social, Cultural, and Recreational Services	215,277	0	0	0	0	215,277
Agriculture and Natural Resources	73,861	0	0	0	0	73,861
Other Operations	440,779	0	0	0	167,915	608,694
Highways	43,388	0	2,837,528	0	0	2,880,916
Support Services	7,465	0	0	0	0	7,465
Debt Service:						
Principal on Debt	0	0	0	1,403,063	0	1,403,063
Interest on Debt	0	0	0	966,640	0	966,640

(Continued)

Exhibit C-3

Wayne County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Debt Service (Cont.)						
Other Debt Service	$ 0	$ 0	$ 0	$ 217,661	$ 0	$ 217,661
Capital Projects	0	0	0	0	556,748	556,748
Total Expenditures	$ 8,611,112	$ 775,374	$ 2,837,528	$ 2,587,364	$ 729,949	$ 15,541,327
Excess (Deficiency) of Revenues Over Expenditures	$ 1,260,419	$ 122,517	$ (703,069)	$ 64,364	$ (140,838)	$ 603,393
Other Financing Sources (Uses)						
Insurance Recovery	$ 30,531	$ 0	$ 0	$ 0	$ 0	$ 30,531
Transfers In	0	0	0	10,529	73,678	84,207
Transfers Out	(73,678)	0	0	0	(10,529)	(84,207)
Total Other Financing Sources (Uses)	$ (43,147)	$ 0	$ 0	$ 10,529	$ 63,149	$ 30,531
Net Change in Fund Balances	$ 1,217,272	$ 122,517	$ (703,069)	$ 74,893	$ (77,689)	$ 633,924
Fund Balance, July 1, 2014	930,562	288,652	1,443,673	1,737,827	592,308	4,993,022
Fund Balance, June 30, 2015	$ 2,147,834	$ 411,169	$ 740,604	$ 1,812,720	$ 514,619	$ 5,626,946

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

Exhibit C-4

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

	Net change in fund balances - total governmental funds (Exhibit C-3)		$ 633,924
(1)	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
	Add: capital assets purchased in the current period	$ 1,655,576	
	Less: current-year depreciation expense	(1,152,758)	502,818
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
	Less: book value of capital assets disposed		(137,839)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2014	$ (558,497)	
	Add: deferred delinquent property taxes and other deferred June 30, 2015	555,732	(2,765)
(4)	The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
	Add: change in premium on debt issuances	$ 11,899	
	Add: principal payments on notes	1,403,063	1,414,962
(5)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in accrued interest payable	$ 2,087	
	Change in compensated absences payable	(7,772)	
	Change in net pension liability/asset	1,143,667	
	Change in deferred outflows of resources related to pensions	230,565	
	Change in deferred inflows of resources related to pensions	(1,041,631)	326,916
	Change in net position of governmental activities (Exhibit B)		$ 2,738,016

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

Exhibit C-5

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 2,341,206	$ 0	$ 2,341,206	$ 2,452,435	$ 2,555,472	$ (214,266)
Licenses and Permits	5,659	0	5,659	7,169	7,169	(1,510)
Fines, Forfeitures, and Penalties	138,313	0	138,313	158,141	158,141	(19,828)
Charges for Current Services	45,631	0	45,631	18,615	58,022	(12,391)
Other Local Revenues	194,911	0	194,911	60,566	137,978	56,933
Fees Received From County Officials	615,710	0	615,710	679,603	697,983	(82,273)
State of Tennessee	2,473,413	0	2,473,413	2,194,789	2,289,203	184,210
Federal Government	48,309	0	48,309	40,000	40,000	8,309
Other Governments and Citizens Groups	4,008,379	0	4,008,379	0	4,000,000	8,379
Total Revenues	$ 9,871,531	$ 0	$ 9,871,531	$ 5,611,318	$ 9,943,968	$ (72,437)
Expenditures						
General Government						
County Commission	$ 90,892	$ 20	$ 90,912	$ 87,965	$ 91,040	$ 128
County Mayor/Executive	205,272	30	205,302	161,515	206,169	867
Election Commission	133,774	0	133,774	139,050	139,050	5,276
Register of Deeds	112,841	0	112,841	117,694	117,694	4,853
County Buildings	363,928	435	364,363	343,497	366,371	2,008
Other General Administration	37,838	0	37,838	23,798	38,075	237
Finance						
Property Assessor's Office	132,669	0	132,669	146,460	146,460	13,791
Reappraisal Program	15,610	0	15,610	16,598	16,598	988
County Trustee's Office	150,055	0	150,055	150,352	150,352	297
County Clerk's Office	147,534	320	147,854	144,372	148,012	158
Administration of Justice						
Circuit Court	165,443	0	165,443	172,856	172,856	7,413

(Continued)

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Administration of Justice (Cont.)						
General Sessions Court	$ 228,903	$ 0	$ 228,903	$ 224,080	$ 229,187	$ 284
Drug Court	7,586	0	7,586	7,626	7,626	40
Chancery Court	119,825	300	120,125	120,453	120,453	328
Juvenile Court	63,022	0	63,022	65,532	65,532	2,510
Judicial Commissioners	58,365	0	58,365	60,109	60,109	1,744
Courtroom Security	28,431	0	28,431	35,236	35,236	6,805
Public Safety						
Sheriff's Department	1,145,507	5,210	1,150,717	927,347	1,158,334	7,617
Jail	1,446,512	2,500	1,449,012	1,449,458	1,472,669	23,657
Rural Fire Protection	83,077	2,090	85,167	85,150	85,385	218
Civil Defense	11,814	0	11,814	17,000	17,000	5,186
Other Emergency Management	39,386	435	39,821	40,739	40,739	918
County Coroner/Medical Examiner	31,302	0	31,302	25,053	31,312	10
Other Public Safety	1,500	0	1,500	1,500	1,500	0
Public Health and Welfare						
Local Health Center	164,913	0	164,913	64,525	185,190	20,277
Nursing Home	2,718,779	0	2,718,779	0	2,718,779	0
Alcohol and Drug Programs	0	0	0	2,500	2,500	2,500
Other Local Health Services	104,064	0	104,064	106,464	104,761	697
Regional Mental Health Center	9,000	0	9,000	9,000	9,000	0
Other Local Welfare Services	12,500	0	12,500	13,000	13,000	500
Social, Cultural, and Recreational Services						
Senior Citizens Assistance	36,000	0	36,000	36,000	36,000	0
Libraries	162,126	0	162,126	152,730	162,339	213
Other Social, Cultural, and Recreational	17,151	0	17,151	18,750	17,160	9

(Continued)

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Agriculture and Natural Resources						
Agricultural Extension Service	$ 32,606	$ 0	$ 32,606	$ 49,133	$ 33,533	$ 927
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	39,255	0	39,255	45,824	45,824	6,569
Other Operations						
Other Economic and Community Development	46,676	0	46,676	47,839	47,839	1,163
Veterans' Services	12,536	0	12,536	14,032	14,028	1,492
Other Charges	301,652	0	301,652	345,000	408,234	106,582
Contributions to Other Agencies	27,441	0	27,441	4,200	27,441	0
Employee Benefits	1,412	0	1,412	5,000	1,424	12
Miscellaneous	51,062	0	51,062	68,204	51,062	0
Highways						
Litter and Trash Collection	43,388	0	43,388	48,323	48,323	4,935
Support Services						
Other Programs	7,465	0	7,465	9,753	7,466	1
Total Expenditures	$ 8,611,112	$ 11,340	$ 8,622,452	$ 5,605,717	$ 8,853,662	$ 231,210
Excess (Deficiency) of Revenues Over Expenditures	$ 1,260,419	$ (11,340)	$ 1,249,079	$ 5,601	$ 1,090,306	$ 158,773
Other Financing Sources (Uses)						
Insurance Recovery	$ 30,531	$ 0	$ 30,531	$ 18,000	$ 18,000	$ 12,531
Transfers In	0	0	0	58,000	0	0
Transfers Out	(73,678)	0	(73,678)	0	(73,678)	0
Total Other Financing Sources	$ (43,147)	$ 0	$ (43,147)	$ 76,000	$ (55,678)	$ 12,531

(Continued)

Exhibit C-5

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 1,217,272	$ (11,340)	$ 1,205,932	$ 81,601	$ 1,034,628	$ 171,304
Fund Balance, July 1, 2014	930,562	0	930,562	966,226	966,226	(35,664)
Fund Balance, June 30, 2015	$ 2,147,834	$ (11,340)	$ 2,136,494	$ 1,047,827	$ 2,000,854	$ 135,640

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

Exhibit C-6

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 832,250	$ 0	$ 832,250	$ 835,108	$ 835,108	$ (2,858)
Other Local Revenues	62,004	0	62,004	32,000	32,000	30,004
State of Tennessee	3,637	0	3,637	0	0	3,637
Total Revenues	$ 897,891	$ 0	$ 897,891	$ 867,108	$ 867,108	$ 30,783
Expenditures						
Public Health and Welfare						
Other Waste Collection	$ 71,783	$ 0	$ 71,783	$ 74,315	$ 74,315	$ 2,532
Landfill Operation and Maintenance	0	0	0	11,500	11,500	11,500
Other Waste Disposal	703,591	35,600	739,191	752,373	752,373	13,182
Total Expenditures	$ 775,374	$ 35,600	$ 810,974	$ 838,188	$ 838,188	$ 27,214
Excess (Deficiency) of Revenues Over Expenditures	$ 122,517	$ (35,600)	$ 86,917	$ 28,920	$ 28,920	$ 57,997
Net Change in Fund Balance	$ 122,517	$ (35,600)	$ 86,917	$ 28,920	$ 28,920	$ 57,997
Fund Balance, July 1, 2014	288,652	0	288,652	270,084	270,084	18,568
Fund Balance, June 30, 2015	$ 411,169	$ (35,600)	$ 375,569	$ 299,004	$ 299,004	$ 76,565

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

Exhibit C-7

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 41,176	$ 0	$ 0	$ 41,176	$ 42,567	$ 42,567	$ (1,391)
Other Local Revenues	126,091	0	0	126,091	70,000	70,000	56,091
State of Tennessee	1,967,192	0	0	1,967,192	3,668,611	3,668,611	(1,701,419)
Federal Government	0	0	0	0	100,000	100,000	(100,000)
Other Governments and Citizens Groups	0	0	0	0	40,225	40,225	(40,225)
Total Revenues	$ 2,134,459	$ 0	$ 0	$ 2,134,459	$ 3,921,403	$ 3,921,403	$ (1,786,944)
Expenditures							
Highways							
Administration	$ 194,753	$ 0	$ 0	$ 194,753	$ 197,295	$ 200,416	$ 5,663
Highway and Bridge Maintenance	1,855,329	(391,036)	0	1,464,293	1,798,303	1,795,182	330,889
Operation and Maintenance of Equipment	584,588	0	0	584,588	760,700	760,700	176,112
Other Charges	82,230	0	0	82,230	90,000	91,181	8,951
Employee Benefits	39,700	0	0	39,700	39,800	39,800	100
Capital Outlay	80,928	0	850	81,778	1,412,500	1,411,319	1,329,541
Total Expenditures	$ 2,837,528	$ (391,036)	$ 850	$ 2,447,342	$ 4,298,598	$ 4,298,598	$ 1,851,256
Excess (Deficiency) of Revenues Over Expenditures	$ (703,069)	$ 391,036	$ (850)	$ (312,883)	$ (377,195)	$ (377,195)	$ 64,312
Net Change in Fund Balance	$ (703,069)	$ 391,036	$ (850)	$ (312,883)	$ (377,195)	$ (377,195)	$ 64,312
Fund Balance, July 1, 2014	1,443,673	(391,036)	0	1,052,637	676,782	676,782	375,855
Fund Balance, June 30, 2015	$ 740,604	$ 0	$ (850)	$ 739,754	$ 299,587	$ 299,587	$ 440,167

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

Exhibit D

Wayne County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Agency Funds
ASSETS	
Cash	$ 483,821
Accounts Receivable	142
Due from Other Governments	89,226
Total Assets	$ 573,189
LIABILITIES	
Due to Other Taxing Units	$ 89,226
Due to Litigants, Heirs, and Others	483,963
Total Liabilities	$ 573,189

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

WAYNE COUNTY, TENNESSEE
Index of Notes to the Financial Statements

WAYNE COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

WAYNE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wayne County's financial statements are presented in accordance with generally accepted accounting principles (GAAP), except for the component units' opinion unit because the financial statements of the Wayne County Retirement Facilities (which include the Wayne County Nursing Home and the Wayne County Assisted Living Facility), a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Wayne County:

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Wayne County School Department operates the public school system in the county, and the voters of Wayne County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Wayne County General Hospital Board of Trustees operates the Wayne County Retirement Facilities. The Wayne County Retirement Facilities were composed of the Wayne County Nursing Home, Wayne Care Nursing Home, and Wayne County Assisted Living Facility. However, on May 1, 2015, the Board of Trustees sold the Wayne County Nursing Home and the Wayne Care Nursing Home. The Wayne County Assisted Living Facility is still in operation as of June 30, 2015. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints the board. Patient charges provide the majority of revenues for the board. Before the issuance of debt instruments, the board must obtain the County

Commission's approval. The financial statements of the Wayne County Retirement Facilities were not available from other auditors in time for inclusion in this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Wayne County, and the Wayne County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Wayne County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Wayne County Retirement Facilities were not available in time for inclusion, as previously mentioned. Complete financial statements of the Wayne County Retirement Facilities (Wayne County Nursing Home, Wayne Care Nursing Home, and Wayne County Assisted Living Facility) and the Wayne County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Wayne County Assisted Living Facility
210 Fairlane Drive
Waynesboro, TN 38485

Wayne County Emergency Communications District
113 Hollis Street East
P.O. Box 911
Waynesboro, TN 38485

Related Organization – The Wayne County Industrial Development Board is a related organization of Wayne County. The County Commission appoints its board members, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Wayne County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Wayne County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Wayne County issues all debt for the discretely presented Wayne County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Wayne County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Wayne County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

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 become 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 county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Wayne County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Wayne County reports the following major governmental funds:

General Fund – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the solid waste transfer station. Local taxes are the foundational revenues of this fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county's Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Wayne County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Wayne County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Wayne County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Wayne County School Department reports the following fund type:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Wayne County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Wayne County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Retainage payable in the Community Development/Industrial Park fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Community Development/Industrial Park Fund.

3. Inventories

Inventories of the Wayne County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $10,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	40

5. **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. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience and pension changes in employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, changes in proportionate share of pension contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. **Compensated Absences**

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, sick leave, and compensatory time benefits. There is no liability for unpaid accumulated vacation and sick leave since Wayne County does not have a policy to pay any amounts when employees separate from service with the government. Payments are made for accumulated balances for compensatory time in excess of 240 hours. A liability for compensated absences is reported in governmental funds only if amounts have matured.

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are 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.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, special termination benefits, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. **<u>Net Position and Fund Balance</u>**

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes totaling $986,226 for the primary government consists of an amount restricted to recognize the net pension asset of the county's agent pension plan.

As of June 30, 2015, Wayne County had $12,438,600 in outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

> Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
>
> Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
>
> Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.
>
> Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.
>
> Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement to decrease Wayne County's and the Wayne County School Department's beginning net position by

$157,441 and $3,763,738, respectively, has been recognized on the Statement of Activities.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Wayne County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Wayne County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Wayne County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Wayne County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. **Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Wayne County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, Election Commission, Register of Deeds, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. The County Had Deposits Exposed to Custodial Credit Risk

The clerk and master did not require a depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2015, deposits at one depository exceeded FDIC coverage and collateral securities by $155,522. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Wayne County and the Wayne County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Wayne County's deposits may not be returned to it. Wayne

County does not have a formal policy that limits custodial risk for deposits. Separate disclosures concerning bank balances of pooled deposits cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee. As of June 30, 2015, uninsured and uncollateralized bank balances of $155,522 (Office of Clerk and Master) were exposed to custodial credit risk. Uninsured and uncollateralized deposits are a violation of state statutes.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2015, Wayne County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	$ 236,732

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Wayne County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2015, Wayne County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	$ 738,374	$ 35,500	$ (8,305)	$ 765,569
Total Capital Assets Not Depreciated	$ 738,374	$ 35,500	$ (8,305)	$ 765,569
Capital Assets Depreciated:				
Buildings and Improvements	$ 15,741,739	$ 94,500	$ (438,169)	$ 15,398,070
Infrastructure	16,595,513	1,152,261	0	17,747,774
Other Capital Assets	4,198,644	373,315	(624,336)	3,947,623
Total Capital Assets Depreciated	$ 36,535,896	$ 1,620,076	$ (1,062,505)	$ 37,093,467
Less Accumulated Depreciation for:				
Buildings and Improvements	$ 4,775,328	$ 413,846	$ (346,696)	$ 4,842,478
Infrastructure	2,111,567	486,905	0	2,598,472
Other Capital Assets	3,096,461	252,007	(586,275)	2,762,193
Total Accumulated Depreciation	$ 9,983,356	$ 1,152,758	$ (932,971)	$ 10,203,143
Total Capital Assets Depreciated, Net	$ 26,552,540	$ 467,318	$ (129,534)	$ 26,890,324
Governmental Activities Capital Assets, Net	$ 27,290,914	$ 502,818	$ (137,839)	$ 27,655,893

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	$ 16,620
Finance	580
Administration of Justice	85,852
Public Safety	270,456
Public Health and Welfare	137,960
Social, Cultural, and Recreational Services	155,035
Agriculture and Natural Resources	298
Highway/Public Works	485,957
Total Depreciation Expense - Governmental Activities	$ 1,152,758

Discretely Presented Wayne County School Department -

Governmental Activities

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	$ 495,517	$ 0	$ 0	$ 495,517
Total Capital Assets Not Depreciated	$ 495,517	$ 0	$ 0	$ 495,517
Capital Assets Depreciated:				
Buildings and Improvements	$ 27,064,377	$ 0	$ 0	$ 27,064,377
Other Capital Assets	3,295,289	217,214	(44,884)	3,467,619
Total Capital Assets Depreciated	$ 30,359,666	$ 217,214	$ (44,884)	$ 30,531,996

Discretely Presented Wayne County School Department -

Governmental Activities (Continued)

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciation for:				
Buildings and Improvements	$ 14,475,329	$ 720,339	$ 0	$ 15,195,668
Other Capital Assets	2,162,970	200,803	(44,884)	2,318,889
Total Accumulated Depreciation	$ 16,638,299	$ 921,142	$ (44,884)	$ 17,514,557
Total Capital Assets Depreciated, Net	$ 13,721,367	$ (703,928)	$ 0	$ 13,017,439
Governmental Activities Capital Assets, Net	$ 14,216,884	$ (703,928)	$ 0	$ 13,512,956

Depreciation expense was charged to functions of the discretely presented Wayne County School Department as follows:

Governmental Activities:

Instruction	$ 13,817
Support Services	876,169
Operation of Non-instructional Services	31,156
Total Depreciation Expense - Governmental Activities	$ 921,142

C. Construction Commitments

At June 30, 2015, Wayne County had uncompleted contracts of approximately $120,283 for the construction of water lines. Funding for these future expenditures has been received from a federal grant.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	$ 200,000
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	11,923

These balances resulted from the time lag between the dates that reimbursable expenditures occurred and payments between funds were made.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	Wayne County Retirement	
General	Facilities	$ 110,390

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Debt Service Fund	Nonmajor Govermental Fund
General Fund	$ 0	$ 73,678
Nonmajor governmental fund	10,529	0
Total	$ 10,529	$ 73,678

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Wayne County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 38 years for bonds and three years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-15
General Obligation Bonds	2.75 to 4.25	%	3-12-52	$	17,489,000	$	14,232,428
General Obligation Bonds - Refunding	3.2 to 4		12-1-23		11,850,000		9,870,000
Other Loans	1.49		2-7-16		500,000		500,000

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

Year Ending	Bonds		
June 30	Principal	Interest	Total
2016	$ 1,478,777	$ 902,613	$ 2,381,390
2017	1,534,515	845,629	2,380,144
2018	1,595,275	786,440	2,381,715
2019	1,651,060	725,033	2,376,093
2020	1,711,871	661,409	2,373,280
2021-2025	8,352,464	2,278,697	10,631,161
2026-2030	4,292,071	1,131,338	5,423,409
2031-2035	2,645,986	366,156	3,012,142
2036-2040	235,004	109,636	344,640
2041-2045	275,076	69,564	344,640
2046-2050	245,638	28,394	274,032
2051-2052	84,691	2,087	86,778
Total	$ 24,102,428	$ 7,906,996	$ 32,009,424

Year Ending	Other Loans		
June 30	Principal	Interest	Total
2016	$ 500,000	$ 7,450	$ 507,450
Total	$ 500,000	$ 7,450	$ 507,450

There is $1,812,720 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled $1,445, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Other Loans	Compensated Absences
Balance, July 1, 2014	$ 25,505,491	$ 500,000	$ 64,750
Additions	0	0	117,882
Reductions	(1,403,063)	0	(110,110)
Balance, June 30, 2015	$ 24,102,428	$ 500,000	$ 72,522
Balance Due Within One Year	$ 1,478,777	$ 500,000	$ 72,522

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	$ 24,674,950
Less: Due Within One Year	(2,051,299)
Add: Unamortized Premium on Debt	7,412
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 22,631,063

Compensated absences will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds.

Discretely Presented Wayne County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Wayne County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits
Balance, July 1, 2014	$ 306,048	$ 3,153,021
Additions	219,012	492,249
Reductions	(97,884)	(152,568)
Balance, June 30, 2015	$ 427,176	$ 3,492,702
Balance Due Within One Year	$ 122,417	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	$	3,919,878
Less: Due Within One Year		(122,417)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$	3,797,461

Termination and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments – Primary Government and Discretely Presented Wayne County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Wayne County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were $3,075. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Wayne County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were $62,482 and $26,313, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Wayne County issued tax anticipation notes from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary to provide funds for operations. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes	$ 0	$ 320,000	$ (320,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and employee health and accident. Settled claims have not exceeded this commercial coverage during this fiscal year. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

Discretely Presented Wayne County School Department

The discretely presented Wayne County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Wayne County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated* (*TCA*), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Events

On November 5, 2015, Wayne County issued $4,000,000 in General Obligation Bonds.

On February 9, 2016, Wayne County Executive, Jason Rich, submitted his letter of resignation to the County Commission effective March 8, 2016.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Changes in Administration

On August 31, 2014, Barry Pierce left the Office of Commissioner of Highways and was succeeded by Charles Moser.

On June 15, 2015, Gailand Grinder left the Office of Director of Schools and was succeeded by Marlon Davis.

F. Joint Ventures

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County made no contributions to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2015.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Wayne County did not contribute any funds to the DTF for the year ended June 30, 2015.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board and the Twenty-second Judicial District DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board
Wayne County Executive
P.O. Box 848
Waynesboro, TN 38485

Office of District Attorney General
Twenty-second Judicial District Drug Task Force
P.O. Box 852
Lawrenceburg, TN 38464

G. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Wayne County in conjunction with Hickman, Lewis, and Perry counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board comprises 16 members, who are the elected county executive or city mayor and an appointed member of the County Commission or City Council from each of the respective counties or cities. Wayne County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for the SCTRA are lease payments, switching fees, interest earned, and grants. Complete financial statements for the Railroad Authority can be obtained from Keaton & Turner, Attorneys, P.O. Box 789, Hohenwald, TN 38462.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Retirement Facilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 37.58 percent, the non-certified employees of the discretely present School Department comprise 48.48 percent, and employees of the discretely presented Wayne County Retirement Facilities comprise 13.94 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPA is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	175
Inactive Employees Entitled to But Not Yet Receiving Benefits	390
Active Employees	330
Total	895

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Wayne County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2014, employer contributions for Wayne County were $386,488 based on a rate of 6.56 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Wayne County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Wayne County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market International Equity	6.26	17
Emerging Market International Equity	6.40	5
Private Equity and Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Wayne County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	$ 21,116,401	$ 20,122,287	994,114
Changes for the year:			
Service Cost	$ 765,019	$ 0	$ 765,019
Interest	1,599,409	0	1,599,409
Differences Between Expected and Actual Experience	(1,644,371)	0	(1,644,371)
Contributions-Employer	0	575,164	(575,164)
Contributions-Employees	0	452,687	(452,687)
Net Investment Income	0	3,325,792	(3,325,792)
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,111,913)	0
Administrative Expense	0	(15,136)	15,136
Other Changes	0	0	0
Net Changes	$ (391,856)	$ 3,226,594	$ (3,618,450)
Balance, June 30, 2014	$ 20,724,545	$ 23,348,881	$ (2,624,336)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	37.58%	$ 7,788,284	$ 8,774,510	$ (986,226)
Retirement Facilities	13.94%	2,889,002	3,254,834	(365,832)
School Department	48.48%	10,047,259	11,319,537	(1,272,278)
Total		$ 20,724,545	$ 23,348,881	$ (2,624,336)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Wayne County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Wayne County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ (118,274)	$ (2,624,336)	$ (4,714,400)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Wayne County recognized pension income of $271,517.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Wayne County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 0	$ 1,315,497
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,456,272
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	386,488	N/A
Total	$ 386,488	$ 2,771,769

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 230,565	$ 1,041,631
Retirement Facilities	6,561	386,384
School Department	149,362	1,343,754
Total	$ 386,488	$ 2,771,769

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	$ (692,942)
2017	(692,942)
2018	(692,942)
2019	(692,942)
2020	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Wayne County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Retirement Facilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 37.58 percent, the non-certified employees of the discretely presented School Department comprise 48.48 percent, and employees of the discretely presented Wayne County Retirement Facilities comprise 13.94 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Wayne County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent

COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were $11,037, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Wayne County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Wayne County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	$ 11,037	N/A

The Wayne County School Department's employer contributions of $11,037 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Wayne County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Wayne County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were $917,538, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Wayne County School Department reported an asset of $44,114 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Wayne County School Department's proportion of the net pension asset was based on Wayne County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, Wayne County School Department's proportion was .271476 percent. The proportion measured as of June 30, 2013, was .273866 percent.

Pension Income. For the year ended June 30, 2015, the Wayne County School Department recognized a pension income of $43,452.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Wayne County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 107,097	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,634,676
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	33,713
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	917,538	N/A
Total	$ 1,024,635	$ 3,668,389

The Wayne County School Department's employer contributions of $917,538, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	$ (896,438)
2017	(896,438)
2018	(896,438)
2019	(896,438)
2020	12,231
Thereafter	12,231

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market International Equity	6.26		17	
Emerging Market International Equity	6.40		5	
Private Equity and Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Wayne County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Wayne County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 7,440,250	$ (44,114)	$ (6,240,355)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Wayne County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Wayne County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Wayne County School Department contributed $3,706 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

The Wayne County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

I. Other Postemployment Benefits (OPEB)

Discretely Presented Wayne County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for teachers. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2015, the discretely presented Wayne County School Department contributed $152,568 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 489,000
Interest on the NOPEBO	126,121
Adjustment to the ARC	(122,872)
Annual OPEB cost	$ 492,249
Amount of contribution	(152,568)
Increase/decrease in NOPEBO	$ 339,681
Net OPEB obligation, 7-1-14	3,153,021
Net OPEB obligation, 6-30-15	$ 3,492,702

Fiscal Year Ended	Plan		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation at Year End
6-30-13	Local Education Group	$	628,080	26%	$	2,870,201
6-30-14	"		474,957	40		3,153,021
6-30-15	"		492,249	31		3,492,702

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:
(dollars in thousands)

		Local Education Group Plan
Actuarial valuation date		7-1-13
Actuarial accrued liability (AAL)	$	4,621
Actuarial value of plan assets	$	0
Unfunded actuarial accrued liability (UAAL)	$	4,621
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	$	13,030
UAAL as a % of covered payroll		35%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Termination Benefits

The discretely presented Wayne County School Department offers a voluntary termination benefit for employees who retire with 30 years of experience in the Wayne County School System or have reached 60 years of age and are eligible for full retirement with the Tennessee Consolidated Retirement System. The employees must also have at least 50 days of accumulated sick leave and not be retired from another school system. This incentive consists of a cash payment equivalent to 50 percent of the regular daily salary for each day of accumulated sick leave at the retirement date, to be paid out at $6,000 per year. Currently, 22 school employees have accepted the board's offer. The estimated cost of the cash payment reported in the government-wide Statement of Net Position is $427,176. The estimated cost did not include a discounted rate because the School Department felt its effects were immaterial. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

K. Pollution Remediation

Approximately 40 years ago, Wayne County Highway Department purchased salvaged steel from a Giles County scrap vendor for the construction of approximately 60 county bridges.

In 2009, mercury was discovered in Beech Creek, and it was determined that the source of the mercury was one of the bridges constructed from the salvaged steel. The ensuing investigation traced the source of the steel to Occidental Chemical Company in Muscle Shoals, Alabama. The steel beams were originally used as troughs in a chemical process to manufacture sodium hydroxide. The steel was coated in a layer of mercury, which was then coated in granite. When the steel was scrapped, the granite and mercury layers were not removed. When Wayne County constructed bridges from the steel, the granite and mercury layers, which were mistaken for concrete, were left on the steel and installed facing downward. Over time, the mercury has leached out of the mixture and dripped into the waterway.

Occidental Chemical Company is owned by Glen Springs Holding Company. Glen Springs has agreed to take all responsibility for the cleanup operation. All of the approximately 60 bridges that have been identified as constructed with the salvaged steel will be removed and replaced with new bridges. The steel will be transported to a landfill in Texas designed to accept this type of hazardous material. Glen Springs will bear the full cost of removal, cleanup, disposal, and replacement of the bridges. Additionally, they have agreed to bear the cost of dredging the creek beds if that process is determined to be necessary. This agreement between Glen Springs and Wayne County is documented by a Memorandum of Understanding, a copy of which is available in the Wayne County Executive's Office.

Based on the limited information available at June 30, 2015, future remediation costs could not be reasonably determined.

L. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated* (*TCA*), which provide for all purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provides for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding $10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

Wayne County Emergency Communications District is a component unit of Wayne County, Tennessee. The district encompasses the same boundaries as Wayne County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Wayne County Executive. The

Wayne County Commission has the ability to adjust the district's service charges. The district must obtain the County Commission's approval before the issuance of most debt. The district is considered a political subdivision and is exempt from federal and state income taxes.

2. **Basis of Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable. The district uses the economic resources measurement focus in the financial statements.

3. **Cash and Cash Equivalents**

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

4. **Capital Assets**

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant, and equipment in service is from three to 40 years. The district does capitalize interest incurred on construction projects.

5. **Estimates**

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

6. **Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. **Supply Inventory**

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

8. **Operating Revenues and Operating Expenses**

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

B. Cash and Certificates of Deposit

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in deposit accounts. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The district has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the district's name.

C. Capital Assets

A summary of changes in capital assets in service is as follows:

	Balance 7-1-14	Additions	Disposals	Balance 6-30-15
Land	$ 55,244	$ 0	$ 0	$ 55,244
Equipment	837,181	71,449	(103,370)	805,260
Buildings	820,294	5,828	0	826,122
Vehicles	45,522	0	0	45,522
Maps	32,227	0	0	32,227
	$ 1,790,468	$ 77,277	$ (103,370)	$ 1,764,375
Less Accumulated Depreciation	(432,883)			(408,195)
Utility Plant - Net	$ 1,357,585			$ 1,356,180

All assets except land are being depreciated.

D. Long-term Debt

The following is a summary of changes in long-term debt:

	Balance 7-1-14	Retirements	Balance 6-30-15
Mortgage Loan	$ 484,977	$ (30,000)	$ 454,977
Equipment Lease	135,667	(135,667)	0
Total	$ 620,644	$ (165,667)	$ 454,977

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2016	$ 30,000	$ 20,703
2017	30,000	19,338
2018	30,000	17,973
2019	35,000	16,608
2020	35,000	15,015
2021-2025	200,000	49,823
2026-2027	94,977	6,599
Total	$ 454,977	$ 146,059

The building of the district is pledged as collateral on the mortgage loan indebtedness until the existing principal and interest are paid in full.

E. Risk Management

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

F. Commitments and Contingencies

Federal and State Grants

In the normal course of operations, the district receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities; the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise because of these audits, is not believed to be material.

G. <u>Budgets and Budgetary Accounting</u>

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles.

2. The board approves total budget appropriations. The manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the board.

3. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

The *Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts* establishes the legal budget level of control to be at the line-item level.

Required Supplementary Information

Exhibit E-1

Wayne County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014
Total Pension Liability (Asset)	
Service Cost	$ 765,019
Interest	1,599,409
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(1,644,371)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)
Net Change in Total Pension Liability (Asset)	$ (391,856)
Total Pension Liability (Asset), Beginning	21,116,401
Total Pension Liability (Asset), Ending (a)	$ 20,724,545
Plan Fiduciary Net Position	
Contributions - Employer	$ 575,164
Contributions - Employee	452,687
Net Investment Income	3,325,792
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)
Administrative Expense	(15,136)
Net Change in Plan Fiduciary Net Position	$ 3,226,594
Plan Fiduciary Net Position, Beginning	20,122,287
Plan Fiduciary Net Position, Ending (b)	$ 23,348,881
Net Pension Liability (Asset), Ending (a - b)	$ (2,624,336)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.66%
Covered Employee Payroll	$ 9,043,479
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	29.02%

Note: ten years of data will be presented when available.

Note: data presented is 37.58% primary government, 48.48% discretely presented non-certified employees of the School Department, and 13.94% discretely presented Wayne County Hospital District.

Exhibit E-2

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015
Actuarially Determined Contribution	$ 575,164	$ 386,488
Less Contributions in Relation to the Actuarially Determined Contribution	(575,164)	(386,488)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 9,043,479	$ 7,594,091
Contributions as a Percentage of Covered Employee Payroll	6.36%	5.09%

Note: ten years of data will be presented when available.

Note: data presented is primary government, discretely presented non-certified employees of the School Department, and discretely presented Wayne County Hospital District.

Exhibit E-3

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30

		2015
Actuarially Determined Contribution	$	6,898
Less Contributions in Relation to the Actuarially Determined Contribution		(11,037)
Contribution Deficiency (Excess)	$	(4,139)
Covered Employee Payroll	$	275,918
Contributions as a Percentage of Covered Employee Payroll		4.00%

Note: ten years of data will be presented when available.

Exhibit E-4

Wayne County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30

	2014	2015
Actuarially Determined Contribution	$ 946,200	$ 917,538
Less Contributions in Relation to the Actuarially Determined Contribution	(946,200)	(917,538)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Employee Payroll	$ 10,655,397	$ 10,153,088
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Wayne County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Wayne County School Department
For the Fiscal Year Ended June 30 *

		2014
School Department's Proportion of the Net Pension Asset		0.271476%
School Department's Proportionate Share of the Net Pension Asset	$	44,114
Covered Employee Payroll	$	10,655,397
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll		0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be precented when available.

Exhibit E-6

Wayne County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Wayne County School Department
June 30, 2015

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	$ 0	$ 6,454	$ 6,454	0 %	$ 13,467	48 %
"	7-1-11	0	6,186	6,186	0	13,450	46
"	7-1-13	0	4,621	4,621	0	13,030	35

WAYNE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	3 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%