JONES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2011

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FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

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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, 2011, 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 $768,420 as of June 30, 2011, and total revenues of $463,757 for the year ended June 30, 2011, nor did we audit the financial statements of the Development Authority of Jones County, which statements reflect total assets of $3,027,946 as of August 31, 2011, and total revenues of $224,844 for the year ended August 31, 2011. 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, 2011, 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.

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as of September 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2012, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 11) and the Schedule of Funding Progress on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 Annotated 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
February 24, 2012

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, 2011. 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, 2010, by $43,773,388 (net assets) and at August 31, 2011, by $43,796,469 (net assets). Of this amount, $5,418,783 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, which is a decrease in unrestricted net assets from the prior year of $6,906,873.

- At August 31, 2011, the County's total fund balances as summarized for all governmental fund types on page 19 of the financial statements were $8,371,955. At August 31, 2010, the County's total fund balances as summarized for all governmental funds were $8,628,229, a decrease of $256,274, or approximately 3%, from the 2010 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 2010 demonstrated the continued improvement in Jones County's financial position, but a decrease in 2011 demonstrates a slight deterioration 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, CHIP Grant, and Impact Fee Fund); and Debt Service (River North Tax District Debt Service and 1999 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 $43,773,388 at the close of the 2010 fiscal year and by $43,796,469 at the close of the 2011 fiscal year, an increase of $23,081 or .1%. Of the $43,773,388, $32,831,732 resulted from governmental activities and $10,941,656 resulted from the County's business-type activities in 2010. In comparison, for fiscal year 2011, of the $43,796,469, $32,956,617 resulted from the County's governmental activities and $10,839,852 resulted from the County's business-type activities.

By far the largest portion of the County's net assets (80% in 2010 and 81% in 2011) 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	
	2010	2011	2010	2011	2010	2011
Current and other assets	$ 9,802,451	$ 9,910,089	$ 643,426	$ 843,730	$ 10,445,877	$ 10,753,819
Capital assets	24,752,700	25,087,442	11,475,550	11,114,759	36,228,250	36,202,201
Total assets	34,555,151	34,997,531	12,118,976	11,958,489	46,674,127	46,956,020
Other liabilities	1,050,099	1,385,561	141,203	171,369	1,191,302	1,556,930
Long-term liabilities outstanding	673,320	655,353	1,036,117	947,268	1,709,437	1,602,621
Total liabilities	1,723,419	2,040,914	1,177,320	1,118,637	2,900,739	3,159,551
Net assets:						
Invested in capital assets, net of related debt	24,664,387	25,082,395	10,453,705	10,192,467	35,118,092	35,274,862
Restricted	1,690,159	3,018,230	58,264	84,594	1,748,423	3,102,824
Unrestricted	6,477,186	4,855,992	429,687	562,791	6,906,873	5,418,783
Total net assets	$ 32,831,732	$ 32,956,617	$ 10,941,656	$ 10,839,852	$ 43,773,388	$ 43,796,469

An additional portion of Jones County's total net assets (4% in 2010 and 7% in 2011) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets ($6,906,873 in 2010 and $5,418,783 in 2011) 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 $530,068 in 2010 and increased by $124,885 in 2011. Key elements of this increase are as follows:

Jones County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program revenues						
Charges for services	$ 3,129,968	$ 2,704,632	$ 1,819,268	$ 2,013,568	$ 4,949,236	$ 4,718,200
Operating grants and contributions	315,650	536,136	-	-	315,650	536,136
Capital grants and contributions	368,501	1,117,569	319,129	77,099	687,630	1,194,668
General revenues:						
Property taxes	10,690,483	10,538,819	-	-	10,690,483	10,538,819
Sales taxes	4,540,268	4,478,802	-	-	4,540,268	4,478,802
Other taxes	1,333,910	1,305,157	-	-	1,333,910	1,305,157
Unrestricted investment earnings	112,928	53,708	8,145	4,748	121,073	58,456
Total revenues	20,491,708	20,734,823	2,146,542	2,095,415	22,638,250	22,830,238
Expenses:						
General government	3,931,441	4,405,701	-	-	3,931,441	4,405,701
Judicial	1,340,469	1,356,936	-	-	1,340,469	1,356,936
Public safety	6,199,421	6,377,402	-	-	6,199,421	6,377,402
Public works	6,400,434	6,679,512	-	-	6,400,434	6,679,512
Health and welfare	529,833	450,188	-	-	529,833	450,188
Culture and recreation	729,625	702,041	-	-	729,625	702,041
Housing and development	310,636	318,996	-	-	310,636	318,996
Interest on long-term debt	9,387	3,114	-	-	9,387	3,114
Water and sewer	-	-	2,211,031	2,073,432	2,211,031	2,073,432
Golf course	-	-	473,327	439,835	473,327	439,835
Total expenses	19,451,246	20,293,890	2,684,358	2,513,267	22,135,604	22,807,157
Change in net assets before transfers	1,040,462	440,933	(537,816)	(417,852)	502,646	23,081
Transfers	(510,394)	(316,048)	510,394	316,048	-	-
Change in net assets	530,068	124,885	(27,422)	(101,804)	502,646	23,081
Net assets, beginning	32,301,664	32,831,732	10,969,078	10,941,656	43,270,742	43,773,388
Net assets, ending	$ 32,831,732	$ 32,956,617	$ 10,941,656	$ 10,839,852	$ 43,773,388	$ 43,796,469

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 2011 fiscal year, the County's governmental funds reported combined ending fund balances of $8,371,955, a decrease of $256,274 in comparison with the prior year. Specifically, the restricted fund balance for debt service decreased $38,970; the fund balance nonspendable for inventory increased $18,725; nonspendable fund balance for prepaid items increased $25,444; unassigned general fund decreased $870,413; restricted fund balance for judicial and public safety increased $22,160; and restricted fund balance in the capital project funds decreased $14,733. Approximately 50% of the combined fund balance ($4,187,925) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the 2011 fund balance is ($4,184,030) classified as nonspendable ($365,800), restricted ($3,018,230), and assigned ($800,000) to indicate that it is not available for new spending because the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The General Fund is the chief operating fund of Jones County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,210,309, while total fund balance reached $5,369,566. The 2011 **unassigned** fund balance of the General Fund decreased $848,029 and the **nonspendable** fund balance increased $37,655. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27% of total General Fund expenditures, while total fund balance represents 34% of that same amount.

The fund balance of the County's, **total** General Fund decreased by ($10,374) during the current fiscal year. The County's revenues collected in 2011 were more than the final amended budget by $121,913. The County's expenditures were more than the final amended budget by ($131,939). With the other financing sources and uses ($623,112), the net result is the decrease of ($10,374).

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%, which was given to the City of Gray for water and sewer improvements. At the end of the 2011 fiscal year, the 1999 SPLOST Capital Projects fund had a restricted fund balance of $97,376.

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 2011 fiscal year, the 2004 SPLOST Capital Projects Fund had a restricted fund balance of $308,276.

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 $501,814, an increase of $109,953, or 28%. The decrease experienced in 2010 was $194,728. Unrestricted net assets of the Golf Course Fund were $60,977, an increase in 2011 of $23,151 resulting in combined total unrestricted assets of $562,791, an increase of $133,104. The Water and Sewer Fund reflects restricted net assets of $19,360 for debt service, an increase of $282. For the year ended August 31, 2010, the proprietary funds indicate total net assets of $10,941,656 and $10,839,852 for 2011. This is a decrease in total net assets for the proprietary funds in the amount of $101,804.

Jones County
Enterprise Net Operating Income (Loss),
Nonoperating Revenues (Expenses) and Transfers

	2010	2011
Net operating income (loss):		
Water and Sewer Fund	$ (509,689)	$ (188,013)
Golf Course Fund	(301,639)	(268,207)
Total net operating income (loss)	(811,328)	(456,220)
Nonoperating revenues (expenses)	(45,617)	(38,731)
Income (loss) before transfers and contributions	(856,945)	(494,951)
Capital Contributions	533,477	100,455
Transfers in (out)	296,046	292,692
Changes in net assets	$ (27,422)	$ (101,804)

General Fund Budgetary Highlights

The major impact between the actual and the final amended budgets was a variance in intergovernmental revenues ($121,880). The disparity between the final budget and actual amounts included: a $41,526 increase in the general administration, due to an unexpected volume of workers' compensation claims; and a $105,621 increase in 5311 transportation, due to three (3) vans being donated from GDOT.

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 a decrease of ($10,374). At the end of the year, the County reflected a negative variance with final budget which caused a deficiency of revenues under expenditures in the amount of ($10,026). End of year actual fund balance is $5,369,566 in the General Fund, which will cover expenses for approximately four months.

Capital Asset and Debt Administration

Capital assets. Jones County's investment in capital assets for its governmental activities as of August 31, 2011, increased $334,742 to $25,087,442 (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	
	2010	2011	2010	2011	2010	2011
Land	$ 1,074,699	$ 1,074,699	$ 209,547	$ 211,047	$ 1,284,246	$ 1,285,746
Land improvements	2,768,874	2,707,378	-		2,768,874	2,707,378
Buildings and improvements	8,506,738	8,232,785	302,652	293,795	8,809,390	8,526,580
Golf course improvements	-	-	216,755	202,752	216,755	202,752
Machinery and equipment	2,218,604	2,877,427	426,876	403,308	2,645,480	3,280,735
Furniture and fixtures	2,003	500	-		2,003	500
Water system	-	-	8,602,836	8,411,654	8,602,836	8,411,654
Water storage tanks	-	-	582,620	499,389	582,620	499,389
RN sewer system	-	-	993,581	950,382	993,581	950,382
Pumping station	-	-	140,683	142,432	140,683	142,432
Infrastructure	7,829,596	7,614,052	-	-	7,829,596	7,614,052
Construction in progress	2,352,186	2,580,601	-	-	2,352,186	2,580,601
Total	$ 24,752,700	$ 25,087,442	$ 11,475,550	$ 11,114,759	$ 36,228,250	$ 36,202,201

Major projects in 2011 included the following:

- HPP Sidewalks and Bike Trails (not completed)
- Civic Center Streetscape TE project (not completed)
- Developmental Authority-Industrial Park (completed)
- Liberty Park Walkways (not completed)
- HWY 18 Recreation Expansion (not completed)
- Creekside Plantation (not completed)
- Road Infrastructure Improvement-Industrial Park (not completed)
- Public Works Shop (not completed)
- EMA Code Red Alert (completed)
- Homer Roberts Road (not completed)

Long-term debt. At the end of the current fiscal year, Jones County had total outstanding bonded debt of $404,000, which is secured solely by specified revenue services. The total long-term debt of the County, other than bonds is $1,198,621.

- Capital Leases are used to finance new equipment in various departments.
- The Compensated Absences line item reflects the vacation pay employees have earned but not yet taken.
- 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 (15) years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all post closure care in 2011. 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	$ 80,000	$ -	$ 80,000	$ -	$ -
Notes payable	-	-	-	-	-
Capital leases	8,313	-	3,266	5,047	3,702
Landfill postclosure	298,240	-	18,640	279,600	18,640
Compensated absences	251,070	257,906	180,962	328,014	262,412
Net pension obligation	35,697	6,995		42,692	
	$ 673,320	$ 264,901	$ 282,868	$ 655,353	$ 284,754
Business-type activities:					
Revenue bonds	$ 438,000	$ -	$ 34,000	$ 404,000	$ 34,000
Notes payable	488,847	-	130,221	358,626	135,798
Capital leases	94,998	181,508	116,840	159,666	30,678
Compensated absences	14,272	20,727	10,023	24,976	19,981
Total	$ 1,036,117	$ 202,235	$ 291,084	$ 947,268	$ 220,457

Economic Factors and Next Year's Budgets

- The unemployment rate for Jones County is at 9.3% which is lower than the Middle Georgia rate of 10.0%, and the State of Georgia rate of 10.2%. (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 $760,069,119 to $733,598,099, 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 area went from (13.33) to (13.31).

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, 2011

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 8,593,442	$ 400,689	$ 8,994,131
Investments	33,325	-	33,325
Taxes receivable	676,411	-	676,411
Interest receivable	194	-	194
Accounts receivable, net of allowances	115,100	211,005	326,105
Note receivable, current portion	-	23,414	23,414
Due from other governments	176,639	-	176,639
Internal balances	(50,822)	50,822	-
Inventories	70,025	5,692	75,717
Prepaid items	295,775	9,936	305,711
Restricted assets, cash	-	121,961	121,961
Note receivable, net of current portion	-	12,083	12,083
Deferred charges, unamortized balance	-	8,128	8,128
Capital assets, non-depreciable - held for resale	-	-	-
Capital assets, non-depreciable	3,655,300	211,047	3,866,347
Capital assets, depreciable, net of accumulated depreciation	21,432,142	10,903,712	32,335,854
Total assets	34,997,531	11,958,489	46,956,020
LIABILITIES			
Accounts payable	1,013,404	46,856	1,060,260
Accrued liabilities	222,977	18,673	241,650
Unearned revenues	29,924	-	29,924
Due to other governments	41,124	-	41,124
Other current liabilities	78,132	-	78,132
Liabilities payable from restricted assets	-	139,840	139,840
Capital leases due within one year	3,702	30,678	34,380
Capital leases due in more than one year	1,345	128,988	130,333
Compensated absences due within one year	262,412	19,981	282,393
Compensated absences due in more than one year	65,602	4,995	70,597
Notes payable due within one year	-	135,798	135,798
Notes payable due in more than one year	-	222,828	222,828
Bonds payable due within one year	-	-	-
Bonds payable due in more than one year	-	370,000	370,000
Landfill due within one year	18,640	-	18,640
Landfill due in more than one year	260,960	-	260,960
Net pension obligation due in more than one year	42,692	-	42,692
Total liabilities	2,040,914	1,118,637	3,159,551

Component Units	
Jones County Board of Health	Development Authority of Jones County
$ 763,962	$ 165,067
-	-
-	-
-	-
4,280	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	38,062
-	2,817,511
-	-
178	7,306
768,420	3,027,946
2,950	10,379
-	-
-	-
-	-
-	-
-	-
-	-
-	-
2,117	-
19,050	-
-	-
-	-
-	150,000
-	3,085,375
-	-
-	-
-	-
24,117	3,245,754

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
AUGUST 31, 2011

NET ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Invested in capital assets, net of related debt	$ 25,082,395	$ 10,192,467	$ 35,274,862
Restricted for:			
Debt service	204	65,234	65,438
Renewal and replacement	-	19,360	19,360
Capital projects	2,712,563	-	2,712,563
Judicial	62,585	-	62,585
Public safety	242,878	-	242,878
Health and welfare	-	-	-
Unrestricted	4,855,992	562,791	5,418,783
Total net assets	$ 32,956,617	$ 10,839,852	$ 43,796,469

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

Component Units	
Jones County Board of Health	Development Authority of Jones County
$ 178	$ (410,558)
-	-
-	-
-	-
-	-
-	-
517,107	-
227,018	192,750
$ 744,303	$ (217,808)

JONES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

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	$ 4,405,701	$ 450,028	$ 6,299	$ 48,056
Judicial	1,356,936	851,318	30,921	-
Public safety	6,377,402	1,206,269	105,274	337,496
Public works	6,679,512	86,298	357,204	509,372
Health and welfare	450,188	-	-	-
Culture and recreation	702,041	24,255	18,338	758
Housing and development	318,996	86,464	18,100	221,887
Interest on long-term debt	3,114	-	-	-
Total governmental activities	20,293,890	2,704,632	536,136	1,117,569
Business-type activities:				
Water and sewer	2,073,432	1,845,978	-	77,099
Golf course	439,835	167,590	-	-
Total business-type activities	2,513,267	2,013,568	-	77,099
Total primary government	$ 22,807,157	$ 4,718,200	$ 536,136	$ 1,194,668
Component units:				
Jones County Board of Health	$ 337,136	$ 200,356	$ 263,401	$ -
Development Authority of Jones County	337,213	-	223,969	-
Total component units	$ 674,349	$ 200,356	$ 487,370	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Intangible taxes				
Alcoholic beverage taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of assets				
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
$ (3,901,318)	$ -	$ (3,901,318)	$ -	$ -
(474,697)	-	(474,697)	-	-
(4,728,363)	-	(4,728,363)	-	-
(5,726,638)	-	(5,726,638)	-	-
(450,188)	-	(450,188)	-	-
(658,690)	-	(658,690)	-	-
7,455	-	7,455	-	-
(3,114)	-	(3,114)	-	-
(15,935,553)	-	(15,935,553)	-	-
-	(150,355)	(150,355)	-	-
-	(272,245)	(272,245)	-	-
-	(422,600)	(422,600)	-	-
(15,935,553)	(422,600)	(16,358,153)	-	-
-	-	-	126,621	-
-	-	-	-	(113,244)
-	-	-	126,621	(113,244)
10,538,819	-	10,538,819	-	-
4,478,802	-	4,478,802	-	-
1,011,932	-	1,011,932	-	-
81,462	-	81,462	-	-
106,834	-	106,834	-	-
104,929	-	104,929	-	-
52,367	4,748	57,115	-	875
1,341	-	1,341	-	-
(316,048)	316,048	-	-	-
16,060,438	320,796	16,381,234	-	875
124,885	(101,804)	23,081	126,621	(112,369)
32,831,732	10,941,656	43,773,388	617,682	(105,439)
$ 32,956,617	$ 10,839,852	$ 43,796,469	$ 744,303	$ (217,808)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2011

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,399,132	$ 2,473,355	$ 720,955	$ 8,593,442
Investments	-	-	33,325	33,325
Taxes receivable	461,285	214,922	204	676,411
Interest receivable	-	-	194	194
Accounts receivable	48,498	-	66,602	115,100
Due from other governments	176,359	-	280	176,639
Due from other funds	9,009	-	166,062	175,071
Inventories	70,025	-	-	70,025
Prepaid items	289,232	-	6,543	295,775
Total assets	$ 6,453,540	$ 2,688,277	$ 994,165	$ 10,135,982
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 389,386	$ 459,101	$ 164,917	$ 1,013,404
Accrued liabilities	209,732	-	13,245	222,977
Deferred revenues	182,497	-	-	182,497
Due to other governments	-	41,124	-	41,124
Due to other funds	224,227	-	1,666	225,893
Other current liabilities	78,132	-	-	78,132
Total liabilities	1,083,974	500,225	179,828	1,764,027

(Continued)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2011

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventories	$ 70,025	$ -	$ -	$ 70,025
Prepaid items	289,232	-	6,543	295,775
Restricted for:				
Capital projects	-	2,188,052	524,511	2,712,563
Debt service	-	-	204	204
Judicial	-	-	62,585	62,585
Public safety	-	-	242,878	242,878
Assigned for:				
Next year's budget	800,000	-	-	800,000
Unassigned	4,210,309	-	(22,384)	4,187,925
Total fund balances	5,369,566	2,188,052	814,337	8,371,955
Total liabilities and fund balances	$ 6,453,540	$ 2,688,277	$ 994,165	

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.	25,087,442
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	152,573
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(655,353)
Net assets of governmental activities	$ 32,956,617

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, 2011

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 13,768,244	$ 2,455,245	$ 70,539	$ 16,294,028
Licenses and permits	186,885	-	-	186,885
Intergovernmental	574,964	628,401	220,906	1,424,271
Fines and forfeitures	482,893	-	147,044	629,937
Charges for services	1,354,919	-	464,874	1,819,793
Impact fees	-	-	44,307	44,307
Investment income	49,390	16,144	10,886	76,420
Miscellaneous	26,946	-	2,145	29,091
Total revenues	16,444,241	3,099,790	960,701	20,504,732
Expenditures				
Current:				
General government	3,547,964	-	-	3,547,964
Judicial	1,270,041	-	22,055	1,292,096
Public safety	4,948,095	-	700,301	5,648,396
Public works	4,571,680	-	-	4,571,680
Health and welfare	541,253	-	-	541,253
Culture and recreation	643,800	-	-	643,800
Housing and development	304,542	-	-	304,542
Intergovernmental	-	467,455	-	467,455
Capital outlay	-	1,967,740	1,407,174	3,374,914
Debt service:				
Principal	3,266	-	80,000	83,266
Interest and fiscal charges	862	-	1,952	2,814
Total expenditures	15,831,503	2,435,195	2,211,482	20,478,180
Excess (deficiency) of revenues over (under) expenditures	612,738	664,595	(1,250,781)	26,552

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Proceeds from sale of assets	$ 9,866	$ -	$ -	$ 9,866
Transfers in	100	-	567,836	567,936
Transfers out	(633,078)	-	(227,550)	(860,628)
Total other financing sources (uses)	(623,112)	-	340,286	(282,826)
Net change in fund balances	(10,374)	664,595	(910,495)	(256,274)
Fund balance, beginning of year	5,379,940	1,523,457	1,724,832	8,628,229
Fund balance, end of year	$ 5,369,566	$ 2,188,052	$ 814,337	$ 8,371,955

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, 2011

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

Net change in fund balances - total governmental funds	$	(256,274)
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 capital outlays exceeded depreciation in the current period.		143,267
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		191,475
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		28,750
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.		101,139
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.		(83,472)
	$	124,885

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 10,416,242	$ 10,403,009	$ 10,403,019	$ 10
Sales taxes	2,040,274	2,060,067	2,060,068	1
Other taxes	1,322,469	1,305,153	1,305,157	4
Licenses and permits	174,125	186,882	186,885	3
Intergovernmental	572,125	453,084	574,964	121,880
Fines and forfeitures	450,000	482,891	482,893	2
Charges for services	1,356,920	1,354,908	1,354,919	11
Investment income	110,000	49,389	49,390	1
Miscellaneous	23,250	26,945	26,946	1
Total revenues	16,465,405	16,322,328	16,444,241	121,913
Expenditures:				
Current:				
General government:				
Governing body	126,378	116,112	116,122	(10)
Chief executive	575,970	545,447	545,469	(22)
Elections	124,992	119,573	119,582	(9)
Law	137,556	172,803	172,805	(2)
Data processing	89,710	77,867	77,873	(6)
Tax commissioner	392,852	408,297	408,309	(12)
Tax assessor	308,962	295,479	295,492	(13)
Board of equalization	7,829	6,323	6,326	(3)
Risk management	206,649	200,420	200,429	(9)
Buildings and plant	474,920	468,639	468,658	(19)
Records management	6,500	910	911	(1)
General administration	1,118,395	1,094,462	1,135,988	(41,526)
Total general government	3,570,713	3,506,332	3,547,964	(41,632)
Judicial:				
Superior court	470,078	490,979	490,989	(10)
District attorney	133,272	140,309	140,334	(25)
Magistrate court	156,039	151,217	151,223	(6)
Probate court	276,884	264,021	264,027	(6)
Juvenile court	73,523	83,973	83,976	(3)
Operation early intervention	39,682	45,502	45,507	(5)
Grand jury	4,000	2,760	2,760	-
Public defender	90,767	91,223	91,225	(2)
Total judicial	1,244,245	1,269,984	1,270,041	(57)

(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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Law enforcement administration	$ 2,925,460	$ 2,876,014	$ 2,869,560	$ 6,454
Jail operations	1,467,128	1,482,273	1,482,288	(15)
Adult probation and parole	1,500	1,422	1,423	(1)
Fire	60,617	65,772	65,799	(27)
Ambulance	1,244	758	759	(1)
Coroner	94,998	88,668	88,672	(4)
Animal control	133,193	131,022	131,040	(18)
Emergency management	287,082	308,536	308,554	(18)
Total public safety	4,971,222	4,954,465	4,948,095	6,370
Public works:				
Administration	3,472,773	3,444,416	3,435,132	9,284
Sanitary administration	255,777	257,017	257,125	(108)
DNR code enforcement	47,802	46,919	46,927	(8)
Solid waste collection	181,000	181,650	181,651	(1)
Recycling	373,934	341,394	341,448	(54)
Landfill	22,750	56,695	56,696	(1)
Public education	32,652	28,390	28,396	(6)
Maintenance and shop	202,629	224,294	224,305	(11)
Total public works	4,589,317	4,580,775	4,571,680	9,095
Health and welfare:				
Public health	109,346	109,530	109,532	(2)
Welfare	50,000	50,418	50,418	-
Older American Council	48,864	48,068	48,094	(26)
5311 transportation	230,923	227,588	333,209	(105,621)
Total health and welfare	439,133	435,604	541,253	(105,649)
Culture and recreation:				
Recreation centers	499,000	505,617	505,656	(39)
Jonesco restoration	12,675	10,434	10,436	(2)
Libraries	125,213	127,702	127,708	(6)
Total culture and recreation	636,888	643,753	643,800	(47)

(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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Housing and development:				
Agricultural resources	$ 68,016	$ 68,334	$ 68,341	$ (7)
Planning and zoning	194,485	155,973	155,983	(10)
Economic development	78,969	80,217	80,218	(1)
Total housing and development	341,470	304,524	304,542	(18)
Debt service				
Principal	-	3,265	3,266	(1)
Interest and fiscal charges	-	862	862	-
Total debt service	-	4,127	4,128	(1)
Total expenditures	15,792,988	15,699,564	15,831,503	(131,939)
Excess of revenues over expenditures	672,417	622,764	612,738	(10,026)
Other financing sources (uses):				
Proceeds from sale of assets	-	9,865	9,866	1
Transfers in	-	100	100	-
Transfers out	(885,277)	(633,077)	(633,078)	(1)
Total other financing sources (uses)	(885,277)	(623,112)	(623,112)	-
Net change in fund balance	(212,860)	(348)	(10,374)	(10,026)
Fund balance, beginning of year	5,379,940	5,379,940	5,379,940	-
Fund balance, end of year	$ 5,167,080	$ 5,379,592	$ 5,369,566	$ (10,026)

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

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2011

ASSETS	Major Enterprise Fund Water and Sewer Fund	Major Enterprise Fund Golf Course Fund	Totals
CURRENT ASSETS			
Cash	$ 392,189	$ 8,500	$ 400,689
Accounts receivable, net of allowances	211,005	-	211,005
Note receivable, current portion	23,414	-	23,414
Restricted assets, cash	121,961	-	121,961
Due from other funds	1,666	58,165	59,831
Inventories	-	5,692	5,692
Prepaid items	5,168	4,768	9,936
Total current assets	755,403	77,125	832,528
NONCURRENT ASSETS			
Note receivable, net of current portion	12,083	-	12,083
Deferred charges, unamortized balance	8,128	-	8,128
Capital assets			
Capital assets, non-depreciable	88,167	122,880	211,047
Capital assets, depreciable, net of accumulated depreciation	10,426,764	476,948	10,903,712
Total capital assets	10,514,931	599,828	11,114,759
Total noncurrent assets	10,535,142	599,828	11,134,970
Total assets	$ 11,290,545	$ 676,953	$ 11,967,498
LIABILITIES			
CURRENT LIABILITIES			
Payable from current assets:			
Accounts payable	$ 43,440	$ 3,416	$ 46,856
Accrued liabilities	12,300	6,373	18,673
Capital lease payable, current portion	-	30,678	30,678
Compensated absences, current portion	14,894	5,087	19,981
Notes payable, current portion	135,798	-	135,798
Due to other funds	9,009	-	9,009
Total payable from current assets	215,441	45,554	260,995

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2011

	Major Enterprise Fund Water and Sewer Fund	Major Enterprise Fund Golf Course Fund	Totals
Payable from restricted assets:			
Accrued interest payable	$ 4,045	$ -	$ 4,045
Revenue bonds payable, current portion	34,000	-	34,000
Customer deposits payable	101,795	-	101,795
Total payable from restricted assets	139,840	-	139,840
Total current liabilities	355,281	45,554	400,835
NONCURRENT LIABILITIES			
Revenue bonds payable, net of current portion	370,000	-	370,000
Capital lease payable, net of current portion	-	128,988	128,988
Compensated absences, net of current portion	3,723	1,272	4,995
Notes payable, net of current portion	222,828	-	222,828
Total noncurrent liabilities	596,551	130,260	726,811
Total liabilities	951,832	175,814	1,127,646
NET ASSETS			
Invested in capital assets, net of related debt	9,752,305	440,162	10,192,467
Restricted for:			
Debt service	19,360	-	19,360
Renewal and replacement	65,234	-	65,234
Unrestricted	501,814	60,977	562,791
Total net assets	$ 10,338,713	$ 501,139	$ 10,839,852

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, 2011

	Major Enterprise Fund Water and Sewer Fund	Major Enterprise Fund Golf Course Fund	Totals
Operating revenues:			
Charges for services:			
Water sales pledged as security for revenue bonds	$ 1,474,455	$ -	$ 1,474,455
Sewer sales	159,073	-	159,073
Connection fees	94,823	-	94,823
Golf course charges	-	167,590	167,590
Other operating income	117,627	-	117,627
Total operating revenues	1,845,978	167,590	2,013,568
Operating expenses:			
Salaries and benefits	525,453	248,179	773,632
Purchased/contracted services	382,959	23,206	406,165
Supplies and materials	614,655	100,167	714,822
Other	579	-	579
Amortization	723	-	723
Depreciation	509,622	64,245	573,867
Total operating expenses	2,033,991	435,797	2,469,788
Operating loss	(188,013)	(268,207)	(456,220)
Nonoperating revenues (expenses):			
Investment income	4,697	51	4,748
Interest expense	(39,441)	(9,158)	(48,599)
Gain on sale of capital assets	-	5,120	5,120
Total nonoperating expenses	(34,744)	(3,987)	(38,731)
Loss before contributions and transfers	(222,757)	(272,194)	(494,951)
Capital contributions	100,455	-	100,455
Transfers in	27,572	265,120	292,692
Change in net assets	(94,730)	(7,074)	(101,804)
Net assets, beginning of year	10,433,443	508,213	10,941,656
Net assets, end of year	$ 10,338,713	$ 501,139	$ 10,839,852

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, 2011

	Major Enterprise Fund Water and Sewer Fund	Major Enterprise Fund Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,834,142	$ 167,590	$ 2,001,732
Payments to suppliers and service providers	(1,000,657)	(156,616)	(1,157,273)
Payments to employees	(519,877)	(242,765)	(762,642)
Net cash provided by (used in) operating activities	313,608	(231,791)	81,817
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	27,572	265,120	292,692
Net cash provided by noncapital financing activities	27,572	265,120	292,692
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(13,934)	-	(13,934)
Principal paid on bonds	(34,000)	-	(34,000)
Principal paid on notes payable	(130,221)	-	(130,221)
Principal paid on capital leases	-	(28,900)	(28,900)
Interest paid	(40,153)	(9,158)	(49,311)
Net cash used in capital and related financing activities	(218,308)	(38,058)	(256,366)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	4,697	51	4,748
Payments received on note receivable	22,445	-	22,445
Net cash provided by investing activities	27,142	51	27,193
Net increase (decrease) in cash and cash equivalents	150,014	(4,678)	145,336
Cash and cash equivalents:			
Beginning of year	364,136	13,178	377,314
End of year	$ 514,150	$ 8,500	$ 522,650

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

	Major Enterprise Fund Water and Sewer Fund	Major Enterprise Fund Golf Course Fund	Totals
Classified as:			
Cash and cash equivalents	$ 392,189	$ 8,500	$ 400,689
Restricted assets, cash and cash equivalents	121,961	-	121,961
	$ 514,150	$ 8,500	$ 522,650
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (188,013)	$ (268,207)	$ (456,220)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	509,622	64,245	573,867
Amortization	723	-	723
Increase in accounts receivable	(23,546)	-	(23,546)
Increase in due from other funds	(1,666)	(38,537)	(40,203)
Decrease in inventories	-	4,761	4,761
Increase in prepaid items	(2,256)	(2,883)	(5,139)
Increase in accounts payable	15,466	3,416	18,882
Increase (decrease) in accrued liabilities	(235)	521	286
Increase in compensated absences	5,811	4,893	10,704
Decrease in due to other funds	(14,008)	-	(14,008)
Increase in customer deposits payable	11,710	-	11,710
Net cash provided by (used in) operating activities	$ 313,608	$ (231,791)	$ 81,817
Noncash investing, capital, and financing activities:			
Contributions of capital assets by developers	$ 77,099	$ -	$ 77,099
Purchases of capital assets by other funds	23,356	-	23,356
Capital lease	-	181,508	181,508
Cancellation of capital lease	-	(87,940)	(87,940)
Total noncash investing, capital and financing activities	$ 100,455	$ 93,568	$ 194,023

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

JONES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2011

	Agency Funds
ASSETS	
Cash	$ 546,957
Taxes receivable	369,326
Due from others	23,316
Total assets	$ 939,599
LIABILITIES	
Due to others	$ 939,599

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 funds:

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.

The ***Golf Course Fund*** accounts for revenues and expenses relating to the operation of the Lake Jonesco Golf Course.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of September 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $655,353 difference are as follows:

Capital leases payable	$	(5,047)
Landfill postclosure costs		(279,600)
Compensated absences		(328,014)
Net pension obligation		(42,692)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(655,353)

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 $143,267 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)

Capital outlay	$	2,658,961
Depreciation expense		(2,515,694)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	143,267

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 increase net assets." The details of this $191,475 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.	$	200,000
In the statement of activities, only the gain 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.		(8,525)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	191,475

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 $101,139 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)

Principal repayments:		
Capital leases	$	3,266
Bonds payable		80,000
Landfill postclosure costs		18,640
Amortization of issuance costs		(767)
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net assets - governmental activities*	$	101,139

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 $83,472 difference are as follows:

Compensated absences	$	(76,944)
Accrued interest		467
Net pension obligation		(6,995)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(83,472)

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.

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

The supplementary budgetary appropriations made were not material.

Deficit Fund Equity. The 2006 TEA Grant Fund had a deficit fund balance of $22,384 at August 31, 2011. The County plans to eliminate this deficit through transfers from the General Fund.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Excess Expenditures over Appropriations. For the year ended August 31, 2011, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
General administration	$ 41,526
5311 transporation	105,621

These overexpenditures were funded by unanticipated revenues and under expenditures 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, 2011, the County's only investment was a certificate of deposit.

At August 31, 2011, the County had the following investment:

Investment	Maturities	Fair Value
Certificate of deposit	12 months	$ 33,325

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, 2011, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at August 31, 2011 consist of the following:

	General	SPLOST 2009 Fund	Water and Sewer	Nonmajor Funds	Total
Receivables:					
Taxes	$ 461,285	$ 214,922	$ -	$ 204	$ 676,411
Interest	-	-	-	194	194
Note	-	-	35,497	-	35,497
Accounts	48,498	-	257,665	66,602	372,765
Gross receivables	509,783	214,922	293,162	67,000	1,084,867
Less allowance	-	-	(46,660)	-	(46,660)
Net receivables	$ 509,783	$ 214,922	$ 246,502	$ 67,000	$ 1,038,207

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, 2010	January 1, 2010
Levy date	September 29, 2010	January 1, 2010
Due date and collection date	December 1, 2010	Staggered
Tax execution date/lien date	January 1, 2011	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 2010 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, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,074,699	$ -	$ -	$ -	$ 1,074,699
Construction in progress	2,352,186	1,228,415	-	(1,000,000)	2,580,601
Total	3,426,885	1,228,415	-	(1,000,000)	3,655,300
Capital assets, being depreciated:					
Land improvements	3,297,453	50,388	-	-	3,347,841
Buildings and improvements	13,470,951	70,471	-	-	13,541,422
Machinery and equipment	9,225,962	1,416,687	(282,617)	-	10,360,032
Furniture and fixtures	53,765	-	-	-	53,765
Infrastructure	49,947,466	93,000	-	1,000,000	51,040,466
Total	75,995,597	1,630,546	(282,617)	1,000,000	78,343,526
Less accumulated depreciation for:					
Land improvements	528,579	111,884	-	-	640,463
Buildings and improvements	4,964,213	344,424	-	-	5,308,637
Machinery and equipment	7,007,358	749,339	(274,092)	-	7,482,605
Furniture and fixtures	51,762	1,503	-	-	53,265
Infrastructure	42,117,870	1,308,544	-	-	43,426,414
Total	54,669,782	2,515,694	(274,092)	-	56,911,384
Total capital assets, being depreciated, net	21,325,815	(885,148)	(8,525)	1,000,000	21,432,142
Governmental activities capital assets, net	$ 24,752,700	$ 343,267	$ (8,525)	$ -	$ 25,087,442

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 209,547	$ 1,500	$ -	$ -	$ 211,047
Total	209,547	1,500	-	-	211,047
Capital assets, being depreciated:					
Buildings	342,806	-	-	-	342,806
Water system	13,160,060	77,099	-	-	13,237,159
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	12,433	-	-	333,125
Machinery and equipment	1,312,970	204,864	(207,050)	-	1,310,784
Total	20,506,428	294,396	(207,050)	-	20,593,774
Less accumulated depreciation for:					
Buildings	40,154	8,857	-	-	49,011
Water system	4,557,224	268,281	-	-	4,825,505
Water storage tanks	2,330,480	83,231	-	-	2,413,711
River North sewer system	1,166,379	43,199	-	-	1,209,578
Golf course improvements	80,085	14,003	-	-	94,088
Pumping stations	180,009	10,684	-	-	190,693
Machinery and equipment	886,094	145,612	(124,230)	-	907,476
Total	9,240,425	573,867	(124,230)	-	9,690,062
Total capital assets, being depreciated, net	11,266,003	(279,471)	(82,820)	-	10,903,712
Business-type activities capital assets, net	$ 11,475,550	$ (277,971)	$ (82,820)	$ -	$ 11,114,759

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 105,778
Judicial	63,700
Public safety	685,596
Public works	1,531,628
Health and welfare	23,432
Culture and recreation	83,685
Housing and development	21,875
Total depreciation expense - governmental activities	$ 2,515,694
Business-type activities:	
Water and sewer	$ 509,622
Golf course	64,245
Total depreciation expense - business-type activities	$ 573,867

Capital asset activity for the Development Authority for the fiscal year ended August 31, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,875,843	$ -	$ (58,332)	$ 2,817,511
Total	2,875,843	-	(58,332)	2,817,511
Capital assets, being depreciated:				
Furniture and fixtures	5,830	-	-	5,830
Equipment	12,806	-	-	12,806
Total	18,636	-	-	18,636
Less accumulated depreciation for:				
Furniture and fixtures	5,830	-	-	5,830
Equipment	4,614	886	-	5,500
Total	10,444	886	-	11,330
Total capital assets, being depreciated, net	8,192	(886)	-	7,306
Capital assets, net	$ 2,884,035	$ (886)	$ (58,332)	$ 2,824,817

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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 80,000	$ -	$ 80,000	$ -	$ -
Capital leases	8,313	-	3,266	5,047	3,702
Landfill postclosure	298,240	-	18,640	279,600	18,640
Compensated absences	251,070	257,906	180,962	328,014	262,412
Net pension obligation	35,697	6,995	-	42,692	-
Totals	$ 673,320	$ 264,901	$ 282,868	$ 655,353	$ 284,754
Business-type activities:					
Revenue bonds	$ 438,000	$ -	$ 34,000	$ 404,000	$ 34,000
Notes payable	488,847	-	130,221	358,626	135,798
Capital leases	94,998	181,508	116,840	159,666	30,678
Compensated absences	14,272	20,727	10,023	24,976	19,981
Totals	$ 1,036,117	$ 202,235	$ 291,084	$ 947,268	$ 220,457

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

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 following is an analysis of leased assets under capital leases as of August 31, 2011:

	Governmental Activities	Business-type Activities
Equipment	$ 10,269	$ 181,508
Less: Accumulated depreciation	(3,423)	(36,302)
	$ 6,846	$ 145,206

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

	Governmental Activities	Business-type Activities
Fiscal Year Ending August 31,		
2012	$ 4,128	$ 39,000
2013	1,381	42,600
2014	-	46,200
2015	-	51,700
Total minimum lease payments	5,509	179,500
Less amount representing interest	(462)	(19,834)
Present value of future minimum lease payments	$ 5,047	$ 159,666

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, 2011, 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%.	$ 200,000
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%.	204,000
	$ 404,000

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

Year ending August 31,	Principal	Interest
2012	$ 34,000	$ 20,200
2013	36,000	18,500
2014	40,000	16,700
2015	40,000	14,700
2016	44,000	12,700
2017-2021	186,000	30,400
2022	24,000	1,200
	$ 404,000	$ 114,400

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, 2011, is $189,923. 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, 2011, is $168,703.

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
2012	$ 135,798	$ 12,677
2013	75,621	7,161
2014	11,409	5,681
2015	11,874	5,216
2016	12,352	4,738
2017-2021	69,768	15,682
2022-2024	41,804	2,264
	$ 358,626	$ 53,419

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, 2011, the County has 15 years of monitoring remaining. The liability for the landfill postclosure care costs is estimated to be $279,600 as of August 31, 2011. These estimated costs are based on what it would cost to perform all postclosure care in 2011. 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
2012	$ 150,000	$ 130,000
2013	155,000	124,000
2014	160,000	117,800
2015	165,000	111,400
2016	175,000	104,800
2017-2021	980,000	413,600
2022-2026	1,195,000	201,000
2027	270,000	10,800
	$ 3,250,000	$ 1,213,400

Long-term debt liability activity for the fiscal year ended August 31, 2011 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	(15,600)	-	975	(14,625)	-
Totals	$ 3,234,400	$ -	$ 975	$ 3,235,375	$ 150,000

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 9,009
Golf Course Fund	General Fund	58,165
Nonmajor governmental funds	General Fund	166,062
Water and Sewer Fund	Nonmajor governmental funds	1,666
		$ 234,902

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 governmental funds	General Fund	$ 367,958
General Fund	Nonmajor governmental funds	100
Water and Sewer Fund	Nonmajor governmental funds	27,572
Golf Course Fund	General Fund	265,120
Nonmajor governmental funds	Nonmajor governmental funds	199,878
		$ 860,628

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, 2011, the County paid off the 2004 Jones County, Georgia River North Special Services District General Obligation Bonds. The excess property and other taxes collected in the amount of $27,572 were transferred to the Water and Sewer Fund to be held in the River North Renewal and Extension account.

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, 2011, the County paid $22,720 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, 2011, (the most recent actuarial valuation date) are as follows:

	January 1, 2011	January 1, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 584,754	$ 545,460
Interest on Net Pension Obligation	3,309	2,767
Amortization of Net Pension Obligation	(3,540)	(2,960)
Annual Pension Cost	$ 584,523	$ 545,267

Derivation of Net Pension Obligation	
Annual Pension Cost for Prior Year	$ 545,267
Actual Contributions to Plan for Prior Year	538,272
Increase in Net Pension Obligation (Asset)	6,995
Net Pension Obligation (Asset) as of Beginning of Prior Year	35,697
Net Pension Obligation as of Beginning of the Year	$ 42,692

Basis of Valuation	
Current Valuation Date	January 1, 2011
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)
1/1/11	$ 584,523	$ N/A	N/A %	$ 42,692
1/1/10	545,267	538,272	99	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)

As of the most recent valuation date, January 1, 2011, 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
12/31/2010	$ 4,870,710	$ 6,793,569	$ 1,922,589	71.7 %	$ 4,916,265	39.1 %

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, 2011.

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, 2011, the County has contractual commitments on uncompleted contracts of approximately $66,126.

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.

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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
12/31/2010	$ 4,870,710	$ 6,793,569	$ 1,922,859	71.7 %	$ 4,916,265	39.1 %
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

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

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

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.

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, 2011

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
ASSETS			
Cash	$ 48,144	$ 5,024	$ 10,655
Investments	-	-	33,325
Taxes receivable	-	-	-
Interest receivable	-	-	194
Accounts receivable	-	-	-
Due from other governments	-	280	-
Due from other funds	-	332	-
Prepaid items	-	-	-
Total assets	$ 48,144	$ 5,636	$ 44,174
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ 1,253	$ -
Accrued liabilities	-	1,712	344
Due to other funds	-	-	-
Total liabilities	-	2,965	344
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Capital projects	-	-	-
Debt service	-	-	-
Judicial	-	-	43,830
Public safety	48,144	2,671	-
Unassigned	-	-	-
Total fund balances (deficit)	48,144	2,671	43,830
Total liabilities and fund balances	$ 48,144	$ 5,636	$ 44,174

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Debt Service	
			1999 Sales Tax Revenue Bond Debt Service	River North Tax District Debt Service
$ 37,227	$ 31,672	$ 18,755	$ -	$ 1,666
-	-	-	-	-
-	-	-	-	204
-	-	-	-	-
-	66,602	-	-	-
-	-	-	-	-
-	67,806	-	-	-
-	6,474	-	-	-
$ 37,227	$ 172,554	$ 18,755	$ -	$ 1,870
$ -	$ 55	$ -	$ -	$ -
-	11,189	-	-	-
-	-	-	-	1,666
-	11,244	-	-	1,666
-	6,474	-	-	-
-	-	-	-	-
-	-	-	-	204
-	-	18,755	-	-
37,227	154,836	-	-	-
-	-	-	-	-
37,227	161,310	18,755	-	204
$ 37,227	$ 172,554	$ 18,755	$ -	$ 1,870

(Continued)

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2011

		Capital Projects	
	Impact Fee Fund	Capital Projects 1999 SPLOST Fund	Capital Projects 2004 SPLOST Fund
ASSETS			
Cash	$ 118,928	$ 140,508	$ 308,276
Investments	-	-	-
Taxes receivable	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid items	-	69	-
Total assets	$ 118,928	$ 140,577	$ 308,276
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ 43,201	$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Total liabilities	-	43,201	-
FUND BALANCES			
Nonspendable:			
Prepaid items	-	69	-
Restricted for:			
Capital projects	118,928	97,307	308,276
Debt service	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	118,928	97,376	308,276
Total liabilities and fund balances	$ 118,928	$ 140,577	$ 308,276

2006 TEA Grant Fund	CHIP Grant Fund	Totals
$ 100	$ -	$ 720,955
-	-	33,325
-	-	204
-	-	194
-	-	66,602
-	-	280
97,924	-	166,062
-	-	6,543
$ 98,024	$ -	$ 994,165
$ 120,408	$ -	$ 164,917
-	-	13,245
-	-	1,666
120,408	-	179,828
-	-	6,543
-	-	524,511
-	-	204
-	-	62,585
-	-	242,878
(22,384)	-	(22,384)
(22,384)	-	814,337
$ 98,024	$ -	$ 994,165

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
Revenues:			
Property tax	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and forfeitures	56,257	33,748	23,982
Charges for services	-	-	-
Impact fees	-	-	-
Investment income	103	18	412
Miscellaneous	-	-	-
Total revenues	56,360	33,766	24,394
Expenditures:			
Current:			
Judicial	-	-	21,550
Public safety	39,149	58,284	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	39,149	58,284	21,550
Excess (deficiency) of revenues over (under) expenditures	17,211	(24,518)	2,844
Other financing sources (uses):			
Transfers in	-	24,516	-
Transfers out	-	-	-
Total other financing sources (uses)	-	24,516	-
Net change in fund balances	17,211	(2)	2,844
Fund balances, beginning of year	30,933	2,673	40,986
Fund balances (deficit), end of year	$ 48,144	$ 2,671	$ 43,830

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Debt Service: 1999 Sales Tax Revenue Bond Debt Service	Debt Service: River North Tax District Debt Service
$ -	$ -	$ -	$ -	$ 70,539
-	-	-	-	-
33,057	-	-	-	-
-	464,874	-	-	-
-	-	-	-	-
69	460	52	1,391	15
-	-	2,145	-	-
33,126	465,334	2,197	1,391	70,554
-	-	505	-	-
26,260	576,608	-	-	-
-	-	-	-	-
-	-	-	-	80,000
-	-	-	-	1,952
26,260	576,608	505	-	81,952
6,866	(111,274)	1,692	1,391	(11,398)
-	111,268	-	-	-
-	-	-	(199,878)	(27,572)
-	111,268	-	(199,878)	(27,572)
6,866	(6)	1,692	(198,487)	(38,970)
30,361	161,316	17,063	198,487	39,174
$ 37,227	$ 161,310	$ 18,755	$ -	$ 204

(Continued)

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

		Capital Projects	
	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	44,307	-	-
Investment income	457	1,564	6,345
Miscellaneous	-	-	-
Total revenues	44,764	1,564	6,345
Expenditures:			
Current:			
Judicial	-	-	-
Public safety	-	-	-
Capital outlay	-	231,594	699,936
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	231,594	699,936
Excess (deficiency) of revenues over (under) expenditures	44,764	(230,030)	(693,591)
Other financing sources (uses):			
Transfers in	-	199,878	-
Transfers out	-	-	-
Total other financing sources (uses)		199,878	-
Net change in fund balances	44,764	(30,152)	(693,591)
Fund balances, beginning of year	74,164	127,528	1,001,867
Fund balances (deficit), end of year	$ 118,928	$ 97,376	$ 308,276

2006 TEA Grant Fund	CHIP Grant Fund	Totals
$ -	$ -	$ 70,539
-	220,906	220,906
-	-	147,044
-	-	464,874
-	-	44,307
-	-	10,886
-	-	2,145
-	220,906	960,701
-	-	22,055
-	-	700,301
254,656	220,988	1,407,174
-	-	80,000
-	-	1,952
254,656	220,988	2,211,482
(254,656)	(82)	(1,250,781)
232,174	-	567,836
-	(100)	(227,550)
232,174	(100)	340,286
(22,482)	(182)	(910,495)
98	182	1,724,832
$ (22,384)	$ -	$ 814,337

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1999 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Recreation facilities and equipment	$ 1,473,755	$ 1,473,755	$ 2,173,317	$ 91,824	$ 2,265,141
Fire department and emergency management facilities and improvements	3,406,467	3,406,467	3,032,206	113,150	3,145,356
Sheriff's department capital improvements	710,700	710,700	647,054	-	647,054
Public works capital projects	645,000	645,000	634,002	20,842	654,844
Administrative and Head Start facilities and improvements	341,136	341,136	276,993	5,778	282,771
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	$ 9,680,198	$ 231,594	$ 9,911,792

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

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	$ 450,238	$ 565,385	$ 1,015,623
Sheriff's department capital improvements	670,000	670,000	723,854	-	723,854
Recreation facilities and equipment	705,000	705,000	175,521	14,339	189,860
Government center, courthouse, and civic center renovation	800,000	800,000	1,480,358	65,227	1,545,585
Lake Jonesco Golf Course capital improvements	200,000	200,000	208,284	-	208,284
Economic development land acquisition and improvements	500,000	500,000	493,595	6,405	500,000
Water and sewer improvements for Jones County	3,738,000	3,738,000	3,835,737	11,252	3,846,989
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	1,897,637	37,328	1,934,965
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	$ 11,516,996	$ 699,936	$ 12,216,932

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

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	$ 550,505	$ 1,021,559
Recreation facilities and equipment	1,100,000	1,100,000	-	-	-
Public works capital projects	2,300,000	2,300,000	36,250	705,773	742,023
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	-	580,538	580,538
Industrial park capital improvements	1,500,000	1,500,000	-	130,924	130,924
Lake Jonesco Golf Course capital improvements	425,000	425,000	-	-	-
City of Gray	2,688,000	2,688,000	531,066	467,455	998,521
Total	$ 14,000,000	$ 14,000,000	$ 1,225,392	$ 2,435,195	$ 3,660,587

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, 2011

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 43,279	$ 87,084	$ 27,222	$ 10,244
Taxes receivable	369,326	-	-	-
Due from others	-	23,316	-	-
Total assets	$ 412,605	$ 110,400	$ 27,222	$ 10,244
LIABILITIES				
Due to others	$ 412,605	$ 110,400	$ 27,222	$ 10,244

Sheriff	Juvenile Court	Total
$ 378,785	$ 343	$ 546,957
-	-	369,326
-	-	23,316
$ 378,785	$ 343	$ 939,599

$ 378,785	$ 343	$ 939,599

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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, 2011, which collectively comprise Jones County, Georgia's basic financial statements and have issued our report thereon dated February 24, 2012. As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of September 1, 2010. 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

Management of Jones County, Georgia is responsible for establishing and maintaining effective 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 questioned costs, 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 questioned costs as items 2011-1 and 2011-2 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 questioned costs as item 2011-3 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 24, 2012.

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 24, 2012

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Jones County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jones County, Georgia's major federal programs for the year ended August 31, 2011. Jones County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jones County, Georgia's management. Our responsibility is to express an opinion on Jones County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jones County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jones County, Georgia's compliance with those requirements.

In our opinion, Jones County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2011-4 and 2011-5.

Internal Control over Compliance

Management of Jones County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Jones County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jones County, Georgia's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-4 and 2011-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Jones County, Georgia's responses to the findings identified in our audits 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 the responses.

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.

Macon, Georgia
February 24, 2012

Mauldin & Jenkins, LLC

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2011

Grant Program	CFDA #	Grant I.D.	Expenditures
U.S. Department of Labor			
Passed through Middle Georgia Regional Commission			
Senior Community Service Employment Program	17.235	FY2011	$ 57,002
Senior Community Service Employment Program	17.235	FY2012	15,300
Total U.S. Department of Labor			72,302
U.S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
HOME Investment Partnerships Program	14.239	06M-Y-084-1-2933	220,906
Total U.S. Department of Housing and Urban Development			220,906
U.S. Department of Justice			
Passed through Council of Juvenile Court Judges			
Purchase of Services for Juvenile Offenders Program	16.523	JB-07ST-004	2,421
Purchase of Services for Juvenile Offenders Program	16.523	JB-08ST-002	3,500
Total U.S. Department of Justice			5,921
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Transportation Enhancement Grant	20.205	TEE-0008-00(165)	177,990
Transportation Enhancement Grant - (HPP) Hybrid Vehicle Purchase	20.205	0009420	44,209
Total Highway Planning and Construction Cluster			222,199
Section 5311 Grant - Transit Operating Assistance	20.509	GA-18-4031	60,461
Section 5311 Grant - Transit Operating Assistance	20.509	GA-18-4032	13,136
Section 5311 Grant - ARRA - Capital Improvement	20.509	GA-86-X001	39,368
Section 5311 Grant - Capital Improvement	20.509	GA-18-0031	66,249
Total Section 5311 Grant			179,214
Total U.S. Department of Transportation			401,413
U.S. Department of Homeland Security			
Direct Award			
Assistance to Firefighters	97.044	EMW-2009-FO-06220	328,500
Passed through Georgia Emergency Management Agency			
Performance Partnership Agreement	97.042	OEM10-086	18,641
Total U.S. Department of Homeland Security			347,141
Total Expenditures of Federal Awards			$ 1,047,683

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

JONES COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of $300,000 or three percent of total federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended August 31, 2011.

NOTE 2. NON-CASH AWARDS

The County received non-cash federal awards valued at $105,617 during the year ended August 31, 2011. The awards related to three transit vans received as part of the Capital Improvement Assistance award (CFDA 20.509) from the U.S. Department of Transportation.

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

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

Internal Control over major programs:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified not considered to be material weaknesses?	X yes ____ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	X yes ____ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	U.S. Department of Housing and Urban Development:
14.239	Home Investment Partnerships Program
	U.S. Department of Homeland Security:
97.044	Assistance to Firefighters

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2011 - 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, 2011.

Context: See above condition.

Effect: An audit adjustment to increase accounts payable and expenditures in the amount of $32,013 was required to be reported in the 2009 SPLOST 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.

2011 - 2. Management of Capital Asset Accounts

Criteria: Generally accepted accounting principles generally require the reporting of all purchased 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, 2011, the County did not properly record depreciation on certain assets within the governmental activities. Additionally, the County did not properly record the contribution and purchase of certain capital assets within the governmental activities.

Context: See above condition.

Effect: An audit adjustment to increase depreciation expense and accumulated depreciation by $66,129 was required to be reported within the governmental activities at the government-wide level as of August 31, 2011. Additionally, an audit adjustment to increase capital assets by $1,604,753 and to increase capital contributions by $200,000 was required to be reported within the governmental activities at the government-wide level as of August 31, 2011.

Recommendation: We recommend the County review all capital asset activity and record all appropriate entries in the capital asset system.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (Continued)

2011 - 2. Management of Capital Asset Accounts (Continued)

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 capital asset system.

2011 - 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 among 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 among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

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 among 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

2011 - 4. Verification Check for Covered Transactions – Assistance to Firefighters Grant

Criteria: As a recipient of federal awards, the County is charged with the responsibility of verifying that covered transactions (procurement contracts for goods and services that are expected to equal or exceed $25,000, or meet certain other specified criteria) are not awarded to debarred or suspended parties.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

2011 - 4. Verification Check for Covered Transactions – Assistance to Firefighters Grant (Continued)

Condition: During our testing of federal award contracts, we noted an instance in which the County could not provide documentation that a verification check for debarment/suspension was performed.

Context/Cause: The lack of documentation regarding debarment/suspension was noted during control testing related to the Assistance to Firefighters Program.

Effect: Without proper documentation, debarred/suspended parties could be improperly awarded federal grant monies.

Recommendation: The County should take appropriate measures to ensure that complete documentation of all federal award procurements, including verification checks for suspension/debarment, be properly maintained.

Views of Responsible Officials and Planned Corrective Action: We concur. The County will work together to ensure that complete documentation of all federal award procurements is properly maintained. Such ways to verify that an entity has not been suspended or disbarred are 1) Checking the EPLS website; 2) Collecting a certification from the entity; or 3) Adding a clause or condition to the covered transaction (contract).

2011 - 5. Compliance with Cash Management Requirements – HOME Investments Partnership Program

Criteria: 34 CFR 80.21 requires that grantees shall establish methods and procedures for payment to minimize the time elapsing between the transfer/receipt of grant funds and the disbursement of funds to subgrantees or contractors/vendors.

Condition: Controls were not in place to ensure timely disbursement of grant receipts.

Context: During the year ended June 30, 2011, the County did not expend federal funds received under the HOME Investments Partnership Program within seven working days, as required by the grant agreement.

Effect: Funds were drawn in excess of immediate cash needs of the County.

Recommendation: We recommend the County strengthen controls over cash management to ensure timely disbursement of grant receipts.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. The County will review the requirements for cash management and strengthen internal controls to ensure timely disbursement of grant funds upon receipt.

JONES COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2011

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.

Auditee response/status: Unresolved. See current finding 2011-1.

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.

Auditee response/status: Unresolved. See current finding 2011-2.

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.

Auditee response/status: Unresolved. See current finding 2011-3.

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, 2011, 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, 2011, 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 24, 2012

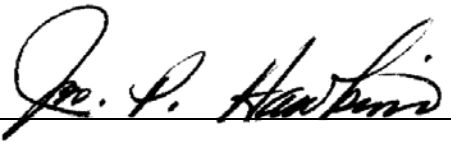
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

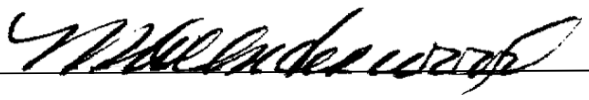
LINE		
A	Local Government	**Jones County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**02-C-L-911**
D	Grant Title	**Local Assistance Grant**
E	Grant Award Date	**07/02/01**
F	Grant Amount	**$40,000.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: August 31, 2011	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: August 31, 2011
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$23,423.00	
I	Grant Receipts or Revenue Recognized	$0.00	$40,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$8,500.00	$25,077.00
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]	$14,923.00	$14,923.00

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 2/21/12

Signature of Chief Financial Officer  Date 2/21/12

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, 2011	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: August 31, 2011
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 2/21/12

Signature of Chief Financial Officer _____ Date 2/21/12

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