JONES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2010

JONES COUNTY, GEORGIA

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FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

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JONES COUNTY, GEORGIA

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Jones County, Georgia
Gray, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Jones County, Georgia (the "County")**, as of and for the year ended August 31, 2010, which collectively comprise Jones County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jones County Board of Health, which statements reflect total assets of $669,041 as of June 30, 2010, and total revenues of $511,184 for the year ended June 30, 2010, nor did we audit the financial statements of the Development Authority of Jones County, which statements reflect total assets of $3,148,041 as of August 31, 2010, and total revenues of $536,770 for the year ended August 31, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Jones County Board of Health and the Development Authority of Jones County in the component unit columns is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jones County, Georgia as of August 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2011, on our consideration of Jones County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 11) and the Schedule of Funding Progress on page 58 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jones County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Jones County, Georgia. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
February 23, 2011

As management of Jones County, Georgia, we offer readers of Jones County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended August 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The assets of Jones County exceeded its liabilities at August 31, 2009, by $43,270,742 (net assets) and at August 31, 2010, by $43,773,388 (net assets). Of this amount, $6,906,873 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, which is an increase in unrestricted net assets from the prior year of $5,878,619.

- At August 31, 2010, the County's total fund balances as summarized for all governmental fund types on page 19 of the financial statements were $8,628,229. At August 31, 2009, the County's total fund balances as summarized for all governmental funds were $8,387,039, an increase of $241,190, or approximately 3%, from the 2009 fiscal year.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to Jones County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Jones County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Jones County's increase in its unrestricted net assets in 2009 and 2010 demonstrates the continued improvement in Jones County's financial position.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The business-type activities of the County include water and sewer, and the golf course. The government-wide financial statements include not only Jones County itself (known as the primary government), but also the Jones County Department of Public Health, and the Jones County Development Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jones County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Jones County maintains governmental funds to account for the following activities: General; Special Revenue (Jail Improvement, Drug Education, Law Library, Confiscation, Enhanced 911, and Juvenile Costs and Fees); Capital Projects (2006 Transportation Enhancement Activities, 1999 SPLOST Capital Projects, 2004 SPLOST Capital Projects, 2009 SPLOST Capital Projects, 2006 CDBG Grant, CHIP Grant, and Impact Fee Fund); and Debt Service (Bradley Tax District Debt Service, River North Tax District Debt Service, 1999 Sales Tax Revenue Bond Debt Service, and 2004 Sales Tax Revenue Bond Debt Service). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and 2009 SPLOST Capital Projects, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Jones County adopts an annual appropriated budget for its general, special revenue, capital projects, and debt service funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

Proprietary funds. Jones County uses enterprise funds, also known as the business-type functions, to account for the Jones County Water and Sewer Fund and Lake Jonesco Golf Course. The proprietary funds are reflected in the business-type activities of the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Jones County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Jones County, assets exceed liabilities by $43,270,742 at the close of the 2009 fiscal year and by $43,773,388 at the close of the 2010 fiscal year, an increase of $502,646 or 1%. Of the $43,270,742, $32,301,664 resulted from governmental activities and $10,969,078 resulted from the County's business-type activities in 2009. In comparison, for fiscal year 2010, of the $43,773,388, $32,831,732 resulted from the County's governmental activities and $10,941,656 resulted from the County's business-type activities.

By far the largest portion of the County's net assets (80% in 2009 and 2010) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Jones County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	$ 9,743,614	$ 9,802,451	$ 828,645	$ 643,426	$ 10,572,259	$ 10,445,877
Capital assets	24,791,865	24,752,700	11,507,779	11,475,550	36,299,644	36,228,250
Total assets	34,535,479	34,555,151	12,336,424	12,118,976	46,871,903	46,674,127
Other liabilities	1,060,255	1,050,099	149,847	141,203	1,210,102	1,191,302
Long-term liabilities outstanding	1,173,560	673,320	1,217,499	1,036,117	2,391,059	1,709,437
Total liabilities	2,233,815	1,723,419	1,367,346	1,177,320	3,601,161	2,900,739
Net assets:						
Invested in capital assets, net of related debt	24,173,438	24,664,387	10,290,280	10,453,705	34,463,718	35,118,092
Restricted	2,847,900	1,690,159	80,505	58,264	2,928,405	1,748,423
Unrestricted	5,280,326	6,477,186	598,293	429,687	5,878,619	6,906,873
Total net assets	$ 32,301,664	$ 32,831,732	$ 10,969,078	$ 10,941,656	$ 43,270,742	$ 43,773,388

An additional portion of Jones County's total net assets (7% in 2009 and 4% in 2010) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets ($5,878,619 in 2009 and $6,906,873 in 2010) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Jones County is able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the County's net assets by 352,642 in 2009 and increased by $530,068 in 2010. Key elements of this increase are as follows:

Jones County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program revenues						
Charges for services	$ 2,979,391	$ 3,129,968	$ 1,906,087	$ 1,819,268	$ 4,885,478	$ 4,949,236
Operating grants and contributions	334,942	315,650	-	-	334,942	315,650
Capital grants and contributions	1,694,326	368,501	429,450	319,129	2,123,776	687,630
General revenues:						
Property taxes	10,749,782	10,690,483	-	-	10,749,782	10,690,483
Sales taxes	4,210,669	4,540,268	-	-	4,210,669	4,540,268
Other taxes	1,429,485	1,333,910	-	-	1,429,485	1,333,910
Unrestricted investment earnings	178,811	112,928	10,516	8,145	189,327	121,073
Total revenues	21,577,406	20,491,708	2,346,053	2,146,542	23,923,459	22,638,250
Expenses:						
General government	4,097,639	3,931,441	-	-	4,097,639	3,931,441
Judicial	1,361,790	1,340,469	-	-	1,361,790	1,340,469
Public safety	6,267,838	6,199,421	-	-	6,267,838	6,199,421
Public works	5,730,874	6,400,434	-	-	5,730,874	6,400,434
Health and welfare	521,791	529,833	-	-	521,791	529,833
Culture and recreation	709,399	729,625	-	-	709,399	729,625
Housing and development	366,486	310,636	-	-	366,486	310,636
Interest on long-term debt	31,412	9,387	-	-	31,412	9,387
Water and sewer	-	-	2,299,665	2,211,031	2,299,665	2,211,031
Golf course	-	-	489,211	473,327	489,211	473,327
Total expenses	19,087,229	19,451,246	2,788,876	2,684,358	21,876,105	22,135,604
Change in net assets before transfers	2,490,177	1,040,462	(442,823)	(537,816)	2,047,354	502,646
Transfers	(2,137,535)	(510,394)	2,137,535	510,394	-	-
Change in net assets	352,642	530,068	1,694,712	(27,422)	2,047,354	502,646
Net assets, beginning	31,949,022	32,301,664	9,274,366	10,969,078	41,223,388	43,270,742
Net assets, ending	$ 32,301,664	$ 32,831,732	$ 10,969,078	$ 10,941,656	$ 43,270,742	$ 43,773,388

Financial Analysis of the Government's Funds

As noted earlier, Jones County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Jones County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2010 fiscal year, the County's governmental funds reported combined ending fund balances of $8,628,229, an increase of $241,190 in comparison with the prior year. Specifically, the reserved fund balance for debt service decreased $1,171,414; the fund balance reserved for inventory increased $1,186; reserved fund balance for prepaid items decreased $18,247; unreserved general fund increased $386,558; unreserved special revenue funds decreased $48,433; and unreserved fund balance in the capital project funds increased $853,285. Approximately 96% of the combined fund balance ($8,267,424) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the 2010 fund balance is reserved ($360,805) to indicate that it is not available for new spending because it has already been committed to pay for debt service ($39,174), for prepaid items ($270,331) and for inventory ($51,300).

The General Fund is the chief operating fund of Jones County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $5,058,338, while total fund balance reached $5,379,940. The 2010 **unreserved** fund balance of the General Fund increased $386,558 and the **reserved** fund balance increased $19,404. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31% of total General Fund expenditures, while total fund balance represents 33% of that same amount.

The fund balance of the County's, **total** General Fund increased by $405,962 during the current fiscal year. The County's revenues collected in 2010 were more than the final amended budget by $96,513. The County's expenditures were less than the final amended budget by $185,109. With the other financing sources and uses ($400,556), the net result is the increase of $405,962.

The 1999 SPLOST Capital Projects fund accounts for the financial resources provided from the 1999 General Obligation Sales Tax Bonds and the 1999 one percent Special Purpose Local Option Sales Tax. These resources must be used for improvements to parks and recreation facilities, recycling facilities, the civic center, EMA equipment and facility, public works equipment and buildings, roads and bridges, patrol cars, and shared revenue of 21.7% with the City of Gray for water and sewer improvements. At the end of the 2010 fiscal year, the 1999 SPLOST Capital Projects fund had a fund balance of $127,528. The 1999 Sales Tax Revenue Bond Debt Service had a fund balance of $198,487. All activities of the 1999 SPLOST are reported between the two funds. The proceeds from sales tax collections are reported in the Debt Service Fund. The capital expenditures are reported in the 1999 Capital Projects Fund.

The project length budget for the 2004 SPLOST is $12,500,000 and general obligation bonds were obtained July 2004, in the amount of $2,000,000. The financial resources must be used for funding the following capital outlay projects: EMA agency, public safety, and fire department facilities and improvements; improvements to the Highway 18 East recreational complex; satellite recreational facilities; capital outlay expenditures for the County recreation

department; facility and landscaping improvements at the Jones County Civic and Cultural Center; acquisition of land and improvements at the Jones County Government Center and the Jones County Courthouse; capital outlay expenditures at the Lake Jonesco Golf Course; water and sewer improvements for Jones County; water and sewer improvements for the City of Gray; construction of a municipal administrative building for the City of Gray; capitalized interest and cost with respect to the general obligation debt; road, street, and bridge purposes, including the purchase of road maintenance equipment for Jones County; road, street, and bridge purposes in the City of Gray. At the end of the 2010 fiscal year, the 2004 SPLOST Capital Projects Fund had a fund balance of $1,001,867.

The 2009 SPLOST Capital Projects fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. These resources must be used for recreation facilities and equipment, public works capital projects, sheriff's department capital improvements, rehabilitation of government buildings, including animal control facility, renovation of Old Clinton Tanyard, library capital improvements, emergency management facilities and equipment, industrial park capital improvements, golf course capital improvements, and shared revenue of 19.2% with the City of Gray for water and sewer improvements.

Proprietary funds. Jones County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund types are enterprise funds.

At the end of the current fiscal year, unrestricted net assets of the Water and Sewer Fund were $391,861, a decrease of $194,728, or 33%. The decrease experienced in 2009 was $262,541. Unrestricted net assets of the Golf Course Fund were $37,826, an increase in 2010 of $26,122 resulting in combined total unrestricted assets of $429,687, a decrease of $168,606. The Water and Sewer Fund reflects restricted net assets of $19,078 for debt service, a decrease of $21,436. For the year ended August 31, 2009, the proprietary funds indicate total net assets of $10,969,078 and $10,941,656 for 2010. This is a decrease in total net assets for the proprietary funds in the amount of $27,422.

Nonoperating Revenues (Expenses) and Transfers

	2009	2010
Net operating income (loss):		
Water and Sewer Fund	$ (541,051)	$ (509,689)
Golf Course Fund	(278,509)	(301,639)
Total net operating income (loss)	(819,560)	(811,328)
Nonoperating revenues (expenses)	(52,713)	(45,617)
Income (loss) before transfers and contributions	(872,273)	(856,945)
Capital Contributions	2,362,930	533,477
Transfers in (out)	204,055	296,046
Changes in net assets	$ 1,694,712	$ (27,422)

General Fund Budgetary Highlights

The major impact between the actual and the final amended budgets were variances in property taxes ($89,176), intergovernmental revenues ($7,265), and general administration expenditures ($498,646). The disparity between the final budget and actual budget included: an $18,189 increase in the chief executive department, which includes an increase in clerk administration due to a capital lease adjustment for a new Canon copier; and a $287,726 increase in public works administration due to a payment of $269,540 for work on Homer Roberts Road that was performed in FY2010. Also, in public works administration there was an adjustment of $18,159 to the gas inventory.

Through strict scrutiny of county spending and difficult economic conditions, County management was able to hold spending, as well as, perform cost analysis of required larger purchases and repairs and maintenance. The actual net change in fund balance was an increase of $405,962. At the end of the year, the County reflected a positive variance with final budget which caused an excess of revenues over expenditures in the amount of $281,622. End of year actual fund balance is $5,379,940 in the General Fund, which will cover expenses for approximately three and one-half months.

Capital Asset and Debt Administration

Capital assets. Jones County's investment in capital assets for its governmental activities as of August 31, 2010, decreased $39,165 to $24,752,700 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Jones County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land	$ 1,026,386	$ 1,074,699	$ 209,547	$ 209,547	$ 1,235,933	$ 1,284,246
Land improvements	2,337,562	2,768,874	-	-	2,337,562	2,768,874
Buildings and improvements	8,765,687	8,506,738	311,509	302,652	9,077,196	8,809,390
Golf course improvements	-	-	230,794	216,755	230,794	216,755
Machinery and equipment	2,361,374	2,218,604	521,242	426,876	2,882,616	2,645,480
Furniture and fixtures	3,506	2,003	-	-	3,506	2,003
Water system			8,383,516	8,602,836	8,383,516	8,602,836
Water storage tanks			664,222	582,620	664,222	582,620
RN sewer system			1,036,780	993,581	1,036,780	993,581
Pumping station			150,169	140,683	150,169	140,683
Infrastructure	8,938,813	7,829,596	-	-	8,938,813	7,829,596
Construction in progress	1,358,537	2,352,186	-	-	1,358,537	2,352,186
Total	$ 24,791,865	$ 24,752,700	$ 11,507,779	$ 11,475,550	$ 36,299,644	$ 36,228,250

Major projects in 2010 included the following:

- New water lines added in county-Riverbend Project (completed)
- HPP Sidewalks and Bike Trails (not completed)
- Hwy 49 Fire Station Parking Lot (completed)
- Civic Center Streetscape TE project (not completed)
- Homer Roberts Road (not completed)
- Developmental Authority-Industrial Park (not completed)
- CDBG Drainage Grant-Haddock (completed)
- Liberty Park Walkways (not completed)
- HWY 18 Recreation Expansion (not completed)
- Creekside Plantation (not completed)
- Road Infrastructure Improvement-Industrial Park (not completed)

Long-term debt. At the end of the current fiscal year, Jones County had total outstanding bonded debt of $518,000, of which $80,000 comprises debt backed by the full faith and credit of the government and $438,000 is secured solely by specified revenue services. The total long-term debt of the County, other than bonds is $1,191,437.

- o Capital Leases are used to finance new equipment primarily in Public Works and Sheriff's department, but occasionally in other various departments.
- o The Compensated Absences line item reflects the vacation pay employees have earned but not yet taken.
- o Jones County closed its landfill located on Overland Way in 1996. Federal and state laws require maintenance and monitoring of the landfill for period of (30) years. The County has (16) years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all postclosure care in 2010. However, the actual cost may be higher due to inflation, changes in technology, or changes in laws.

Jones County's Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental activities:					
General obligation bonds	$ 600,000	$ -	$ 520,000	$ 80,000	$ 80,000
Notes payable	1,967	-	1,967	-	-
Capital leases	16,460	10,269	18,416	8,313	3,266
Landfill postclosure	290,700	26,180	18,640	298,240	18,640
Compensated absences	264,433	259,524	272,887	251,070	200,856
Net pension obligation		35,697		35,697	
	$ 1,173,560	$ 331,670	$ 831,910	$ 673,320	$ 302,762
Business-type activities:					
Revenue bonds	$ 468,000	$ -	$ 30,000	$ 438,000	$ 34,000
Notes payable	613,701	-	124,854	488,847	130,222
Capital leases	135,798	-	40,800	94,998	43,501
Compensated absences	15,838	19,454	21,020	14,272	11,418
Total	$ 1,233,337	$ 19,454	$ 216,674	$ 1,036,117	$ 219,141

Economic Factors and Next Year's Budgets

- The unemployment rate for Jones County is at 9.0% which is lower than the Middle Georgia rate of 9.6%, and the State of Georgia rate of 10.0%. (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: www.dol.state.ga.us).
- Jones County anticipates maintaining a steady amount of Local Option Sales Tax Revenues as it has in the past. Jones County, the City of Gray, and the City of Macon renegotiated its revenue sharing arrangements for LOST taxes and agreed to continue at the same percentage rates as it has previously shared. The County will retain 83.9%, City of Gray will receive 15.5% and the City of Macon (for the Shurlington area) will receive 0.6%. These numbers were previously based on population as opposed to revenues. (Georgia Department of Revenue website: www.etax.dor.ga.gov).
- The value of the County's tax digest decreased from $761,092,113 to $760,069,119, and the County has adopted a Freeport ordinance granting a 100% exemption to encourage and promote economic growth.
- The County's Net Maintenance and Operations (M&O) millage rate in the unincorporated areas remained the same as in the previous year (13.33).

Requests for Information

This financial report is designed to provide a general overview of Jones County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Jones County, and P.O. Box 1359, Gray, Georgia 31032.

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
AUGUST 31, 2010

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 8,190,803	$ 281,399	$ 8,472,202
Investments	32,832	-	32,832
Taxes receivable	716,308	-	716,308
Interest receivable	285	-	285
Accounts receivable, net of allowances	231,980	187,459	419,439
Note receivable, current portion	-	22,445	22,445
Due from other governments	213,087	-	213,087
Internal balances	3,389	(3,389)	-
Inventories	51,300	10,453	61,753
Prepaid items	361,700	4,797	366,497
Restricted assets, cash	-	95,915	95,915
Note receivable, net of current portion	-	35,497	35,497
Deferred charges, unamortized balance	767	8,850	9,617
Capital assets, non-depreciable - held for resale	-	-	-
Capital assets, non-depreciable	3,426,885	209,547	3,636,432
Capital assets, depreciable, net of accumulated depreciation	21,325,815	11,266,003	32,591,818
Total assets	34,555,151	12,118,976	46,674,127
LIABILITIES			
Accounts payable	691,964	27,974	719,938
Accrued liabilities	188,965	18,387	207,352
Unearned revenues	38,424	-	38,424
Due to other governments	55,390	-	55,390
Other current liabilities	74,889	-	74,889
Accrued interest	467	-	467
Liabilities payable from restricted assets	-	128,842	128,842
Capital leases due within one year	3,266	43,501	46,767
Capital leases due in more than one year	5,047	51,497	56,544
Compensated absences due within one year	200,856	11,418	212,274
Compensated absences due in more than one year	50,214	2,854	53,068
Notes payable due within one year	-	130,222	130,222
Notes payable due in more than one year	-	358,625	358,625
Bonds payable due within one year	80,000	-	80,000
Bonds payable due in more than one year	-	404,000	404,000
Landfill due within one year	18,640	-	18,640
Landfill due in more than one year	279,600	-	279,600
Net pension obligation due in more than one year	35,697	-	35,697
Total liabilities	1,723,419	1,177,320	2,900,739

Component Units	
Jones County Board of Health	Development Authority of Jones County
$ 659,050	$ 222,906
-	-
-	-
-	-
8,910	500
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	40,600
-	2,875,843
-	-
1,081	8,192
669,041	3,148,041
15,530	19,080
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
3,583	-
32,246	-
-	-
-	-
-	150,000
-	3,084,400
-	-
-	-
-	-
51,359	3,253,480

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
AUGUST 31, 2010

NET ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Invested in capital assets, net of related debt	$ 24,664,387	$ 10,453,705	$ 35,118,092
Restricted for:			
Other purposes	-	39,186	39,186
Capital projects	1,650,985	-	1,650,985
Debt service	39,174	19,078	58,252
Unrestricted	6,477,186	429,687	6,906,873
Total net assets	$ 32,831,732	$ 10,941,656	$ 43,773,388

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

Component Units	
Jones County Board of Health	Development Authority of Jones County
$ 1,081	$ (350,365)
362,439	-
-	-
-	-
254,162	244,926
$ 617,682	$ (105,439)

JONES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,931,441	$ 458,755	$ 9,886	$ -
Judicial	1,340,469	733,860	25,220	-
Public safety	6,199,421	1,336,379	114,357	-
Public works	6,400,434	442,990	133,149	368,501
Health and welfare	529,833	-	-	-
Culture and recreation	729,625	54,602	18,338	-
Housing and development	310,636	103,382	14,700	-
Interest on long-term debt	9,387	-	-	-
Total governmental activities	19,451,246	3,129,968	315,650	368,501
Business-type activities:				
Water and sewer	2,211,031	1,655,121	-	319,129
Golf course	473,327	164,147	-	-
Total business-type activities	2,684,358	1,819,268	-	319,129
Total primary government	$ 22,135,604	$ 4,949,236	$ 315,650	$ 687,630
Component units:				
Jones County Board of Health	$ 409,649	$ 202,525	$ 308,659	$ -
Development Authority of Jones County	627,163	-	83,125	453,645
Total component units	$ 1,036,812	$ 202,525	$ 391,784	$ 453,645
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Intangible taxes				
Alcoholic beverage taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expenses) Revenues and Changes in Net Assets					
				Component Units	
Governmental Activities	Business-type Activities	Total	Jones County Board of Health	Development Authority of Jones County
$ (3,462,800)	$ -	$ (3,462,800)	$ -	$ -
(581,389)	-	(581,389)	-	-
(4,748,685)	-	(4,748,685)	-	-
(5,455,794)	-	(5,455,794)	-	-
(529,833)	-	(529,833)	-	-
(656,685)	-	(656,685)	-	-
(192,554)	-	(192,554)	-	-
(9,387)	-	(9,387)	-	-
(15,637,127)	-	(15,637,127)	-	-
-	(236,781)	(236,781)	-	-
-	(309,180)	(309,180)	-	-
-	(545,961)	(545,961)	-	-
(15,637,127)	(545,961)	(16,183,088)	-	-
-	-	-	101,535	-
-	-	-	-	(90,393)
-	-	-	101,535	(90,393)
10,690,483	-	10,690,483	-	-
4,540,268	-	4,540,268	-	-
1,040,469	-	1,040,469	-	-
98,975	-	98,975	-	-
105,283	-	105,283	-	-
89,183	-	89,183	-	-
112,928	8,145	121,073	-	2,682
-	-	-	-	16,000
(510,394)	510,394	-	-	-
16,167,195	518,539	16,685,734	-	18,682
530,068	(27,422)	502,646	101,535	(71,711)
32,301,664	10,969,078	43,270,742	516,147	(33,728)
$ 32,831,732	$ 10,941,656	$ 43,773,388	$ 617,682	$ (105,439)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,273,727	$ 1,291,514	$ 1,625,562	$ 8,190,803
Investments	-	-	32,832	32,832
Taxes receivable	427,414	288,492	402	716,308
Interest receivable	-	-	285	285
Accounts receivable	30,674	-	201,306	231,980
Due from other governments	212,795	-	292	213,087
Due from other funds	150,106	-	19,992	170,098
Inventories	51,300	-	-	51,300
Prepaid items	270,302	91,369	29	361,700
Total assets	$ 6,416,318	$ 1,671,375	$ 1,880,700	$ 9,968,393
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 601,014	$ 72,674	$ 18,276	$ 691,964
Accrued liabilities	178,462	-	10,503	188,965
Deferred revenues	142,393	19,854	-	162,247
Due to other governments	-	55,390	-	55,390
Due to other funds	39,620	-	127,089	166,709
Other current liabilities	74,889	-	-	74,889
Total liabilities	1,036,378	147,918	155,868	1,340,164

(Continued)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
FUND BALANCES				
Fund balances:				
Reserved for:				
Debt service	$ -	$ -	$ 39,174	$ 39,174
Inventory	51,300	-	-	51,300
Prepaid items	270,302	-	29	270,331
Unreserved reported in:				
General fund	5,058,338	-	-	5,058,338
Special revenue funds	-	-	283,303	283,303
Debt service funds	-	-	198,487	198,487
Capital projects funds	-	1,523,457	1,203,839	2,727,296
Total fund balances	5,379,940	1,523,457	1,724,832	8,628,229
Total liabilities and fund balances	$ 6,416,318	$ 1,671,375	$ 1,880,700	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,752,700
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	123,823
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(673,020)
Net assets of governmental activities	$ 32,831,732

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

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 14,096,589	$ 2,457,304	$ 75,723	$ 16,629,616
Licenses and permits	176,486	-	-	176,486
Intergovernmental	307,750	-	4,478	312,228
Fines and forfeitures	401,063	-	150,969	552,032
Charges for services	1,776,839	-	537,238	2,314,077
Impact fees	-	-	64,607	64,607
Investment income	100,594	2,736	9,598	112,928
Miscellaneous	24,708	-	1,480	26,188
Total revenues	16,884,029	2,460,040	844,093	20,188,162
Expenditures				
Current:				
General government	3,359,424	-	-	3,359,424
Judicial	1,251,437	-	25,464	1,276,901
Public safety	4,730,315	-	784,366	5,514,681
Public works	5,245,754	-	-	5,245,754
Health and welfare	509,385	-	-	509,385
Culture and recreation	642,368	-	-	642,368
Housing and development	317,428	-	-	317,428
Intergovernmental	-	472,110	-	472,110
Capital outlay	-	694,326	1,087,265	1,781,591
Debt service:				
Principal	20,383	-	520,000	540,383
Interest and fiscal charges	1,017	-	11,411	12,428
Total expenditures	16,077,511	1,166,436	2,428,506	19,672,453
Excess (deficiency) of revenues over (under) expenditures	806,518	1,293,604	(1,584,413)	515,709

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Capital leases	$ 10,269	$ -	$ -	$ 10,269
Proceeds from sale of assets	11,258	-	-	11,258
Transfers in	-	-	641,625	641,625
Transfers out	(422,083)	-	(515,588)	(937,671)
Total other financing sources (uses)	(400,556)	-	126,037	(274,519)
Net change in fund balances	405,962	1,293,604	(1,458,376)	241,190
Fund balance, beginning of year	4,973,978	229,853	3,183,208	8,387,039
Fund balance, end of year	$ 5,379,940	$ 1,523,457	$ 1,724,832	$ 8,628,229

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

JONES COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

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

Net change in fund balances - total governmental funds	$	241,190
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(206,058)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		166,893
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(64,955)
The issuance of long-term debt 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 assets. Also, governmental funds report the effect of issuance costs, 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 net effect of these differences in the treatment of long-term debt and related items.		519,834
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 governmental funds.		(126,836)
	$	530,068

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

JONES COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 10,654,344	$ 10,611,736	$ 10,700,912	$ 89,176
Sales taxes	2,037,451	2,061,766	2,061,767	1
Other taxes	1,360,605	1,333,907	1,333,910	3
Licenses and permits	145,500	176,482	176,486	4
Intergovernmental	541,391	300,485	307,750	7,265
Fines and forfeitures	451,000	401,062	401,063	1
Charges for services	1,646,869	1,776,779	1,776,839	60
Investment income	150,000	100,593	100,594	1
Miscellaneous	20,700	24,706	24,708	2
Total revenues	17,007,860	16,787,516	16,884,029	96,513
Expenditures:				
Current:				
General government:				
Governing body	121,639	109,718	109,725	(7)
Chief executive	619,548	624,409	642,598	(18,189)
Elections	132,008	105,446	105,457	(11)
Law	137,393	158,717	158,719	(2)
Data processing	121,403	92,895	92,904	(9)
Tax commissioner	387,063	394,276	394,288	(12)
Tax assessor	371,087	307,436	307,449	(13)
Board of equalization	7,829	4,664	4,667	(3)
Risk management	207,505	201,574	201,578	(4)
Buildings and plant	492,832	494,718	497,449	(2,731)
Records management	6,500	2,675	2,677	(2)
General administration	1,069,809	1,340,559	841,913	498,646
Total general government	3,674,616	3,837,087	3,359,424	477,663
Judicial:				
Superior court	509,862	493,461	493,479	(18)
District attorney	145,659	132,257	132,259	(2)
Magistrate court	163,504	155,815	155,823	(8)
Probate court	274,796	270,706	270,712	(6)
Juvenile court	78,724	76,477	76,481	(4)
Operation early intervention	42,496	39,961	39,965	(4)
Grand jury	4,200	5,493	5,494	(1)
Public defender	85,035	77,222	77,224	(2)
Total judicial	1,304,276	1,251,392	1,251,437	(45)

(Continued)

JONES COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Law enforcement administration	$ 2,908,899	$ 2,726,872	$ 2,728,065	$ (1,193)
Jail operations	1,530,245	1,459,645	1,459,920	(275)
Adult probation and parole	1,500	2,140	2,141	(1)
Fire	67,443	55,800	56,119	(319)
Ambulance	2,624	2,619	2,619	-
Coroner	79,588	76,257	76,261	(4)
Animal control	137,145	112,921	112,937	(16)
Emergency management	297,974	292,233	292,253	(20)
Total public safety	5,025,418	4,728,487	4,730,315	(1,828)
Public works:				
Administration	3,796,351	3,800,135	4,087,861	(287,726)
Sanitary administration	293,177	292,752	292,759	(7)
DNR code enforcement	47,932	48,802	48,806	(4)
Solid waste collection	181,000	194,556	194,557	(1)
Recycling	389,261	371,826	371,886	(60)
Landfill	30,750	21,474	21,475	(1)
Public education	32,652	28,679	28,686	(7)
Maintenance and shop	202,233	199,713	199,724	(11)
Total public works	4,973,356	4,957,937	5,245,754	(287,817)
Health and welfare:				
Public health	169,368	169,453	169,453	-
Welfare	75,000	75,000	75,000	-
Older American Council	49,473	48,509	48,514	(5)
5311 transportation	231,796	216,413	216,418	(5)
Total health and welfare	525,637	509,375	509,385	(10)
Culture and recreation:				
Recreation centers	601,124	509,335	509,403	(68)
Jonesco restoration	13,850	10,988	10,990	(2)
Libraries	124,947	121,968	121,975	(7)
Total culture and recreation	739,921	642,291	642,368	(77)

(Continued)

JONES COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Housing and development:				
Agricultural resources	$ 71,199	$ 67,357	$ 67,368	$ (11)
Planning and zoning	194,485	166,923	166,935	(12)
Economic development	83,125	83,125	83,125	-
Total housing and development	348,809	317,405	317,428	(23)
Debt service				
Principal	28,156	18,421	20,383	(1,962)
Interest and fiscal charges	7,587	225	1,017	(792)
Total debt service	35,743	18,646	21,400	(2,754)
Total expenditures	16,627,776	16,262,620	16,077,511	185,109
Excess of revenues over expenditures	380,084	524,896	806,518	281,622
Other financing sources (uses):				
Capital lease	-	-	10,269	10,269
Proceeds from sale of assets	-	11,257	11,258	1
Transfers out	(931,562)	(535,400)	(422,083)	113,317
Total other financing sources (uses)	(931,562)	(524,143)	(400,556)	123,587
Net change in fund balance	(551,478)	753	405,962	405,209
Fund balance, beginning of year	4,973,978	4,973,978	4,973,978	-
Fund balance, end of year	$ 4,422,500	$ 4,974,731	$ 5,379,940	$ 405,209

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

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2010

ASSETS	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Golf Course Fund	Totals
CURRENT ASSETS			
Cash	$ 268,221	$ 13,178	$ 281,399
Accounts receivable, net of allowances	187,459	-	187,459
Note receivable, current portion	22,445	-	22,445
Restricted assets, cash	95,915	-	95,915
Due from other funds	-	19,628	19,628
Inventories	-	10,453	10,453
Prepaid items	2,912	1,885	4,797
Total current assets	576,952	45,144	622,096
NONCURRENT ASSETS			
Note receivable, net of current portion	35,497	-	35,497
Deferred charges, unamortized balance	8,850	-	8,850
Capital assets			
Capital assets, non-depreciable	86,667	122,880	209,547
Capital assets, depreciable, net of accumulated depreciation	10,823,498	442,505	11,266,003
Total capital assets	10,910,165	565,385	11,475,550
Total noncurrent assets	10,954,512	565,385	11,519,897
Total assets	$ 11,531,464	$ 610,529	$ 12,141,993
LIABILITIES			
CURRENT LIABILITIES			
Payable from current assets:			
Accounts payable	$ 27,974	$ -	$ 27,974
Accrued liabilities	12,535	5,852	18,387
Capital lease payable, current portion	-	43,501	43,501
Compensated absences, current portion	10,245	1,173	11,418
Notes payable, current portion	130,222	-	130,222
Due to other funds	23,017	-	23,017
Total payable from current assets	203,993	50,526	254,519

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2010

	Major Enterprise Fund Water and Sewer Fund	Nonmajor Enterprise Fund Golf Course Fund	Totals
Payable from restricted assets:			
Accrued interest payable	$ 4,757	$ -	$ 4,757
Revenue bonds payable, current portion	34,000	-	34,000
Customer deposits payable	90,085	-	90,085
Total payable from restricted assets	128,842	-	128,842
Total current liabilities	332,835	50,526	383,361
NONCURRENT LIABILITIES			
Revenue bonds payable, net of current portion	404,000	-	404,000
Capital lease payable, net of current portion	-	51,497	51,497
Compensated absences, net of current portion	2,561	293	2,854
Notes payable, net of current portion	358,625	-	358,625
Total noncurrent liabilities	765,186	51,790	816,976
Total liabilities	1,098,021	102,316	1,200,337
NET ASSETS			
Invested in capital assets, net of related debt	9,983,318	470,387	10,453,705
Restricted for:			
Debt service	19,078	-	19,078
Renewal and replacement	39,186	-	39,186
Unrestricted	391,861	37,826	429,687
Total net assets	$ 10,433,443	$ 508,213	$ 10,941,656

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

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Major Enterprise Fund	Nonmajor Enterprise Fund	
	Water and Sewer Fund	Golf Course Fund	Totals
Operating revenues:			
Charges for services:			
Water sales pledged as security for revenue bonds	$ 1,226,990	$ -	$ 1,226,990
Sewer sales	171,159	-	171,159
Connection fees	139,506	-	139,506
Golf course charges	-	164,147	164,147
Other operating income	117,466	-	117,466
Total operating revenues	1,655,121	164,147	1,819,268
Operating expenses:			
Salaries and benefits	610,797	260,874	871,671
Purchased/contracted services	393,042	25,097	418,139
Supplies and materials	657,494	100,021	757,515
Other	2,846	-	2,846
Amortization	723	-	723
Depreciation	499,908	79,794	579,702
Total operating expenses	2,164,810	465,786	2,630,596
Operating loss	(509,689)	(301,639)	(811,328)
Nonoperating revenues (expenses):			
Investment income	7,883	262	8,145
Interest expense	(46,221)	(7,541)	(53,762)
Total nonoperating expenses	(38,338)	(7,279)	(45,617)
Loss before contributions and transfers	(548,027)	(308,918)	(856,945)
Capital contributions	520,632	12,845	533,477
Transfers in	-	296,046	296,046
Change in net assets	(27,395)	(27)	(27,422)
Net assets, beginning of year	10,460,838	508,240	10,969,078
Net assets, end of year	$ 10,433,443	$ 508,213	$ 10,941,656

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

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Major Enterprise Fund	Nonmajor Enterprise Fund	
	Water and Sewer Fund	Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,665,175	$ 164,147	$ 1,829,322
Payments to suppliers and service providers	(1,032,233)	(141,194)	(1,173,427)
Payments to employees	(610,941)	(260,873)	(871,814)
Net cash provided by (used in) operating activities	22,001	(237,920)	(215,919)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	296,046	296,046
Net cash provided by noncapital financing activities	-	296,046	296,046
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(13,996)	-	(13,996)
Principal paid on bonds	(30,000)	-	(30,000)
Principal paid on notes payable	(124,854)	-	(124,854)
Principal paid on capital leases	-	(40,800)	(40,800)
Interest paid	(47,021)	(7,541)	(54,562)
Net cash used in capital and related financing activities	(215,871)	(48,341)	(264,212)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	7,883	262	8,145
Payments received on note receivable	21,516	-	21,516
Net cash provided by investing activities	29,399	262	29,661
Net increase (decrease) in cash and cash equivalents	(164,471)	10,047	(154,424)
Cash and cash equivalents:			
Beginning of year	528,607	3,131	531,738
End of year	$ 364,136	$ 13,178	$ 377,314

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Major Enterprise Fund	Nonmajor Enterprise Fund	
	Water and Sewer Fund	Golf Course Fund	Totals
Classified as:			
Cash and cash equivalents	$ 268,221	$ 13,178	$ 281,399
Restricted assets, cash and cash equivalents	95,915	-	95,915
	$ 364,136	$ 13,178	$ 377,314
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (509,689)	$ (301,639)	$ (811,328)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	499,908	79,794	579,702
Amortization	723	-	723
Decrease in accounts receivable	1,069	-	1,069
Increase in due from other funds	-	(19,628)	(19,628)
Decrease in inventories	-	3,597	3,597
(Increase) decrease in prepaid items	638	(45)	593
Decrease in accounts payable	(2,414)	-	(2,414)
Increase (decrease) in accrued liabilities	1,474	(51)	1,423
Increase (decrease) in compensated absences	(1,618)	52	(1,566)
Increase in due to other funds	22,925	-	22,925
Increase in customer deposits payable	8,985	-	8,985
Net cash provided by (used in) operating activities	$ 22,001	$ (237,920)	$ (215,919)
Noncash investing, capital, and financing activities:			
Contributions of capital assets	$ 319,129	$ -	$ 319,129
Transfer of capital assets from other funds	201,503	12,845	214,348
Total noncash investing, capital and financing activities	$ 520,632	$ 12,845	$ 533,477

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

JONES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2010

	Agency Funds
ASSETS	
Cash	$ 219,957
Taxes receivable	242,240
Due from others	21,821
Total assets	$ 484,018
LIABILITIES	
Due to others	$ 484,018

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jones County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. The Reporting Entity

Jones County was established under the provisions of an act of the General Assembly of Georgia. The County operates under a County Commissioner form of government (four commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Jones County, Georgia (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 relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, the financial statements of the component units are discretely presented in the government-wide financial statements.

Jones County Board of Health

The governing board of the Jones County Board of Health (the "Board of Health") consists of seven members – the school superintendent, the Mayor of the City of Gray, the Chairman of the Jones County Board of Commissioners, one additional member appointed by the City of Gray and three additional members appointed by the Jones County Board of Commissioners. The County, by virtue of its appointments, controls a majority of the Board of Health's governing body positions. The Board of Health submits all operating budgets to the County each year. The County provides significant funding to the Board of Health, based on the approved budgets. The Board maintains its financial records on a fiscal year ending June 30. Complete financial statements of the Jones County Board of Health can be obtained from the Jones County clerk:

Jones County Board of Commissioners
P.O. Box 1359
Gray, Georgia 31032

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Development Authority of Jones County, Georgia

The governing board of the Development Authority of Jones County, Georgia (the "Development Authority") consists of seven members appointed by the Jones County Board of Commissioners. The Authority was reactivated by the Jones County Board of Commissioners on October 19, 1999 and is operated under the provisions of the Official Code of Georgia (OCGA) 36-62.

The purpose of the Development Authority is to promote and expand, for the public good and welfare, industry and trade within Jones County and to reduce unemployment to the greatest extent possible. The Development Authority maintains its financial records on a fiscal year ending August 31. Complete financial statements can be obtained from the Jones County clerk:

Jones County Board of Commissioners
P.O. Box 1359
Gray, Georgia 31032

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

The ***General Fund*** 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Capital Projects 2009 SPLOST Fund*** is used to account for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax.

The County reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system, including all revenues and costs of providing water and sewer services to residents of Jones County.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** are used to account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Debt Service Funds*** account for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

The ***Capital Projects Funds*** account for the acquisition of capital assets and construction or improvement of major capital projects.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges for services 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and discretely presented component units to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments are stated at fair value.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Land improvements	20-40
Buildings and improvements	40
Machinery and equipment	5
Furniture and fixtures	5-7
Infrastructure	20-50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $673,020 difference are as follows:

Accrued interest	$	(467)
Capital leases payable		(8,313)
Landfill postclosure costs		(298,240)
Compensated absences		(251,070)
Bonds payable		(80,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)		767
Net pension obligation		(35,697)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(673,020)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $206,058 difference are as follows:

Capital outlay	$	2,231,460
Depreciation expense		(2,437,518)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(206,058)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

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 (Continued)

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this $166,893 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	$	368,501
Transfers of capital assets to other funds decrease net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		(165,253)
In the statement of activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.		(36,355)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	166,893

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $519,834 difference are as follows:

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

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 (Continued)

Debt incurred:		
Capital leases	$	(10,269)
Landfill postclosure costs		(26,180)
Principal repayments:		
Capital leases		18,416
Notes payable		1,967
Bonds payable		520,000
Landfill postclosure costs		18,640
Amortization of issuance costs		(2,740)
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net assets - governmental activities*	$	519,834

Another element of that reconciliation states that "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 governmental funds." The details of this $126,836 difference are as follows:

Compensated absences	$	13,363
Accrued interest		5,781
Net pension obligation		(145,980)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(126,836)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The annual budget document is the financial plan for the operation of Jones County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). An annual operating budget is prepared for the General Fund, the special revenue funds, and the debt service funds. Proprietary fund budgets are prepared and utilized as a management tool to assess the operations of the enterprise funds.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Budgetary Data (Continued). The County's finance department formulates and remits the budget to the Budget Committee, which is made up of all members of the Jones County Commission. The Budget Committee conducts budget hearings with all departments and agencies. After a review by the Budget Committee and a public hearing, a final budget is approved when the budget resolution is adopted.

The legal level of budgetary control is the department level. The County Clerk is delegated the authority, upon direction of and approval by unanimous vote of the appropriate committee of the Board of Commissioners, to transfer sums from one budget category to another within the same department. No increase in the overall budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget.

Budgets are also prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. The County's finance department prepares the budget for projects based upon architectural and engineering estimates and other factors. Appropriations covering capital projects are normally approved by the Board of Commissioners at the time that the annual operating budgets are approved. Major capital facilities and improvements, which are accounted for by the County within the Capital Projects Funds, are subject to budgetary control on a project basis. The County Clerk is delegated the authority, upon direction of and approval by unanimous vote of the buildings and properties committee, to transfer sums from one project to another. No increase in the overall capital projects budget can be made without the approval of the Board of Commissioners and amendment to the budget. Appropriations for a specific project do not lapse until completion of the project.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County.

The supplementary budgetary appropriations made were not material.

Excess Expenditures over Appropriations. For the year ended August 31, 2010, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
Chief executive	$ 18,189
Public works administration	287,726
Debt service	2,754

These overexpenditures were funded by underexpenditures in other departments.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of August 31, 2010, the County's only investment was a certificate of deposit.

At August 31, 2010, the County had the following investment:

Investment	Maturities	Fair Value
Certificate of deposit	12 months	$ 32,832

Interest rate risk. The 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.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of August 31, 2010, the deposits of the County were undercollateralized by $50,831, as defined by GASB pronouncements and the State of Georgia. However, the State of Georgia provides for a 10-day grace period within which the excess funds can be withdrawn or additional collateral may be pledged. The financial institution pledged additional collateral in the 10-day grace period.

NOTE 5. RECEIVABLES

Receivables at August 31, 2010 consist of the following:

	General	SPLOST 2009 Fund	Water and Sewer	Nonmajor Funds	Total
Receivables:					
Taxes	$ 427,414	$ 288,492	$ -	$ 402	$ 716,308
Interest	-	-	-	285	285
Note	-	-	57,942	-	57,942
Accounts	30,674	-	229,118	201,306	461,098
Gross receivables	458,088	288,492	287,060	201,993	1,235,633
Less allowance	-	-	(41,659)	-	(41,659)
Net receivables	$ 458,088	$ 288,492	$ 245,401	$ 201,993	$ 1,193,974

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the tax assessors of Jones County.

Upon completion of all assessments and tax returns, the information is turned over to the Jones County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The State Revenue Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property	Motor Vehicles
Assessment date	January 1, 2009	January 1, 2009
Levy date	October 10, 2009	January 1, 2009
Due date and collection date	December 10, 2009	Staggered
Tax execution date/lien date	January 10, 2010	N/A

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available as net current assets. In the accompanying financial statements, the property tax levy for the tax year 2009 has been recognized as revenue, since payment of these taxes was due during the current fiscal year.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended August 31, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,026,386	$ 48,313	$ -	$ -	$ 1,074,699
Construction in progress	1,358,537	1,694,751	-	(701,102)	2,352,186
Total	2,384,923	1,743,064	-	(701,102)	3,426,885
Capital assets, being depreciated:					
Land improvements	2,761,604	-	-	535,849	3,297,453
Buildings and improvements	13,387,060	83,891	-	-	13,470,951
Machinery and equipment	9,011,834	590,006	(355,475)	(20,403)	9,225,962
Furniture and fixtures	53,765	-	-	-	53,765
Infrastructure	49,764,466	183,000	-	-	49,947,466
Total	74,978,729	856,897	(355,475)	515,446	75,995,597
Less accumulated depreciation for:					
Land improvements	424,042	104,537	-	-	528,579
Buildings and improvements	4,621,373	342,840	-	-	4,964,213
Machinery and equipment	6,650,460	696,421	(319,120)	(20,403)	7,007,358
Furniture and fixtures	50,259	1,503	-	-	51,762
Infrastructure	40,825,653	1,292,217	-	-	42,117,870
Total	52,571,787	2,437,518	(319,120)	(20,403)	54,669,782
Total capital assets, being depreciated, net	22,406,942	(1,580,621)	(36,355)	535,849	21,325,815
Governmental activities capital assets, net	$ 24,791,865	$ 162,443	$ (36,355)	$ (165,253)	$ 24,752,700

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 209,547	$ -	$ -	$ -	$ 209,547
Total	209,547	-	-	-	209,547
Capital assets, being depreciated:					
Buildings	342,806	-	-	-	342,806
Water system	12,675,682	319,125	-	165,253	13,160,060
Water storage tanks	2,913,100	-	-	-	2,913,100
River North sewer system	2,159,960	-	-	-	2,159,960
Golf course improvements	296,840	-	-	-	296,840
Pumping stations	320,692	-	-	-	320,692
Machinery and equipment	1,229,472	63,095	-	20,403	1,312,970
Total	19,938,552	382,220	-	185,656	20,506,428
Less accumulated depreciation for:					
Buildings	31,297	8,857	-	-	40,154
Water system	4,292,166	265,058	-	-	4,557,224
Water storage tanks	2,248,878	81,602	-	-	2,330,480
River North sewer system	1,123,180	43,199	-	-	1,166,379
Golf course improvements	66,046	14,039	-	-	80,085
Pumping stations	170,523	9,486	-	-	180,009
Machinery and equipment	708,230	157,461	-	20,403	886,094
Total	8,640,320	579,702	-	20,403	9,240,425
Total capital assets, being depreciated, net	11,298,232	(197,482)	-	165,253	11,266,003
Business-type activities capital assets, net	$ 11,507,779	$ (197,482)	$ -	$ 165,253	$ 11,475,550

During the year ended August 31, 2010, assets with a net book value of $165,253 were transferred from Governmental activities to Business-type activities.

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	$ 103,838
Judicial	63,700
Public safety	580,181
Public works	1,571,881
Health and welfare	20,448
Culture and recreation	97,470
Total depreciation expense - governmental activities	$ 2,437,518
Business-type activities:	
Water and sewer	$ 499,908
Golf course	79,794
Total depreciation expense - business-type activities	$ 579,702

Capital asset activity for the Development Authority for the fiscal year ended August 31, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,834,943	$ 40,900	$ -	$ 2,875,843
Total	2,834,943	40,900	-	2,875,843
Capital assets, being depreciated:				
Furniture and fixtures	5,830	-	-	5,830
Equipment	3,950	8,856	-	12,806
Total	9,780	8,856	-	18,636
Less accumulated depreciation for:				
Furniture and fixtures	5,830	-	-	5,830
Equipment	3,950	664	-	4,614
Total	9,780	664	-	10,444
Total capital assets, being depreciated, net	-	8,192	-	8,192
Capital assets, net	$ 2,834,943	$ 49,092	$ -	$ 2,884,035

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended August 31, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 600,000	$ -	$ 520,000	$ 80,000	$ 80,000
Notes payable	1,967	-	1,967	-	-
Capital leases	16,460	10,269	18,416	8,313	3,266
Landfill postclosure	290,700	26,180	18,640	298,240	18,640
Compensated absences	264,433	259,524	272,887	251,070	200,856
Net pension obligation	-	35,697	-	35,697	-
Totals	$ 1,173,560	$ 331,670	$ 831,910	$ 673,320	$ 302,762
Business-type activities:					
Revenue bonds	$ 468,000	$ -	$ 30,000	$ 438,000	$ 34,000
Notes payable	613,701	-	124,854	488,847	130,222
Capital leases	135,798	-	40,800	94,998	43,501
Compensated absences	15,838	19,454	21,020	14,272	11,418
Totals	$ 1,233,337	$ 19,454	$ 216,674	$ 1,036,117	$ 219,141

For governmental activities, compensated absences and landfill postclosure costs are ordinarily liquidated by the General Fund.

The beginning balance of business-type activities above has been increased by $15,838 to properly reflect the compensated absences balance that was previously classified as accrued liabilities.

General Obligation Bonds. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds at August 31, 2010 consisted of the following:

$460,000 2004 Jones County, Georgia River North Special Services District General Obligation Bonds due in annual installments of $60,000 to $80,000 through January 1, 2011, plus interest at 3.50%.	$ 80,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued). Debt service requirements to maturity on the general obligation bonds are as follows:

Year ending August 31,	Principal	Interest
2011	$ 80,000	$ 1,400

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions.

The cost of assets under capital leases as of August 31, 2010:

	Governmental Activities	Business-type Activities
Equipment	$ 10,269	$ 207,050

The County's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities	Business-type Activities
Fiscal Year Ending August 31,		
2011	$ 4,128	$ 48,341
2012	4,128	52,028
2013	1,381	-
Total minimum lease payments	9,637	100,369
Less amount representing interest	(1,324)	(5,371)
Present value of future minimum lease payments	$ 8,313	$ 94,998

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds. The Water Revenue Bonds constitute special obligations of the County secured by the revenue from the operation of the water system. The terms of the bond indentures require all revenues to be accumulated in a sinking fund until such time as an amount has been accumulated sufficient to pay the annual installment of principal and interest coming due on the next succeeding payment date. The remaining revenues can be used to pay the current operating costs of the system. Revenue bonds outstanding as of August 31, 2010, are as follows:

Series 1980 $513,000 Water Revenue Bonds, due in annual installments of $16,000 to $30,000 through July 1, 2019, plus interest at 5.0%.	$ 220,000
Series 1983 $400,000 Water Revenue Bonds, due in annual installments of $12,000 to $24,000 through July 1, 2022, plus interest at 5.0%.	218,000
	$ 438,000

Debt service requirements to maturity on the revenue bonds are as follows:

Year ending August 31,	Principal	Interest
2011	$ 34,000	$ 21,900
2012	34,000	20,200
2013	36,000	18,500
2014	40,000	16,700
2015	40,000	14,700
2016-2020	208,000	40,800
2021-2022	46,000	3,500
	$ 438,000	$ 136,300

Notes Payable. On February 3, 2003, the Water and Sewer Fund incurred debt to a local financial institution to refinance loans from the Georgia Environmental Facilities Authority. This loan is due in quarterly installments of $32,846 including interest at 4.25% quarterly, through February 4, 2013. The amount outstanding at August 31, 2010, is $310,024. Additionally, during the year ended August 31, 2005, the County transferred a loan with a local financial institution from the general long-term debt account group to the Water and Sewer Fund. This loan is due in monthly installments of $1,424 including interest at 4.0% monthly, through March 7, 2024. The amount outstanding at August 31, 2010, is $178,823.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued).

Debt service requirements to maturity on the water and sewer notes payable are as follows:

Year ending August 31,	Principal	Interest
2011	$ 130,222	$ 18,253
2012	135,797	12,677
2013	75,621	7,161
2014	11,409	5,681
2015	11,874	5,216
2016-2020	67,029	18,421
2021-2023	56,895	4,263
	$ 488,847	$ 71,672

Landfill Postclosure Costs. Effective December 20, 1996, the Jones County-Cumslo Road landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, Jones County must perform certain maintenance and monitoring functions at the landfill site for a period of 30 years. As of August 31, 2010, the County has 16 years of monitoring remaining. The liability for the landfill postclosure care costs is estimated to be $298,240 as of August 31, 2010. These estimated costs are based on what it would cost to perform all postclosure care in 2010. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 8. LONG-TERM DEBT – DEVELOPMENT AUTHORITY

Revenue Bonds. The Development Authority issued revenue bonds during fiscal year 2007 in the amount of $3,250,000 as part of a land acquisition project. The bonds mature on January 1, 2027 and pay interest at 4% on January 1 and July 1 in each year, beginning July 1, 2007. The principal amount outstanding at August 31, 2010 was $3,250,000.

Debt service requirements to maturity on this issue are as follows:

Year ending August 31,	Principal	Interest
2011	$ 150,000	$ 130,000
2012	155,000	124,000
2013	160,000	117,800
2014	165,000	111,400
2015	175,000	104,800
2016-2020	980,000	413,600
2021-2025	1,195,000	201,000
2026	270,000	10,800
	$ 3,250,000	$ 1,213,400

Long-term debt liability activity for the fiscal year ended August 31, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds - 2007	$ 3,250,000	$ -	$ -	$ 3,250,000	$ 150,000
Bond discount	(16,575)	-	975	(15,600)	-
Totals	$ 3,233,425	$ -	$ 975	$ 3,234,400	$ 150,000

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 23,017
General Fund	Nonmajor governmental funds	127,089
Nonmajor governmental funds	General Fund	19,992
Nonmajor business-type fund	General Fund	19,628
		$ 189,726

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor business-type fund	General Fund	$ 296,046
Nonmajor governmental funds	General Fund	126,037
Nonmajor governmental funds	Nonmajor governmental funds	515,588
		$ 937,671

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended August 31, 2010, the County transferred capital assets with a net book value of $165,253 from the General Fund to the Water and Sewer Fund. This transfer is reflected in the Water and Sewer Fund and in the governmental activities column in the government-wide financial statements.

NOTE 10. JOINT VENTURE

Under Georgia law, the County is a participating member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended August 31, 2010, the County paid $21,829 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Middle Georgia Regional Commission, 175 C Emery Highway, Macon, Georgia 31217.

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Jones County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2010, (the most recent actuarial valuation date) are as follows:

	January 1, 2010	January 1, 2009
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 545,460	$ 514,567
Interest on Net Pension Obligation	2,767	(8,547)
Amortization of Net Pension Obligation	(5,960)	9,145
Annual Pension Cost	$ 542,267	$ 515,165

Derivation of Net Pension Obligation	
Annual Pension Cost for Prior Year	$ 515,165
Actual Contributions to Plan for Prior Year	369,185
Increase in Net Pension Obligation (Asset)	145,980
Net Pension Obligation (Asset) as of Beginning of Prior Year	(110,283)
Net Pension Obligation as of Beginning of the Year	$ 35,697

Basis of Valuation	
Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.5%-7.0% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Trend Information for The Plan				
Plan Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/10	$ 545,267	$ N/A	N/A %	$ 35,697
1/1/09	515,165	369,185	72	(110,283)
1/1/08	421,259	438,240	104	(93,302)
1/1/07	366,594	385,630	105	(74,266)
1/1/06	336,731	362,643	108	(48,354)
1/1/05	267,317	290,938	109	(24,733)

As of the most recent valuation date, January 1, 2010, the funded status of the Plan was as follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 4,332,863	$ 6,017,052	$ 1,684,189	72.0 %	$ 4,648,871	36.2 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

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 results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. CONTINGENCIES AND COMMITMENTS

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at August 31, 2010, the County has contractual commitments on uncompleted contracts of approximately $301,295.

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 4,332,863	$ 6,017,052	$ 1,684,189	72.0 %	$ 4,648,871	36.2 %
12/31/2008	3,912,836	5,324,190	1,411,354	73.5	4,007,745	35.2
12/31/2007	3,722,078	4,704,906	982,828	79.1	3,542,234	27.7
12/31/2006	3,231,101	4,209,832	978,731	76.8	3,278,991	29.8
12/31/2005	2,767,648	3,665,741	898,093	75.5	2,815,806	31.9
12/31/2004	2,438,271	3,302,381	864,110	73.8	2,493,767	34.7

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Jail Improvement Fund – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Drug Education Fund – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

Law Library Fund – To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

Confiscation Fund – To account for monies deemed as forfeited property by courts to Jones County from cases related to illegal drug activity.

Enhanced 911 Fund – To account for the operations of the County's E911 system.

Juvenile Costs and Fees Fund – To account for fines and donations, which can be used to rehabilitate juveniles at the discretion of the juvenile judge.

Debt Service Funds

2004 Sales Tax Revenue Bond Debt Service – To account for the accumulation of resources for the payment of debt principal and interest for the 2004 General Obligation Sales Tax Bonds.

Bradley Tax District Debt Service – To account for the accumulation of resources for the payment of debt principal and interest for the Bradley Tax District Bond Issue.

River North Tax District Debt Service – To account for the accumulation of resources for the payment of debt principal and interest for the River North Tax District Bond Issue.

1999 Sales Tax Revenue Bond Debt Service – To account for the accumulation of resources for the payment of debt principal and interest for the 1999 General Obligation Sales Tax Bonds.

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NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Projects Funds

Impact Fee Fund – To account for capital projects activity funded by development impact fees.

Capital Projects 1999 SPLOST Fund – To account for the financial resources provided from the 1999 General Obligation Sales Tax Bonds and the 1999 one percent Special Purpose Local Option Sales Tax.

Capital Projects 2004 SPLOST Fund – To account for the financial resources provided from the 2004 General Obligation Sales Tax Bonds and the one percent Special Purpose Local Option Sales Tax.

2006 TEA Grant Fund – To account for proceeds and expenditures from funds received from the Department of Transportation for street paving and construction.

CHIP Grant Fund – To account for proceeds and expenditures of the Community Home Investment Program Grant received from the Georgia Department of Community Affairs.

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2010

	Special Revenue			
	Jail Improvement Fund	Drug Education Fund	Law Library Fund	Confiscation Fund
ASSETS				
Cash	$ 30,933	$ 6,136	$ 8,170	$ 25,921
Investments	-	-	32,832	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	285	-
Accounts receivable	-	-	-	-
Due from other governments	-	292	-	-
Due from other funds	-	-	-	4,440
Prepaid items	-	-	-	-
Total assets	$ 30,933	$ 6,428	$ 41,287	$ 30,361
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	1,070	301	-
Due to other funds	-	2,685	-	-
Total liabilities	-	3,755	301	-
FUND BALANCES				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Unreserved	30,933	2,673	40,986	30,361
Total fund balances	30,933	2,673	40,986	30,361
Total liabilities and fund balances	$ 30,933	$ 6,428	$ 41,287	$ 30,361

Enhanced 911 Fund	Juvenile Costs and Fees Fund	Debt Service: 2004 Sales Tax Revenue Bond Debt Service	Debt Service: Bradley Tax District Debt Service	Debt Service: River North Tax District Debt Service
$ 93,571	$ 17,063	$ -	$ -	$ 38,772
-	-	-	-	-
-	-	-	-	402
-	-	-	-	-
201,306	-	-	-	-
-	-	-	-	-
-	-	-	-	-
29	-	-	-	-
$ 294,906	$ 17,063	$ -	$ -	$ 39,174
$ 54	$ -	$ -	$ -	$ -
9,132	-	-	-	-
124,404	-	-	-	-
133,590	-	-	-	-
29	-	-	-	-
-	-	-	-	39,174
161,287	17,063	-	-	-
161,316	17,063	-	-	39,174
$ 294,906	$ 17,063	$ -	$ -	$ 39,174

(Continued)

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2010

	Debt Service	Capital Projects		
	1999 Sales Tax Revenue Bond Debt Service	Impact Fee Fund	Capital Projects 1999 SPLOST Fund	Capital Projects 2004 SPLOST Fund
ASSETS				
Cash	$ 198,487	$ 74,164	$ 130,196	$ 1,001,867
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 198,487	$ 74,164	$ 130,196	$ 1,001,867
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ 2,668	$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	2,668	-
FUND BALANCES				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Unreserved	198,487	74,164	127,528	1,001,867
Total fund balances	198,487	74,164	127,528	1,001,867
Total liabilities and fund balances	$ 198,487	$ 74,164	$ 130,196	$ 1,001,867

2006 TEA Grant Fund	CHIP Grant Fund	Totals
$ 100	$ 182	$ 1,625,562
-	-	32,832
-	-	402
-	-	285
-	-	201,306
-	-	292
15,552	-	19,992
-	-	29
$ 15,652	$ 182	$ 1,880,700
$ 15,554	$ -	$ 18,276
-	-	10,503
-	-	127,089
15,554	-	155,868
-	-	29
-	-	39,174
98	182	1,685,629
98	182	1,724,832
$ 15,652	$ 182	$ 1,880,700

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Special Revenue			
	Jail Improvement Fund	Drug Education Fund	Law Library Fund	Confiscation Fund
Revenues:				
Property tax	$ -	$ -	$ -	$ -
Intergovernmental	-	38	-	4,440
Fines and forfeitures	47,655	32,121	21,156	50,037
Charges for services	-	-	-	-
Impact fees	-	-	-	-
Investment income	162	49	700	619
Miscellaneous	-	-	-	-
Total revenues	47,817	32,208	21,856	55,096
Expenditures:				
Current:				
Judicial	-	-	21,340	-
Public safety	21,562	58,200	-	127,817
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	21,562	58,200	21,340	127,817
Excess (deficiency) of revenues over (under) expenditures	26,255	(25,992)	516	(72,721)
Other financing sources (uses):				
Transfers in	-	25,984	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	25,984	-	-
Net change in fund balances	26,255	(8)	516	(72,721)
Fund balances (deficit), beginning of year	4,678	2,681	40,470	103,082
Fund balances, end of year	$ 30,933	$ 2,673	$ 40,986	$ 30,361

		Debt Service		
Enhanced 911 Fund	Juvenile Costs and Fees Fund	2004 Sales Tax Revenue Bond Debt Service	Bradley Tax District Debt Service	River North Tax District Debt Service
$ -	$ -	$ -	$ 3,273	$ 72,450
-	-	-	-	-
-	-	-	-	-
537,238	-	-	-	-
-	-	-	-	-
517	202	-	1	46
-	1,480	-	-	-
537,755	1,682	-	3,274	72,496
-	4,124	-	-	-
576,787	-	-	-	-
-	-	-	-	-
-	-	445,000	-	75,000
-	-	6,801	-	4,610
576,787	4,124	451,801	-	79,610
(39,032)	(2,442)	(451,801)	3,274	(7,114)
39,028	-	-	-	-
-	-	(115)	-	-
39,028	-	(115)	-	-
(4)	(2,442)	(451,916)	3,274	(7,114)
161,320	19,505	451,916	(3,274)	46,288
$ 161,316	$ 17,063	$ -	$ -	$ 39,174

(Continued)

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

	Debt Service	Capital Projects		
	1999 Sales Tax Revenue Bond Debt Service	Impact Fee Fund	Capital Projects 1999 SPLOST Fund	Capital Projects 2004 SPLOST Fund
Revenues:				
Property tax	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Impact fees	-	64,607	-	-
Investment income	1,576	551	140	5,035
Miscellaneous	-	-	-	-
Total revenues	1,576	65,158	140	5,035
Expenditures:				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Capital outlay	-	-	421,245	607,435
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	421,245	607,435
Excess (deficiency) of revenues over (under) expenditures	1,576	65,158	(421,105)	(602,400)
Other financing sources (uses):				
Transfers in	-	-	515,473	115
Transfers out	(515,473)	-	-	-
Total other financing sources (uses)	(515,473)		515,473	115
Net change in fund balances	(513,897)	65,158	94,368	(602,285)
Fund balances (deficit), beginning of year	712,384	9,006	33,160	1,604,152
Fund balances, end of year	$ 198,487	$ 74,164	$ 127,528	$ 1,001,867

2006 TEA Grant Fund	CHIP Grant Fund	Totals
$ -	$ -	$ 75,723
-	-	4,478
-	-	150,969
-	-	537,238
-	-	64,607
-	-	9,598
-	-	1,480
-	-	844,093
-	-	25,464
-	-	784,366
58,585	-	1,087,265
-	-	520,000
-	-	11,411
58,585	-	2,428,506
(58,585)	-	(1,584,413)
61,025	-	641,625
-	-	(515,588)
61,025	-	126,037
2,440	-	(1,458,376)
(2,342)	182	3,183,208
$ 98	$ 182	$ 1,724,832

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1999 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Recreation facilities and equipment	$ 1,473,755	$ 1,473,755	$ 1,980,973	$ 192,344	$ 2,173,317
Fire department and emergency management facilities and improvements	3,406,467	3,406,467	2,842,208	189,998	3,032,206
Sheriff's department capital improvements	710,700	710,700	647,054	-	647,054
Public works capital projects	645,000	645,000	634,002	-	634,002
Administrative and Head Start facilities and improvements	341,136	341,136	238,090	38,903	276,993
Solid waste facilities and equipment	136,455	136,455	112,374	-	112,374
Civic center renovation	403,678	403,678	480,553	-	480,553
City of Gray	2,061,500	2,061,500	2,048,763	-	2,048,763
Interest	281,309	281,309	238,612	-	238,612
Administrative costs	40,000	40,000	36,324	-	36,324
Total	$ 9,500,000	$ 9,500,000	$ 9,258,953	$ 421,245	$ 9,680,198

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Fire station and emergency management capital improvements	$ 450,000	$ 450,000	$ 403,138	$ 47,100	$ 450,238
Sheriff's department capital improvements	670,000	670,000	723,854	-	723,854
Recreation facilities and equipment	705,000	705,000	134,226	41,295	175,521
Government center, courthouse, and civic center renovation	800,000	800,000	1,480,358	-	1,480,358
Lake Jonesco Golf Course capital improvements	200,000	200,000	195,439	12,845	208,284
Economic development land acquisition and improvements	500,000	500,000	121,895	371,700	493,595
Water and sewer improvements for Jones County	3,738,000	3,738,000	3,732,742	102,995	3,835,737
City of Gray	1,837,000	1,837,000	2,029,779	-	2,029,779
Roads, streets, bridges, and road maintenance equipment	2,000,000	2,000,000	1,866,137	31,500	1,897,637
Roads, streets and bridges for the City of Gray	350,000	350,000	-	-	-
Interest	183,650	183,650	194,458	-	194,458
Administrative costs	100,000	100,000	27,535	-	27,535
Contingency	966,350	966,350	-	-	-
Total	$ 12,500,000	$ 12,500,000	$ 10,909,561	$ 607,435	$ 11,516,996

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Water and sewer improvements for Jones County	$ 3,000,000	$ 3,000,000	$ -	$ 471,054	$ 471,054
Recreation facilities and equipment	1,100,000	1,100,000	-	-	-
Public works capital projects	2,300,000	2,300,000	-	36,250	36,250
Sheriff's department capital improvements	1,125,000	1,125,000	-	187,022	187,022
Rehabilitation of government buildings, including animal control facility	100,000	100,000	-	-	-
Renovation of Old Clinton Tanyard	250,000	250,000	-	-	-
Library capital improvements	200,000	200,000	-	-	-
Emergency management facilities and equipment	1,312,000	1,312,000	-	-	-
Industrial park capital improvements	1,500,000	1,500,000	-	-	-
Lake Jonesco Golf Course capital improvements	425,000	425,000	-	-	-
City of Gray	2,688,000	2,688,000	58,956	472,110	531,066
Total	$ 14,000,000	$ 14,000,000	$ 58,956	$ 1,166,436	$ 1,225,392

AGENCY FUNDS

Tax Commissioner – To account for the collection and payment to Jones County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Jones County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Juvenile Court – To account for all monies received by the Juvenile Court on behalf of individuals, private organizations, other governmental units, and other funds.

JONES COUNTY, GEORGIA

AGENCY FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2010

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 42,329	$ 67,149	$ 24,314	$ 25,569
Taxes receivable	242,240	-	-	-
Due from others	-	21,821	-	-
Total assets	$ 284,569	$ 88,970	$ 24,314	$ 25,569
LIABILITIES				
Due to others	$ 284,569	$ 88,970	$ 24,314	$ 25,569

Sheriff	Juvenile Court	Total
$ 60,514	$ 82	$ 219,957
-	-	242,240
-	-	21,821
$ 60,514	$ 82	$ 484,018

$ 60,514	$ 82	$ 484,018

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COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

To the Board of Commissioners
of Jones County, Georgia
Gray, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jones County, Georgia as of and for the year ended August 31, 2010, which collectively comprise Jones County, Georgia's basic financial statements and have issued our report thereon dated February 23, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Jones County Board of Health and the Development Authority of Jones County, as described in our report on Jones County, Georgia's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jones County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jones County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jones County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-1 and 2010-2 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2010-3 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jones County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to the management of Jones County, Georgia in a separate letter dated February 23, 2011.

Jones County, Georgia's responses to the audit findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Jones County, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and the Board of Commissioners of Jones County, Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
February 23, 2011

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2010

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes _____ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes _____ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs as of August 31, 2010 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2010 - 1. Expenditure Cycle Transactions

Criteria: Procedures should be in place to ensure all payables and expenditures are properly recorded in a timely manner as part of the year-end closing procedures.

Condition: The County did not properly record a current year payable and expenditure as of August 31, 2010.

Context: See above condition.

Effect: An audit adjustment to increase accounts payable and expenditures in the amount of $269,540 was required to be reported in the General Fund.

Recommendation: We recommend the County carefully review the year-end closing entries in order to ensure the related journal entries are accurate. Additionally, the County should be sure all ending payable balances are accurate at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will carefully review all year-end closing entries to determine all payables and expenditures are properly recorded at year-end.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2010 - 2. Management of Capital Asset Accounts

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the estimated fair value on the date of the donation.

Condition: During the year ended August 31, 2010, the County did not properly record depreciation on certain assets within the Water and Sewer Fund and governmental activities. Additionally, the County did not properly record the contribution and purchase of certain capital assets within the Water and Sewer Fund.

Context: See above condition.

Effect: An audit adjustment to increase depreciation expense and accumulated depreciation by $147,216 was required to be reported within the governmental activities at the government-wide level as of August 31, 2010. Similarly, an adjustment to increase depreciation expense and accumulated depreciation by $16,577 was required to be reported within the Water and Sewer Fund. Finally, an audit adjustment to increase capital assets by $63,113, to increase capital contributions by $49,113, and to decrease expenditures by $14,000 was required to be reported within the Water and Sewer Fund as of August 31, 2010.

Recommendation: We recommend the County review all capital asset activity and record all appropriate entries in the general ledgers of the respective funds.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will review all capital asset activity and properly record items in the appropriate general ledgers.

2010 - 3. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Magistrate Court and Sheriff.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2010 - 3. Segregation of Duties (Continued)

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated between employees.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable.

JONES COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2010

2009 - 1. Expenditure Cycle Transactions

Criteria: Procedures should be in place to ensure all payables and expenditures are properly recorded in a timely manner as part of the year-end closing procedures.

Condition: The County did not properly record a current year payable and expenditure as of August 31, 2009.

Auditee response/status: Unresolved. See current finding 2010-1.

2009 - 2. Management of Capital Asset Accounts

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner. Assets donated by outside parties should also be reported, but at the estimated fair value on the date of the donation.

Condition: During the year ended August 31, 2009, the County did not properly capitalize purchased assets within the Water and Sewer Fund and Golf Course Fund. Additionally, the County did not properly recognize the contribution of capital assets within the Water and Sewer Fund and governmental activities.

Auditee response/status: Unresolved. See current finding 2010-2.

2009 - 3. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Magistrate Court and Sheriff.

Auditee response/status: Unresolved. See current finding 2010-3.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

To the Board of Commissioners
of Jones County, Georgia
Gray, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Jones County, Georgia's compliance during the year ended August 31, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grants were made for Local Assistance Grants #02-C-L-911 and #03-C-L-794. Management is responsible for Jones County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Jones County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Jones County, Georgia complied with the aforementioned requirement for the year ended August 31, 2010, is fairly stated, in all material respects.

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

Mauldin & Jenkins, LLC

Macon, Georgia
February 23, 2011

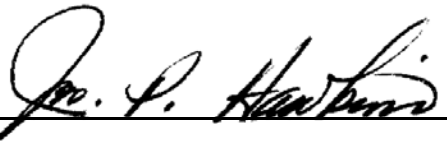
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	**Jones County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**02-C-L-911**
D	Grant Title	**Local Assistance Grant**
E	Grant Award Date	**07/02/01**
F	Grant Amount	**$40,000.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: August 31, 2010	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: August 31, 2010
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$28,523.00	
I	Grant Receipts or Revenue Recognized	$0.00	$40,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$5,100.00	$16,577.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$23,423.00	$23,423.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official  Date 2/21/11

Signature of Chief Financial Officer  Date 2/21/11

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	**Jones County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**03-C-L-794**
D	Grant Title	**Local Assistance Grant**
E	Grant Award Date	**07/01/02**
F	Grant Amount	**$15,000.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: August 31, 2010	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: August 31, 2010
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$15,000.00	
I	Grant Receipts or Revenue Recognized	$0.00	$15,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$0.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$15,000.00	$15,000.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 2/21/11

Signature of Chief Financial Officer _____ Date 2/21/11

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