JONES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2014

JONES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Jones County, Georgia
Gray, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County, Georgia (the "County") as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Jones County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Development Authority of Jones County, a blended component unit of Jones County, Georgia, which represents 15.9%, 16.5% and 31.7%, respectively, of the assets, fund equity, and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Jones County Board of Health, which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Development Authority of Jones County and the Jones County Board of Health, are based solely 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 from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of 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 unit, each major fund, and the aggregate remaining fund information of Jones County, Georgia, as of August 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13) and the Schedule of Funding Progress (on page 60) 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.

Other Information

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 and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jones County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
February 25, 2015

As management of Jones County, Georgia, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended August 31, 2014. 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 the County exceeded its liabilities at August 31, 2013, by $43,844,131 (net position) and at August 31, 2014, by $44,632,548 (net position). Of this amount, $4,945,939 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors, which is an increase in unrestricted net position from the prior year of $4,803,483.

- At August 31, 2014, the County's total fund balances as summarized for all governmental fund types on page 21 of the financial statements were $6,869,181. At August 31, 2013, the County's total fund balances as summarized for all governmental funds were $7,383,115, a decrease of $513,934, or approximately 7%, from the 2013 fiscal year.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the 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 the 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: 1) the statement of net position and 2) the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's increase in its unrestricted net position in 2013 and 2014 demonstrates the continued improvement in the County's financial position. Evaluation of the overall health of the County would extend to other non-financial factors such as the condition of the County infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 the County itself (known as the primary government), but also the Jones County Department of Public Health (discretely presented component unit; is reported in a separate column in the combined financial statements to emphasize they are legally separate from the County), and the Jones County Development Authority (blended component unit; although a legally separate entity, is in substance, part of the County's operations). 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 the blended component unit is reported within the County's financial statements as a special revenue fund. Financial information for the discretely presented component unit 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. The 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: 1) governmental funds, 2) proprietary funds, and 3) 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.

The County maintains governmental funds to account for the following activities: General; Special Revenue (Jail Improvement, Drug Education, Law Library, Confiscation, Enhanced 911, Juvenile Costs and Fees, and the Development Authority of Jones County); Capital Projects (2006 Transportation Enhancement Activities, 2004 SPLOST Capital Projects, 2009 SPLOST Capital Projects, CDBG Grant Fund, and Impact Fee Fund); and Debt Service (River North Tax District 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. The 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. The 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 the 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 position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $44,844,131 at the close of the 2013 fiscal year and by $44,632,548 at the close of the 2014 fiscal year, a decrease of $211,583. Of the $44,844,131, $32,254,906 resulted from governmental activities and $12,589,225 resulted from the County's business-type activities in 2013. In comparison, for fiscal year 2014, of the $44,632,548, $31,497,565 resulted from the County's governmental activities and $13,134,983 resulted from the County's business-type activities.

By far the largest portion of the County's net position (84% in 2013 and 85% in 2014) 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 Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	$ 8,889,992	$ 8,152,769	$ 715,888	$ 723,921	$ 9,605,880	$ 8,876,690
Capital assets	28,561,352	28,575,173	14,125,419	14,273,285	42,686,771	42,848,458
Total assets	37,451,344	36,727,942	14,841,307	14,997,206	52,292,651	51,725,148
Deferred charge on refunding	46,101	42,808	-	-	46,101	42,808
Other liabilities	1,449,073	1,221,025	287,002	207,191	1,736,075	1,428,216
Long-term liabilities outstanding	3,793,466	4,052,160	1,965,080	1,655,032	5,758,546	5,707,192
Total liabilities	5,242,539	5,273,185	2,252,082	1,862,223	7,494,621	7,135,408
Net position:						
Net investment in capital assets	25,490,862	25,283,271	12,208,581	12,676,263	37,699,443	37,959,534
Restricted	2,287,821	1,673,273	53,384	53,802	2,341,205	1,727,075
Unrestricted	4,476,223	4,541,021	327,260	404,918	4,803,483	4,945,939
Total net position	$32,254,906	$31,497,565	$12,589,225	$13,134,983	$44,844,131	$44,632,548

An additional portion of the County's total net position (5% in 2013 and 4% in 2014) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net position ($4,803,483 in 2013 and $4,945,939 in 2014) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Change in Net Position. Governmental activities increased the County's net position by $663,707 in 2013 and decreased ($757,341) in 2014. Business-type activities increased the County's net position by $1,022,468 in 2013 and $545,758 in 2014, respectively. Key elements of this increase are as follows:

Jones County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenues:						
Charges for services	$ 2,759,114	$ 2,720,261	$ 1,973,226	$ 2,150,857	$ 4,732,340	$ 4,871,118
Operating grants and contributions	625,197	764,091	-	-	625,197	764,091
Capital grants and contributions	1,180,193	519,919	964,590	449,856	2,144,783	969,775
General revenues:						
Property taxes	10,448,773	10,736,654	-	-	10,448,773	10,736,654
Sales taxes	3,897,768	3,533,750	-	-	3,897,768	3,533,750
Other taxes	1,439,322	1,456,622	-	-	1,439,322	1,456,622
Unrestricted investment earnings	14,534	18,193	1,029	1,346	15,563	19,539
Total revenues	20,364,901	19,749,490	2,938,845	2,602,059	23,303,746	22,351,549
Expenses						
General government	4,099,730	3,955,212	-	-	4,099,730	3,955,212
Judicial	1,373,316	1,398,283	-	-	1,373,316	1,398,283
Public safety	6,701,439	7,391,942	-	-	6,701,439	7,391,942
Public works	5,014,355	5,070,023	-	-	5,014,355	5,070,023
Health and welfare	434,525	451,015	-	-	434,525	451,015
Culture and recreation	732,746	726,618	-	-	732,746	726,618
Housing and development	619,928	593,433	-	-	619,928	593,433
Interest on long-term debt	119,187	114,640	-	-	119,187	114,640
Water and sewer	-	-	2,058,565	2,424,968	2,058,565	2,424,968
Golf course	-	-	463,780	436,998	463,780	436,998
Total expenses	19,095,226	19,701,166	2,522,345	2,861,966	21,617,571	22,563,132
Change in net position before transfers	1,269,675	48,324	416,500	(259,907)	1,686,175	(211,583)
Transfers	(605,968)	(805,665)	605,968	805,665	-	-
Change in net position	663,707	(757,341)	1,022,468	545,758	1,686,175	(211,583)
Net position, beginning, as restated	31,591,199	32,254,906	11,566,757	12,589,225	43,157,956	44,844,131
Net position, ending	$32,254,906	$31,497,565	$12,589,225	$13,134,983	$44,844,131	$44,632,548

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the 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, unassigned 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 2014 fiscal year, the County's governmental funds reported combined ending fund balances of $6,869,181, a decrease of $513,934 in comparison with the prior year. Specifically, the restricted fund balance for debt service increased by $98,521; the fund balance nonspendable for inventory decreased by $9,806; nonspendable fund balance for prepaid items increased by $7,711; unassigned general fund increased by $102,709; restricted fund balance for judicial and public safety decreased by $21,182; and restricted fund balance in the capital project funds decreased $701,857. Due to the implementation of GASB 61, the County was required to present the Development Authority of Jones County as a blended component unit, which resulted in a restricted fund balance for economic development in the amount of $143,203. Approximately 70% of the combined fund balance constitutes unassigned fund balance ($4,809,003), which is available for spending at the government's discretion. The remainder of the 2014 fund balance ($2,060,178) is classified as nonspendable ($386,905), and restricted ($1,673,273) 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 the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,833,346, while total fund balance of General Fund reached $5,211,089. The 2014 unassigned fund balance of the General Fund increased $109,279 and the nonspendable fund balance decreased $616,643. 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 29% of total General Fund expenditures, while total fund balance represents 32% of that same amount.

The fund balance of the County's total General Fund increased in the amount of $106,715 during the current fiscal year. The actual County's revenues collected in 2014 were less than the final amended budget by ($13,211). The County's expenditures were less than the final amended budget by $119,927. With the other financing sources and uses ($50,945), the net result is the increase of $106,715.

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 2014 fiscal year, the 2004 SPLOST Capital Projects Fund had a restricted and nonspendable fund balance of $0.

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. At the end of the 2014 fiscal year, the 2009 SPLOST Capital Projects Fund had a restricted fund balance of $790,381.

Proprietary funds. The 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 position (formerly known as net assets) of the Water and Sewer Fund was $457,312, an increase of $94,963, or 26% from 2013. Unrestricted net position of the Golf Course Fund went from ($35,089) in 2013 to ($52,394) in 2014, resulting in combined total unrestricted net position of $404,918, an increase of $77,658. The Water and Sewer Fund reflects restricted net position of $14,273 for debt service, an increase of $340. For the years ended August 31, 2014 and 2013, the proprietary funds had total net position of 13,134,983 and $12,589,225, respectively. This is an increase in total net position for the proprietary funds in the amount of $545,758.

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

	2013	2014
Net operating income (loss):		
Water and Sewer Fund	$ (209,655)	$ (401,071)
Golf Course Fund	(307,786)	(297,692)
Total net operating income (loss)	(517,441)	(698,763)
Nonoperating revenues (expenses)	(30,649)	(11,000)
Income (loss) before transfers and contributions	(548,090)	(709,763)
Capital Contributions	1,401,133	1,002,954
Transfers in (out)	169,425	252,567
Change in net position	$ 1,022,468	$ 545,758

General Fund Budgetary Highlights

The major impact between the actual and the final amended budgets were the anticipated revenues of charges for services in the amount of ($13,211) for fiscal year end and the reduction in spending to control costs resulted in fewer funds being spent out of contingency in general administration. The actual net change in fund balance was an increase of $106,715. End of year actual fund balance is $5,211,089 in the General Fund, which will cover expenses for roughly more than three months.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of August 31, 2014, increased $13,821 to $28,575,173 (net of accumulated depreciation) which includes the capital asset activity of the Development Authority of Jones County as of and for the year ended August 31, 2014. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2014. The County's investment in capital assets for its business-type activities as of August 31, 2014 increased $147,866 to $14,273,285. 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	
	2013	2014	2013	2014	2013	2014
Land	$ 4,142,210	$ 4,142,210	$ 211,047	$ 211,047	$ 4,353,257	$ 4,353,257
Intangibles	36,000	36,000	-	-	36,000	36,000
Land improvements	2,617,374	2,936,911	-	-	2,617,374	2,936,911
Buildings and improvements	8,654,436	8,302,168	294,700	291,788	8,949,136	8,593,956
Golf course improvements	-	-	549,876	526,254	549,876	526,254
Machinery and equipment	2,959,829	2,837,515	221,483	363,073	3,181,312	3,200,588
Furniture and fixtures	-	-	-	-	-	-
Water system	-	-	10,341,690	11,063,548	10,341,690	11,063,548
Water storage tanks	-	-	1,341,794	1,014,642	1,341,794	1,014,642
RN sewer system	-	-	863,984	773,560	863,984	773,560
Pumping station	-	-	120,069	29,373	120,069	29,373
Infrastructure	7,848,132	7,923,463	-	-	7,848,132	7,923,463
Construction in progress	2,303,371	2,396,906	180,776	-	2,484,147	2,396,906
Total	$28,561,352	$28,575,173	$14,125,419	$14,273,285	$42,686,771	$42,848,458

Major projects in 2014 included the following:

- HPP Sidewalks and Bike Trails (603)-completed
- New TE Haddock Walkways (not completed)
- HWY 18 Recreation Expansion (not completed)
- Industrial Park (not completed)
- Haddock Park Recreation Satellite-completed
- Juliette Recycling Center-completed
- Homer Roberts Road-completed
- Griswoldville Water Main & GEFA-Joycliff/Stagecoach Booster Pump Station-completed
- Water System Improvements-Taylor Road/Whitaker Sunvalley Pump Station-completed
- Industrial Park Fire Station #11 (not completed)
- Jail Expansion (not completed)
- Gray Hwy Water Lines (not completed)
- River North Rehab (not completed)
- GEFA – River North (not completed)

Long-term debt. At the end of the current fiscal year, Jones County had total outstanding bonded debt of $3,079,000, which is secured solely by specified revenue services. The total long-term debt of the County, other than bonds is $2,628,192.

- o Capital Leases are used to finance new equipment in various departments.
- o The Compensated Absences line item reflects the vacation pay employees have earned but not yet taken.
- o The 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 12 years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all post closure care in 2014. 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:					
Revenue bonds	$2,945,000	$ -	$ 160,000	2,785,000	$ 165,000
Notes payable	-	73,983	-	73,983	-
Capital leases	125,490	331,582	24,153	432,919	94,158
Landfill postclosure	245,895	14,105	20,000	240,000	20,000
Compensated absences	435,478	253,875	210,472	478,881	383,105
Net pension obligation	41,603	-	226	41,377	-
	$ 3,793,466	$ 673,545	$ 414,851	$ 4,052,160	$ 662,263
Business-type activities:					
Revenue bonds	$ 334,000	$ -	$ 40,000	$ 294,000	$ 40,000
Notes payable	1,490,018	90,265	471,868	1,108,415	53,825
Capital leases	92,820	224,000	122,213	194,607	40,567
Compensated absences	48,242	21,800	12,032	58,010	32,652
Total	$ 1,965,080	$ 336,065	$ 646,113	$ 1,655,032	$ 167,044

Economic Factors and Next Year's Budgets

- The unemployment rate for the County is at 6.2% which is lower than the Middle Georgia rate of 7.8%, and the State of Georgia rate of 7.2% (revised December 2013 data). (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: www.dol.state.ga.us).
- The County anticipates an increase in the amount of Local Option Sales Tax Revenues in the future with the construction of the North Gray Bypass, the estimate for the completion of the bypass is 18 months to two years after construction has started. The County, the City of Gray, and the City of Macon renegotiated its revenue sharing arrangements for LOST in 2012, and the County will receive 82.9%, City of Gray will receive 16.5% 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 increased from $701,926,586 to $702,822,082, 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 (13.31) to (13.404).

Requests for Information

This financial report is designed to provide a general overview of the 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, P.O. Box 1359, Gray, Georgia 31032.

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
AUGUST 31, 2014

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 5,965,936	$ 509,062	$ 6,474,998
Investments	779,196	-	779,196
Taxes receivable	403,023	-	403,023
Interest receivable	129	-	129
Accounts receivable, net of allowances	498,744	196,182	694,926
Due from other governments	26,082	-	26,082
Internal balances	92,754	(92,754)	-
Inventories	82,504	7,344	89,848
Prepaid items	304,401	7,835	312,236
Restricted assets, cash	-	96,252	96,252
Capital assets, non-depreciable	6,575,116	211,047	6,786,163
Capital assets, depreciable, net of accumulated depreciation	22,000,057	14,062,238	36,062,295
Total assets	36,727,942	14,997,206	51,725,148
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	42,808	-	42,808
Total deferred outflows of resources	42,808	-	42,808
LIABILITIES			
Accounts payable	750,338	35,058	785,396
Accrued liabilities	318,738	23,287	342,025
Due to other governments	65,451	-	65,451
Other current liabilities	86,498	-	86,498
Liabilities payable from restricted assets	-	148,846	148,846
Capital leases due within one year	94,158	40,567	134,725
Capital leases due in more than one year	338,761	154,040	492,801
Compensated absences due within one year	383,105	32,652	415,757
Compensated absences due in more than one year	95,776	25,358	121,134
Notes payable due within one year	-	53,825	53,825
Notes payable due in more than one year	73,983	1,054,590	1,128,573
Bonds payable due within one year	165,000	40,000	205,000
Bonds payable due in more than one year	2,620,000	254,000	2,874,000
Landfill postclosure costs due within one year	20,000	-	20,000
Landfill postclosure costs due in more than one year	220,000	-	220,000
Net pension obligation due in more than one year	41,377	-	41,377
Total liabilities	5,273,185	1,862,223	7,135,408

Component Unit
Jones County Board of Health
$ 925,284
-
-
-
-
20,195
-
-
-
-
-
5,237
950,716
-
-
-
-
15,078
-
-
-
-
5,091
24,233
-
-
-
-
-
-
-
44,402

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
AUGUST 31, 2014

NET POSITION	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	$ 25,283,271	$ 12,676,263	$ 37,959,534
Restricted for:			
Debt service	171,083	14,273	185,356
Renewal and replacement	-	39,529	39,529
Capital projects	980,706	-	980,706
Economic development	143,203	-	143,203
Judicial	61,161	-	61,161
Public safety	317,120	-	317,120
Unrestricted	4,541,021	404,918	4,945,939
Total net position	$ 31,497,565	$ 13,134,983	$ 44,632,548

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

Component Units	
Jones County Board of Health	
$	5,237
	-
	-
	-
	-
	-
	-
	901,077
$	906,314

JONES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,955,212	$ 497,430	$ 5,199	$ -
Judicial	1,398,283	795,849	19,982	-
Public safety	7,391,942	1,228,551	261,795	1,537
Public works	5,070,023	108,832	76,320	518,382
Health and welfare	451,015	-	-	-
Culture and recreation	726,618	23,855	28,532	-
Housing and development	593,433	65,744	372,263	-
Interest on long-term debt	114,640	-	-	-
Total governmental activities	19,701,166	2,720,261	764,091	519,919
Business-type activities:				
Water and sewer	2,424,968	1,999,610	-	449,856
Golf course	436,998	151,247	-	-
Total business-type activities	2,861,966	2,150,857	-	449,856
Total primary government	$ 22,563,132	$ 4,871,118	$ 764,091	$ 969,775
Component unit:				
Jones County Board of Health	$ 435,618	$ 169,559	$ 297,203	$ -
Total component unit	$ 435,618	$ 169,559	$ 297,203	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Intangible taxes				
Alcoholic beverage taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit Jones County Board of Health
$ (3,452,583)	$ -	$ (3,452,583)	$ -
(582,452)	-	(582,452)	-
(5,900,059)	-	(5,900,059)	-
(4,366,489)	-	(4,366,489)	-
(451,015)	-	(451,015)	-
(674,231)	-	(674,231)	-
(155,426)	-	(155,426)	-
(114,640)	-	(114,640)	-
(15,696,895)	-	(15,696,895)	-
-	24,498	24,498	-
-	(285,751)	(285,751)	-
-	(261,253)	(261,253)	-
(15,696,895)	(261,253)	(15,958,148)	-
-	-	-	31,144
-	-	-	31,144
10,736,654	-	10,736,654	-
3,533,750	-	3,533,750	-
1,157,657	-	1,157,657	-
87,361	-	87,361	-
96,543	-	96,543	-
115,061	-	115,061	-
18,193	1,346	19,539	523
(805,665)	805,665	-	-
14,939,554	807,011	15,746,565	523
(757,341)	545,758	(211,583)	31,667
32,254,906	12,589,225	44,844,131	874,647
$ 31,497,565	$ 13,134,983	$ 44,632,548	$ 906,314

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,490,927	$ 671,349	$ 803,660	$ 5,965,936
Investments	745,127	-	34,069	779,196
Taxes receivable	234,057	168,805	161	403,023
Interest receivable	-	-	129	129
Accounts receivable	360,361	-	138,383	498,744
Due from other governments	25,748	-	334	26,082
Due from other funds	123,103	50,041	-	173,144
Inventories	82,504	-	-	82,504
Prepaid items	295,239	-	9,162	304,401
Total assets	$ 6,357,066	$ 890,195	$ 985,898	$ 8,233,159
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 694,605	$ 34,363	$ 21,370	$ 750,338
Accrued liabilities	302,311	-	16,427	318,738
Due to other governments	-	65,451	-	65,451
Due to other funds	-	-	80,390	80,390
Other current liabilities	86,498	-	-	86,498
Total liabilities	1,083,414	99,814	118,187	1,301,415
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	62,563	-	-	62,563
Total deferred inflows of resources	62,563	-	-	62,563

(Continued)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventories	$ 82,504	$ -	$ -	$ 82,504
Prepaid items	295,239	-	9,162	304,401
Restricted for:				
Capital projects	-	790,381	190,325	980,706
Debt service	-	-	171,083	171,083
Economic development	-	-	143,203	143,203
Judicial	-	-	61,161	61,161
Public safety	-	-	317,120	317,120
Unassigned	4,833,346	-	(24,343)	4,809,003
Total fund balances	5,211,089	790,381	867,711	6,869,181
Total liabilities, deferred inflows of resources, and fund balances	$ 6,357,066	$ 890,195	$ 985,898	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,575,173
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	62,563
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,009,352)
Net position of governmental activities	$ 31,497,565

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, 2014

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 13,716,519	$ 1,932,110	$ 73,638	$ 15,722,267
Licenses and permits	172,370	-	-	172,370
Intergovernmental	903,692	8,409	353,524	1,265,625
Fines and forfeitures	453,044	-	174,787	627,831
Charges for services	1,339,929	-	485,161	1,825,090
Impact fees	-	-	44,092	44,092
Investment income	16,928	2,125	1,265	20,318
Miscellaneous	54,968	-	12,170	67,138
Total revenues	16,657,450	1,942,644	1,144,637	19,744,731
Expenditures				
Current:				
General government	3,544,560	-	131,445	3,676,005
Judicial	1,377,415	-	24,765	1,402,180
Public safety	5,424,822	-	800,105	6,224,927
Public works	4,775,667	-	-	4,775,667
Health and welfare	412,658	-	-	412,658
Culture and recreation	658,389	-	45,786	704,175
Housing and development	306,279	-	-	306,279
Intergovernmental	-	370,965	-	370,965
Capital outlay	-	2,235,115	11,405	2,246,520
Debt service:				
Principal	-	24,153	160,000	184,153
Interest and fiscal charges	-	2,409	108,938	111,347
Total expenditures	16,499,790	2,632,642	1,282,444	20,414,876
Excess (deficiency) of revenues over (under) expenditures	157,660	(689,998)	(137,807)	(670,145)

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

	General	Capital Projects 2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Capital leases	$ 331,582	$ -	$ -	$ 331,582
Proceeds from sale of assets	3,213	-	-	3,213
Issuance of debt	-	-	73,983	73,983
Transfers in	-	-	133,173	133,173
Transfers out	(385,740)	-	-	(385,740)
Total other financing sources (uses)	(50,945)	-	207,156	156,211
Net change in fund balances	106,715	(689,998)	69,349	(513,934)
Fund balance, beginning of year	5,104,374	1,480,379	798,362	7,383,115
Fund balance, end of year	$ 5,211,089	$ 790,381	$ 867,711	$ 6,869,181

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, 2014

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

Net change in fund balances - total governmental funds	$	(513,934)
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.		466,224
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(452,403)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,759
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(218,810)
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.		(43,177)
	$	(757,341)

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 10,697,877	$ 10,658,246	$ 10,658,257	$ 11
Sales taxes	2,028,709	1,601,640	1,601,640	-
Other taxes	1,421,840	1,456,620	1,456,622	2
Licenses and permits	191,850	172,368	172,370	2
Intergovernmental	670,988	903,690	903,692	2
Fines and forfeitures	470,500	453,042	453,044	2
Charges for services	1,074,370	1,353,161	1,339,929	(13,232)
Investment income	15,000	16,928	16,928	-
Miscellaneous	55,867	54,966	54,968	2
Total revenues	16,627,001	16,670,661	16,657,450	(13,211)
Expenditures:				
Current:				
General government:				
Governing body	135,343	131,263	131,273	(10)
Chief executive	556,048	539,668	539,689	(21)
Elections	143,188	118,941	118,951	(10)
Law	164,200	128,999	129,001	(2)
Data processing	89,461	76,224	76,229	(5)
Tax commissioner	383,055	393,499	393,509	(10)
Tax assessor	335,791	301,823	301,833	(10)
Board of equalization	13,664	4,373	4,375	(2)
Risk management	203,183	202,696	202,705	(9)
Buildings and plant	503,683	483,225	483,244	(19)
Records management	915	3,836	3,839	(3)
General administration	1,453,205	1,283,638	1,159,912	123,726
Total general government	3,981,736	3,668,185	3,544,560	123,625
Judicial:				
Superior court	522,698	521,966	521,977	(11)
District attorney	68,736	136,280	136,281	(1)
Magistrate court	181,896	188,768	188,776	(8)
Probate court	259,994	255,494	255,501	(7)
Traffic court	28,153	26,604	26,604	-
Juvenile court	91,797	90,475	90,478	(3)
Operation early intervention	54,654	53,158	53,163	(5)
Grand jury	3,500	-	-	-
Public defender	104,125	104,634	104,635	(1)
Total judicial	1,315,553	1,377,379	1,377,415	(36)

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Law enforcement administration	$ 2,906,286	$ 2,922,976	$ 2,926,771	$ (3,795)
Jail operations	1,523,751	1,491,027	1,491,040	(13)
Adult probation and parole	250	63	63	-
Fire	63,157	59,120	59,145	(25)
Ambulance	-	612	612	-
Coroner	41,939	38,376	37,953	423
Animal control	138,357	149,048	149,064	(16)
Emergency management	374,934	760,153	760,174	(21)
Total public safety	5,048,674	5,421,375	5,424,822	(3,447)
Public works:				
Administration	3,213,915	3,437,994	3,438,018	(24)
Sanitary administration	266,831	336,379	336,386	(7)
DNR code enforcement	73,320	56,965	56,976	(11)
Solid waste collection	193,120	183,816	183,817	(1)
Recycling	297,098	310,889	310,933	(44)
Landfill	97,941	164,546	164,549	(3)
Public education	35,414	37,161	37,171	(10)
Maintenance and shop	249,850	247,806	247,817	(11)
Total public works	4,427,489	4,775,556	4,775,667	(111)
Health and welfare:				
Public health	109,346	109,463	109,464	(1)
Welfare	50,000	50,000	50,000	-
Older American Council	56,469	38,613	38,620	(7)
5311 transportation	220,464	214,569	214,574	(5)
Total health and welfare	436,279	412,645	412,658	(13)
Culture and recreation:				
Recreation centers	507,399	517,683	517,743	(60)
Jonesco restoration	12,750	11,414	11,417	(3)
Libraries	127,761	129,222	129,229	(7)
Total culture and recreation	647,910	658,319	658,389	(70)

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Housing and development:				
Agricultural resources	$ 88,076	$ 65,545	$ 65,558	$ (13)
Planning and zoning	165,194	157,588	157,596	(8)
Economic development	83,125	83,125	83,125	-
Total housing and development	336,395	306,258	306,279	(21)
Total expenditures	16,194,036	16,619,717	16,499,790	119,927
Excess of revenues over expenditures	432,965	50,944	157,660	106,716
Other financing sources (uses):				
Capital lease	-	331,582	331,582	-
Proceeds from sale of assets	9,500	3,213	3,213	-
Transfers out	(442,465)	(385,739)	(385,740)	(1)
Total other financing sources (uses)	(432,965)	(50,944)	(50,945)	(1)
Net change in fund balance	-	-	106,715	106,715
Fund balance, beginning of year	5,104,374	5,104,374	5,104,374	-
Fund balance, end of year	$ 5,104,374	$ 5,104,374	$ 5,211,089	$ 106,715

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

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

	Major Enterprise Funds		
ASSETS	**Water and Sewer Fund**	**Golf Course Fund**	**Totals**
CURRENT ASSETS			
Cash	$ 495,475	$ 13,587	$ 509,062
Accounts receivable, net of allowances	196,182	-	196,182
Restricted assets, cash	96,252	-	96,252
Inventories	-	7,344	7,344
Prepaid items	5,995	1,840	7,835
Total current assets	793,904	22,771	816,675
NONCURRENT ASSETS			
Capital assets			
Capital assets, non-depreciable	88,167	122,880	211,047
Capital assets, depreciable, net of accumulated depreciation	13,207,840	854,398	14,062,238
Total capital assets	13,296,007	977,278	14,273,285
Total noncurrent assets	13,296,007	977,278	14,273,285
Total assets	$ 14,089,911	$ 1,000,049	$ 15,089,960
LIABILITIES			
CURRENT LIABILITIES			
Payable from current assets:			
Accounts payable	$ 35,058	$ -	$ 35,058
Accrued liabilities	14,879	8,408	23,287
Capital lease payable, current portion	-	40,567	40,567
Compensated absences, current portion	28,438	4,214	32,652
Notes payable, current portion	53,825	-	53,825
Due to other funds	49,288	43,466	92,754
Total payable from current assets	181,488	96,655	278,143

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

	Major Enterprise Funds		
	Water and Sewer Fund	Golf Course Fund	Totals
Payable from restricted assets:			
Accrued interest payable	$ 2,450	$ -	$ 2,450
Revenue bonds payable, current portion	40,000	-	40,000
Customer deposits payable	146,396	-	146,396
Total payable from restricted assets	188,846	-	188,846
Total current liabilities	370,334	96,655	466,989
NONCURRENT LIABILITIES			
Revenue bonds payable, net of current portion	254,000	-	254,000
Capital lease payable, net of current portion	-	154,040	154,040
Compensated absences, net of current portion	6,281	19,077	25,358
Notes payable, net of current portion	1,054,590	-	1,054,590
Total noncurrent liabilities	1,314,871	173,117	1,487,988
Total liabilities	1,685,205	269,772	1,954,977
NET POSITION			
Net investment in capital assets	11,893,592	782,671	12,676,263
Restricted for:			
Debt service	14,273	-	14,273
Renewal and replacement	39,529	-	39,529
Unrestricted	457,312	(52,394)	404,918
Total net position	$ 12,404,706	$ 730,277	$ 13,134,983

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

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

	Major Enterprise Funds		
	Water and Sewer Fund	Golf Course Fund	Totals
Operating revenues:			
Charges for services:			
Water sales pledged as security for revenue bonds	$ 1,628,008	$ -	$ 1,628,008
Sewer sales	172,042	-	172,042
Connection fees	67,449	-	67,449
Golf course charges	-	151,247	151,247
Other operating income	132,111	-	132,111
Total operating revenues	1,999,610	151,247	2,150,857
Operating expenses:			
Salaries and benefits	520,556	232,177	752,733
Purchased/contracted services	559,666	23,576	583,242
Supplies and materials	757,209	118,648	875,857
Other	1,781	-	1,781
Depreciation	561,469	74,538	636,007
Total operating expenses	2,400,681	448,939	2,849,620
Operating loss	(401,071)	(297,692)	(698,763)
Nonoperating revenues (expenses):			
Investment income	1,321	25	1,346
Interest expense	(24,287)	(7,528)	(31,815)
Gain on sale of capital assets	-	19,469	19,469
Total nonoperating expenses	(22,966)	11,966	(11,000)
Loss before contributions and transfers	(424,037)	(285,726)	(709,763)
Capital contributions	974,513	28,441	1,002,954
Transfers			
Transfers in	-	252,567	252,567
Total transfers	-	252,567	252,567
Change in net position	550,476	(4,718)	545,758
Net position, beginning of year	11,854,230	734,995	12,589,225
Net position, end of year	$ 12,404,706	$ 730,277	$ 13,134,983

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, 2014

	Major Enterprise Funds		
	Water and Sewer Fund	Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,150,611	$ 151,247	$ 2,301,858
Payments to suppliers and service providers	(1,506,150)	(137,921)	(1,644,071)
Payments to employees	(515,396)	(217,361)	(732,757)
Net cash provided by (used in) operating activities	129,065	(204,035)	(74,970)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	252,567	252,567
Net cash provided by noncapital financing activities	-	252,567	252,567
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(70,303)	-	(70,303)
Principal paid on bonds	(40,000)	-	(40,000)
Principal paid on notes payable	(21,944)	-	(21,944)
Principal paid on capital leases	-	(39,215)	(39,215)
Proceeds from issuance of note payable	90,265	-	90,265
Interest paid	(24,812)	(7,528)	(32,340)
Net cash used in capital and related financing activities	(66,794)	(46,743)	(113,537)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,321	25	1,346
Net cash provided by investing activities	1,321	25	1,346
Net increase in cash and cash equivalents	63,592	1,814	65,406
Cash and cash equivalents:			
Beginning of year	528,135	11,773	539,908
End of year	$ 591,727	$ 13,587	$ 605,314

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

	Major Enterprise Funds		
	Water and Sewer Fund	Golf Course Fund	Totals
Classified as:			
Cash and cash equivalents	$ 495,475	$ 13,587	$ 509,062
Restricted assets, cash and cash equivalents	96,252	-	96,252
	$ 591,727	$ 13,587	$ 605,314
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (401,071)	$ (297,692)	$ (698,763)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	561,469	74,538	636,007
Decrease in accounts receivable	139,419	-	139,419
Decrease in inventories	-	1,199	1,199
(Increase) decrease in prepaid items	(922)	3,600	2,678
Decrease in accounts payable	(90,330)	(496)	(90,826)
(Decrease) increase in accrued liabilities	(683)	572	(111)
Increase in compensated absences	5,843	3,925	9,768
(Decrease) increase in due to other funds	(96,242)	10,319	(85,923)
Increase in customer deposits payable	11,582	-	11,582
Net cash provided by (used in) operating activities	$ 129,065	$ (204,035)	$ (74,970)
Noncash investing, capital, and financing activities:			
GEFA loan forgiveness	$ 449,856	$ -	$ 449,856
Transfer of capital assets by other funds	452,403	-	452,403
Capital lease	-	224,000	224,000
Cancellation of capital lease	-	(82,998)	(82,998)
Purchases of capital assets by other funds	72,254	28,441	100,695
Total noncash investing, capital and financing activities	$ 974,513	$ 169,443	$ 1,143,956

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

JONES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2014

	Agency Funds
ASSETS	
Cash	$ 496,625
Taxes receivable	127,193
Due from others	26,451
Total assets	$ 650,269
LIABILITIES	
Due to others	$ 650,269

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

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

The 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 GAAP, 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.

Blended Component Unit – A blended component unit, although a legally separate entity, is, in substance, part of the County's operations. Following is a brief review of the blended component unit.

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 the County and to reduce unemployment to the greatest extent possible. The debt of the Development Authority is being repaid with funding from the County. 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Discretely Presented Component Unit **–** A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Following is a brief review of the discretely presented component unit.

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, however, grant revenues are considered to be available if they are collected within 120 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 the 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Cash and Investments

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

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

E. Interfund Receivables and Payables

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

F. Inventories

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position. Bond premiums and discounts 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 expenses in the year the debt is issued.

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. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, u*navailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, 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:

- ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

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

N. 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 Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 $4,009,352 difference are as follows:

Capital leases payable	$ (432,919)
Notes payable	(73,983)
Bonds payable	(2,785,000)
Deferred amount on refinancing	42,808
Landfill postclosure costs	(240,000)
Compensated absences	(478,881)
Net pension obligation	(41,377)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (4,009,352)

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 position 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 $466,224 difference are as follows:

Capital outlay	$ 2,383,036
Depreciation expense	(1,916,812)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 466,224

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

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "the 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 position. The details of this $218,810 difference are as follows:

Debt incurred:	
Capital leases	$ (331,582)
Notes payable	(73,983)
Landfill postclosure costs	(14,105)
Principal repayments:	
Capital leases	24,153
Revenue bonds	160,000
Landfill postclosure costs	20,000
Amortization of deferred loss	(3,293)
Net adjustment to decrease net changes in *fund balances - total governmental funds* to arrive at changes in *net position - governmental activities*	$ (218,810)

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 $43,177 difference are as follows:

Compensated absences	$ (43,403)
Net pension obligation	226
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (43,177)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The annual budget document is the financial plan for the operation of the 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.

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 Administrator 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.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Deficit Fund Equity. The Drug Education Fund had a deficit fund balance of $17,778 and the 2006 TEA Grant Fund had a deficit fund balance of $6,565 at August 31, 2014. The County plans to eliminate these deficits through transfers from the General Fund.

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, 2014, the County's only investments were certificates of deposit.

At August 31, 2014, the County had the following investment:

Investment	Maturities	Fair Value
Certificate of deposit	13 months	$ 745,127
Certificate of deposit	12 months	34,069

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, 2014, 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, 2014 consist of the following:

	General	SPLOST 2009 Fund	Water and Sewer	Nonmajor Funds	Total
Receivables:					
Taxes	$ 234,057	$ 168,805	$ -	$ 161	$ 403,023
Interest	-	-	-	129	129
Accounts	360,361	-	261,286	138,383	760,030
Gross receivables	594,418	168,805	261,286	138,673	1,163,182
Less allowance	-	-	(65,104)	-	(65,104)
Net receivables	$ 594,418	$ 168,805	$ 196,182	$ 138,673	$ 1,098,078

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 the 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, 2013	January 1, 2013
Levy date	September 29, 2013	January 1, 2013
Due date and collection date	December 1, 2013	Staggered
Tax execution date/lien date	March 1, 2014	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 2013 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, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 4,142,210	$ -	$ -	$ -	$ 4,142,210
Intangibles	36,000	-	-	-	36,000
Construction in progress	2,303,371	1,342,313	-	(1,248,778)	2,396,906
Total	6,481,581	1,342,313	-	(1,248,778)	6,575,116
Capital assets, being depreciated:					
Land improvements	3,500,649	40,500	-	410,023	3,951,172
Buildings and improvements	14,689,417	33,763	-	-	14,723,180
Machinery and equipment	12,252,910	779,256	-	-	13,032,166
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	53,368,879	187,204	-	386,352	53,942,435
Total	83,871,450	1,040,723	-	796,375	85,708,548
Less accumulated depreciation for:					
Land improvements	883,275	130,986	-	-	1,014,261
Buildings and improvements	6,034,981	386,031	-	-	6,421,012
Machinery and equipment	9,293,081	901,570	-	-	10,194,651
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	45,520,747	498,225	-	-	46,018,972
Total	61,791,679	1,916,812	-	-	63,708,491
Total capital assets, being depreciated, net	22,079,771	(876,089)	-	796,375	22,000,057
Governmental activities capital assets, net	$ 28,561,352	$ 466,224	$ -	$ (452,403)	$ 28,575,173

The above schedule includes the capital asset activity of the Development Authority of Jones County as of and for the year ended August 31, 2014. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2014.

Construction in progress in the amount of $452,403 was completed by the Governmental activities during the year ended August 31, 2014 and transferred to the Business-type activities.

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 211,047	$ -	$ -	$ -	$ 211,047
Construction in progress	180,776	122,680	-	(303,456)	-
Total	391,823	122,680	-	(303,456)	211,047
Capital assets, being depreciated:					
Buildings	368,972	6,904	-	-	375,876
Water system	15,762,343	-	-	755,859	16,518,202
Water storage tanks	3,934,738	-	-	-	3,934,738
River North sewer system	2,159,960	-	-	-	2,159,960
Golf course improvements	681,589	-	-	-	681,589
Pumping stations	333,125	-	-	-	333,125
Machinery and equipment	1,368,120	265,414	(181,508)	-	1,452,026
Total	24,608,847	272,318	(181,508)	755,859	25,455,516
Less accumulated depreciation for:					
Buildings	74,272	9,816	-	-	84,088
Water system	5,420,653	34,001	-	-	5,454,654
Water storage tanks	2,592,944	327,152	-	-	2,920,096
River North sewer system	1,295,976	90,424	-	-	1,386,400
Golf course improvements	131,713	23,622	-	-	155,335
Pumping stations	213,056	90,696	-	-	303,752
Machinery and equipment	1,146,637	60,296	(117,980)	-	1,088,953
Total	10,875,251	636,007	(117,980)	-	11,393,278
Total capital assets, being depreciated, net	13,733,596	(363,689)	(63,528)	755,859	14,062,238
Business-type activities capital assets, net	$ 14,125,419	$ (241,009)	$ (63,528)	$ 452,403	$ 14,273,285

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 100,632
Public safety	902,619
Public works	751,296
Health and welfare	36,896
Culture and recreation	99,483
Housing and development	25,886
Total depreciation expense - governmental activites	$ 1,916,812
Business-type activities:	
Water and sewer	$ 561,469
Golf Course	74,538
Total depreciation expense - business-type activities	$ 636,007

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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 125,490	$ 331,582	$ 24,153	$ 432,919	$ 94,158
Notes payable	-	73,983	-	73,983	-
Revenue bonds	2,945,000	-	160,000	2,785,000	165,000
Landfill postclosure	245,895	14,105	20,000	240,000	20,000
Compensated absences	435,478	253,875	210,472	478,881	383,105
Net pension obligation	41,603	-	226	41,377	-
Totals	$ 3,793,466	$ 673,545	$ 414,851	$ 4,052,160	$ 662,263
Business-type activities:					
Revenue bonds	$ 334,000	$ -	$ 40,000	$ 294,000	$ 40,000
Notes payable	1,490,018	90,265	471,868	1,108,415	53,825
Capital leases	92,820	224,000	122,213	194,607	40,567
Compensated absences	48,242	21,800	12,032	58,010	32,652
Totals	$ 1,965,080	$ 336,065	$ 646,113	$ 1,655,032	$ 167,044

The above schedule includes the long-term debt activity of the Development Authority of Jones County as of and for the year ended August 31, 2014. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2014.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

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, 2014:

	Governmental Activities	Business-type Activities
Equipment	$ 125,490	$ 224,000
Less: Accumulated depreciation	(29,281)	(33,600)
	$ 96,209	$ 190,400

The County reported $25,098 of depreciation expense for Governmental Activities and $33,600 of depreciation expense for Business-type Activities on the above leased assets as of August 31, 2014.

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

	Governmental Activities	Business-type Activities
Fiscal Year Ending August 31,		
2015	$ 101,458	$ 47,524
2016	95,697	47,524
2017	95,697	47,524
2018	95,697	68,941
2019	63,374	-
Total minimum lease payments	451,923	211,513
Less amount representing interest	(19,004)	(16,906)
Present value of future minimum lease payments	$ 432,919	$ 194,607

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, 2014, 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%.	$ 134,000
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%.	160,000
	$ 294,000

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

Fiscal Year ending August 31,	Principal	Interest
2015	$ 40,000	$ 14,700
2016	44,000	12,700
2017	44,000	10,500
2018	48,000	8,300
2019	50,000	5,900
2020-2022	68,000	6,900
	$ 294,000	$ 59,000

Notes Payable. During the year ended August 31, 2005, the County transferred a loan with a local financial institution to the Water and Sewer Fund. This loan is due in monthly installments of $1,424 including interest at 4.0% monthly, through October 7, 2018. The amount outstanding at August 31, 2014, is $65,221.

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

Fiscal Year ending August 31,	Principal	Interest
2015	$ 14,731	$ 2,291
2016	15,402	1,688
2017	16,029	1,061
2018	16,682	408
2019	2,309	3
	$ 65,153	$ 5,451

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). The Water and Sewer Fund incurred debt of $1,499,520 to the Georgia Environmental Finance Authority for construction of various water and sewer system projects during current and prior years. Payments are due in monthly installments of $5,821 including interest at 3% through 2034. The outstanding balance at August 31, 2014 is $1,043,262.

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

Fiscal Year ending August 31,	Principal	Interest
2015	$ 39,094	$ 30,763
2016	40,283	29,574
2017	41,508	28,349
2018	42,771	27,086
2019	44,071	25,786
2020-2024	241,298	107,986
2025-2029	280,296	68,988
2030-2034	313,941	23,702
	$ 1,043,262	$ 342,234

The County incurred debt to the Georgia Environmental Finance Authority for rehabilitation of sewage pump stations in the River North collection system during the year ended August 31, 2014. The construction line of credit agreement for $1,326,319 of which $73,983 had been drawn down, is in the draw down phase as of August 31, 2014. Repayment will be determined when construction is complete and all draws have been made. Payments will be made from a special tax district established for River North residents. Therefore, the debt is being shown in governmental activities.

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, the County must perform certain maintenance and monitoring functions at the landfill site for a period of 30 years. As of August 31, 2014, the County has 12 years of monitoring remaining. The liability for the landfill postclosure care costs is estimated to be $240,000 as of August 31, 2014. These estimated costs are based on what it would cost to perform all postclosure care in 2014. 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 7. LONG-TERM DEBT (CONTINUED)

Development Authority – Blended Component Unit (Continued)

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 bonds were refinanced January 1, 2012.

On January 1, 2012, the Development Authority issued $3,100,000 in Series 2012 Revenue Bonds to refinance the outstanding 2007 Series Revenue Bonds to achieve a debt service savings. The 2012 Series Revenue Bonds mature on January 1, 2027 and pay interest at 3.75% on January 1 and July 1 in each year. Interest payments begin July 1, 2012 and principal payments begin January 1, 2013. The principal amount outstanding at August 31, 2014 was $2,785,000. Total interest costs incurred during the year ended August 31, 2014 were $108,938.

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

Fiscal Year ending August 31,	Principal	Interest
2015	$ 165,000	$ 101,344
2016	175,000	94,969
2017	180,000	88,313
2018	190,000	81,375
2019	195,000	74,156
2020-2024	1,105,000	252,281
2025-2027	775,000	44,344
	$ 2,785,000	$ 736,782

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 5,912
General Fund	Golf Course Fund	43,466
General Fund	Nonmajor governmental funds	73,725
SPLOST 2009 Fund	Nonmajor governmental funds	6,665
SPLOST 2009 Fund	Water and Sewer Fund	43,376
		$ 173,144

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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	$ 133,173
Golf Course Fund	General Fund	252,567
		$ 385,740

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.

NOTE 9. 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, 2014, the County paid $25,325 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 10. 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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

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.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2014, (the most recent actuarial valuation date) are as follows:

	January 1, 2014
Derivation of Annual Pension Cost	
Annual Required Contribution	$ 675,108
Interest on Net Pension Obligation	3,103
Amortization of Net Pension Obligation	(3,371)
Annual Pension Cost	$ 674,840
Derivation of Net Pension Obligation	
Annual Pension Cost for Prior Year	$ 652,503
Actual Contributions to Plan for Prior Year	652,729
Decrease in Net Pension Obligation	(226)
Net Pension Obligation as of Beginning of Prior Year	41,603
Net Pension Obligation as of Beginning of the Year	$ 41,377

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Basis of Valuation	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	4.0%-6.5% 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	14

Trend Information for The Plan

Plan Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/2014	$ 674,840	$ N/A	N/A	$ 41,377
1/1/2013	652,503	652,729	100%	41,603
1/1/2012	586,312	599,739	102%	55,030
1/1/2011	584,523	572,185	98%	42,692
1/1/2010	545,267	538,272	99%	35,697
1/1/2009	515,165	369,185	72%	(110,283)

As of the most recent valuation date, January 1, 2014, 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
12/31/2013	$ 6,854,805	$ 8,421,716	$ 1,566,911	81.4%	$ 4,888,278	32.1%

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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2014.

NOTE 11. 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.

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 12. 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.

Litigation:

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

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2013	$ 6,854,805	$ 8,421,716	$ 1,566,911	81.4%	$ 4,888,278	32.1%
12/31/2012	5,910,480	7,958,025	2,047,545	74.3%	4,970,076	41.2%
12/31/2011	5,360,288	7,244,123	1,883,835	74.0%	4,897,694	38.5%
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%

The assumptions used in the preparation of the above schedule are disclosed in Note 10 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.

Development Authority of Jones County – To account for the promotion and expansion of industry and trade within Jones County.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Projects Funds

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

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.

CDBG Grant Fund – To account for proceeds and expenditures of the Community Development Block Grant received from the Georgia Department of Community Affairs.

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 GEFA loan.

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
ASSETS			
Cash	$ 62,190	$ 9,914	$ 9,979
Investments	-	-	34,069
Taxes receivable	-	-	-
Interest receivable	-	-	129
Accounts receivable	-	-	-
Due from other governments	-	334	-
Prepaid items	-	-	-
Total assets	$ 62,190	$ 10,248	$ 44,177
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 5,797	$ -	$ -
Accrued liabilities	-	1,580	431
Due to other funds	295	26,446	-
Total liabilities	6,092	28,026	431
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Capital projects	-	-	-
Debt service	-	-	-
Economic development	-	-	-
Judicial	-	-	43,746
Public safety	56,098	-	-
Unassigned	-	(17,778)	-
Total fund balances (deficit)	56,098	(17,778)	43,746
Total liabilities and fund balances	$ 62,190	$ 10,248	$ 44,177

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County
$ 113,113	$ 72,666	$ 17,415	$ 157,036
-	-	-	-
-	-	-	-
-	-	-	-
-	138,383	-	-
-	-	-	-
-	9,162	-	-
$ 113,113	$ 220,211	$ 17,415	$ 157,036
$ 1,684	$ 56	$ -	$ 13,833
-	14,416	-	-
638	46,346	-	-
2,322	60,818	-	13,833
-	9,162	-	-
-	-	-	-
-	-	-	-
-	-	-	143,203
-	-	17,415	-
110,791	150,231	-	-
-	-	-	-
110,791	159,393	17,415	143,203
$ 113,113	$ 220,211	$ 17,415	$ 157,036

(Continued)

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

		Capital Projects	
	Impact Fee Fund	Capital Projects 2004 SPLOST Fund	2006 TEA Grant Fund
ASSETS			
Cash	$ 190,325	$ -	$ 100
Investments	-	-	-
Taxes receivable	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Total assets	$ 190,325	$ -	$ 100
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	6,665
Total liabilities	-	-	6,665
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Capital projects	190,325	-	-
Debt service	-	-	-
Economic development	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Unassigned	-	-	(6,565)
Total fund balances (deficit)	190,325	-	(6,565)
Total liabilities and fund balances	$ 190,325	$ -	$ 100

CDBG Grant Fund	Debt Service River North Tax District Debt Service	Totals
$ -	$ 170,922	$ 803,660
-	-	34,069
-	161	161
-	-	129
-	-	138,383
-	-	334
-	-	9,162
$ -	$ 171,083	$ 985,898
$ -	$ -	$ 21,370
-	-	16,427
-	-	80,390
-	-	118,187
-	-	9,162
-	-	190,325
-	171,083	171,083
-	-	143,203
-	-	61,161
-	-	317,120
-	-	(24,343)
-	171,083	867,711
$ -	$ 171,083	$ 985,898

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
Revenues:			
Property tax	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and forfeitures	51,159	48,465	21,260
Charges for services	-	-	-
Impact fees	-	-	-
Investment income	167	7	238
Miscellaneous	-	-	-
Total revenues	51,326	48,472	21,498
Expenditures:			
Current:			
General	-	-	-
Judicial	-	-	21,840
Public safety	73,416	72,360	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	73,416	72,360	21,840
Excess (deficiency) of revenues over (under) expenditures	(22,090)	(23,888)	(342)
Other financing sources:			
Transfers in	-	23,883	-
Issuance of debt	-	-	-
Total other financing sources	-	23,883	-
Net change in fund balances	(22,090)	(5)	(342)
Fund balances (deficit), beginning of year	78,188	(17,773)	44,088
Fund balances (deficit), end of year	$ 56,098	$ (17,778)	$ 43,746

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County
$ -	$ -	$ -	$ -
-	-	-	352,063
53,903	-	-	-
-	485,161	-	-
-	-	-	-
177	123	34	149
-	-	1,570	10,600
54,080	485,284	1,604	362,812
-	-	-	82,345
-	-	2,925	-
50,998	594,581	-	-
-	-	-	-
-	-	-	-
-	-	-	160,000
-	-	-	108,938
50,998	594,581	2,925	351,283
3,082	(109,297)	(1,321)	11,529
-	109,290	-	-
-	-	-	-
-	109,290	-	-
3,082	(7)	(1,321)	11,529
107,709	159,400	18,736	131,674
$ 110,791	$ 159,393	$ 17,415	$ 143,203

(Continued)

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

		Capital Projects	
	Impact Fee Fund	Capital Projects 2004 SPLOST Fund	2006 TEA Grant Fund
Revenues:			
Property tax	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Impact fees	44,092	-	-
Investment income	370	-	-
Miscellaneous	-	-	-
Total revenues	44,462	-	-
Expenditures:			
Current:			
General	-	-	-
Judicial	-	-	-
Public safety	8,750	-	-
Culture and recreation	45,786	-	-
Capital outlay	-	1,820	8,124
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	54,536	1,820	8,124
Excess (deficiency) of revenues over (under) expenditures	(10,074)	(1,820)	(8,124)
Other financing sources:			
Transfers in	-	-	-
Issuance of debt	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(10,074)	(1,820)	(8,124)
Fund balances (deficit), beginning of year	200,399	1,820	1,559
Fund balances (deficit), end of year	$ 190,325	$ -	$ (6,565)

CDBG Grant Fund	Debt Service River North Tax District Debt Service	Totals
$ -	$ 73,638	$ 73,638
1,461	-	353,524
-	-	174,787
-	-	485,161
-	-	44,092
-	-	1,265
-	-	12,170
1,461	73,638	1,144,637
-	49,100	131,445
-	-	24,765
-	-	800,105
-	-	45,786
1,461	-	11,405
-	-	160,000
-	-	108,938
1,461	49,100	1,282,444
-	24,538	(137,807)
-	-	133,173
-	73,983	73,983
-	73,983	207,156
-	98,521	69,349
-	72,562	798,362
$ -	$ 171,083	$ 867,711

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2004 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

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	$ 1,015,623	$ -	$ 1,015,623
Sheriff's department capital improvements	670,000	670,000	723,854	-	723,854
Recreation facilities and equipment	705,000	705,000	517,516	1,820	519,336
Government center, courthouse, and civic center renovation	800,000	800,000	1,556,462	-	1,556,462
Lake Jonesco Golf Course capital improvements	200,000	200,000	208,284	-	208,284
Economic development land acquisition and improvements	500,000	500,000	500,000	-	500,000
Water and sewer improvements for Jones County	3,738,000	3,738,000	3,815,489	-	3,815,489
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	1,934,965	-	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	$ 12,523,965	$ 1,820	$ 12,525,785

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

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	$ 2,158,165	$ 532,307	$ 2,690,472
Recreation facilities and equipment	1,100,000	1,100,000	129,101	202,759	331,860
Public works capital projects	2,300,000	2,300,000	2,045,184	343,731	2,388,915
Sheriff's department capital improvements	1,125,000	1,125,000	554,064	199,931	753,995
Rehabilitation of government buildings, including animal control facility	100,000	100,000	96,086	8,355	104,441
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	976,791	662,398	1,639,189
Industrial park capital improvements	1,500,000	1,500,000	703,947	268,938	972,885
Lake Jonesco Golf Course capital improvements	425,000	425,000	384,749	34,849	419,598
City of Gray	2,688,000	2,688,000	1,871,307	370,965	2,242,272
Total	$ 14,000,000	$ 14,000,000	$ 8,919,394	$ 2,624,233	$ 11,543,627
		Intergovernmental revenue		8,409	
		Total 2009 SPLOST Fund expenditures		$ 2,632,642	

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, 2014

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 233,706	$ 61,622	$ 18,094	$ 7,670
Taxes receivable	127,193	-	-	-
Due from others	-	26,451	-	-
Total assets	$ 360,899	$ 88,073	$ 18,094	$ 7,670
LIABILITIES				
Due to others	$ 360,899	$ 88,073	$ 18,094	$ 7,670

Sheriff	Juvenile Court	Total
$ 175,492	$ 41	$ 496,625
-	-	127,193
-	-	26,451
$ 175,492	$ 41	$ 650,269
$ 175,492	$ 41	$ 650,269

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*

Board of Commissioners
of Jones County, Georgia
Gray, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County, Georgia (the "County"), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Jones County Board of Health and the Development Authority of Jones County, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
February 25, 2015

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs as of August 31, 2014 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable

JONES COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

2013 - 1. 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 Superior Court.

Auditee response/status: Resolved.