JONES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2016

JONES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

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MAULDIN & JENKINS

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Development Authority of Jones County, a blended component unit of Jones County, Georgia, which represents 15.4%, 15.4% and 32.5%, respectively, of the assets, fund balance, 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, is 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, 2016, 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), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 66), the Schedule of County Contributions (on page 67), the Schedule of Proportionate Share of the Net Pension Liability – Health Department (on page 68), and the Schedule of Contributions – Health Department (on page 68) 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 the County'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 tax 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 basic 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 August 31, 2017, 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
August 31, 2017

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, 2016. 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, 2015, by $40,214,399 (net position) and at August 31, 2016, by $40,156,031 (net position). Of this amount, $597,401 (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 $1,882,654.

- At August 31, 2016, the County's total fund balances as summarized for all governmental fund types on page 19 of the financial statements were $8,424,980. At August 31, 2015, the County's total fund balances as summarized for all governmental funds were $9,612,650, a decrease of $1,187,670, or approximately 12%, from the 2015 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 decrease in its unrestricted net position in 2015 showed a slight deterioration in the County's financial position, and in 2016 an increase in unrestricted net position demonstrated an 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 fund. 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, 2009 SPLOST Capital Projects, Central Complex Expansion Fund, 2015 SPLOST Capital Projects, 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 Fund, 2009 SPLOST Capital Projects, 2015 SPLOST Capital Projects, and the Central Complex Expansion, which are all 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 an enterprise fund, also known as the business-type function, to account for the Jones County Water and Sewer Fund. The proprietary fund is 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 $40,214,399 at the close of the 2015 fiscal year and by $40,156,031 at the close of the 2016 fiscal year, a decrease of $58,368. Of the $40,214,399, $28,432,017 resulted from governmental activities and $11,782,382 resulted from the County's business-type activities in 2015. In comparison, for fiscal year 2016, of the $40,156,031, $27,116,463 resulted from the County's governmental activities and $13,039,568 resulted from the County's business-type activities.

By far the largest portion of the County's net position (91% in 2015 and 89% in 2016) 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	
	2015	**2016**	2015	**2016**	2015	**2016**
Current and other assets	$ 10,607,149	**$ 9,582,017**	$ 491,854	**$ 684,522**	$ 11,099,003	**$ 10,266,539**
Capital assets	29,183,065	**28,961,542**	12,838,899	**13,811,992**	42,021,964	**42,773,534**
Total assets	39,790,214	**38,543,559**	13,330,753	**14,496,514**	53,120,967	**53,040,073**
Deferred outflows of resources	92,182	**879,453**	-	**-**	92,182	**879,453**
Other liabilities	886,819	**1,114,907**	248,261	**177,604**	1,135,080	**1,292,511**
Long-term liabilities outstanding	10,563,560	**11,096,418**	1,300,110	**1,279,342**	11,863,670	**12,375,760**
Total liabilities	11,450,379	**12,211,325**	1,548,371	**1,456,946**	12,998,750	**13,668,271**
Deferred inflows of resources	-	**95,224**	-	**-**	-	**95,224**
Net position:						
Net investment in capital assets	24,897,409	**23,230,074**	11,530,309	**12,572,115**	36,427,718	**35,802,189**
Restricted	5,051,738	**3,735,663**	20,196	**20,778**	5,071,934	**3,756,441**
Unrestricted	(1,517,130)	**150,726**	231,877	**446,675**	(1,285,253)	**597,401**
Total net position	$ 28,432,017	**$ 27,116,463**	$ 11,782,382	**$ 13,039,568**	$ 40,214,399	**$ 40,156,031**

An additional portion of the County's total net position (13% in 2015 and 9% in 2016) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net position ($1,285,253) in 2015 and $597,401 in 2016 will 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, 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 $240,955 in 2015 and a decrease of ($1,315,554) in 2016. Business-type activities decreased the County's net position by ($1,352,601) in 2015 and increased to $1,257,186 in 2016, respectively. Key elements of these are as follows:

Jones County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	**2016**	2015	**2016**	2015	**2016**
Revenues						
Program revenues:						
Charges for services	$ 2,680,737	**$ 2,558,187**	$ 2,129,110	**$ 2,187,204**	$ 4,809,847	**$ 4,745,391**
Operating grants and contributions	770,197	**581,178**	-	**-**	770,197	**581,178**
Capital grants and contributions	449,195	**728,525**	-	**86,301**	449,195	**814,826**
General revenues:						
Property taxes	10,389,448	**11,813,954**	-	**-**	10,389,448	**11,813,954**
Sales taxes	3,606,797	**3,581,171**	-	**-**	3,606,797	**3,581,171**
Other taxes	1,537,664	**1,661,343**	-	**-**	1,537,664	**1,661,343**
Unrestricted investment earnings	25,315	**20,923**	933	**840**	26,248	**21,763**
Total revenues	19,459,353	**20,945,281**	2,130,043	**2,274,345**	21,589,396	**23,219,626**
Expenses						
General government	4,328,798	**4,415,950**	-	**-**	4,328,798	**4,415,950**
Judicial	1,493,401	**1,493,625**	-	**-**	1,493,401	**1,493,625**
Public safety	6,811,818	**7,200,277**	-	**-**	6,811,818	**7,200,277**
Public works	4,838,647	**5,011,257**	-	**-**	4,838,647	**5,011,257**
Health and welfare	452,637	**463,770**	-	**-**	452,637	**463,770**
Culture and recreation	1,233,382	**1,446,129**	-	**-**	1,233,382	**1,446,129**
Housing and development	630,574	**671,576**	-	**-**	630,574	**671,576**
Interest on long-term debt	160,621	**211,059**	-	**-**	160,621	**211,059**
Water and sewer	-	**-**	2,751,164	**2,364,351**	2,751,164	**2,364,351**
Total expenses	19,949,878	**20,913,643**	2,751,164	**2,364,351**	22,701,042	**23,277,994**
Change in net position before transfers	(490,525)	**31,638**	(621,121)	**(90,006)**	(1,111,646)	**(58,368)**
Transfers	731,480	**(1,347,192)**	(731,480)	**1,347,192**	-	**-**
Change in net position	240,955	**(1,315,554)**	(1,352,601)	**1,257,186**	(1,111,646)	**(58,368)**
Net position, beginning, as restated	28,191,062	**28,432,017**	13,134,983	**11,782,382**	41,326,045	**40,214,399**
Net position, ending	$ 28,432,017	**$ 27,116,463**	$ 11,782,382	**$ 13,039,568**	$ 40,214,399	**$ 40,156,031**

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 2016 fiscal year, the County's governmental funds reported combined ending fund balances of $8,424,980, a decrease of $1,187,670 in comparison with the prior year. Specifically, the restricted fund balance for debt service increased by $94,325; the fund balance nonspendable for inventory decreased by $14,581; nonspendable fund balance for prepaid items increased by $162,198; unassigned total governmental funds decreased by $19,211; restricted fund balance for judicial and public safety increased by $31,636; and restricted fund balance in the capital project funds decreased $1,471,771. 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 $171,004. Approximately 49% of the combined fund balance constitutes unassigned fund balance $4,152,476, which is available for spending at the government's discretion. The remainder of the 2016 fund balance $4,272,504 is classified as nonspendable $536,841, and restricted $3,735,663 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 $4,171,413, while total fund balance of the General Fund reached $4,708,254. The 2016 unassigned fund balance of the General Fund decreased $19,417 and the nonspendable fund balance increased $147,617. 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 24% of total General Fund expenditures, while total fund balance represents 27% of that same amount.

The fund balance of the County's total General Fund increased in the amount of $128,626 during the current fiscal year. The actual County's revenues collected in 2016 were more than the final amended budget by $44,025. The County's expenditures were more than the final amended budget by $120. With the other financing sources and uses ($480,928), the net result is the increase of $128,626.

The 2015 SPLOST Capital Projects fund accounts for the financial resources provided from the 2015 one percent Special Purpose Local Option Sales Tax. These resources must be used for government buildings- including tax commissioner's office, public safety capital improvements, parks and recreation-Hwy 49 track-community parks, public works capital projects, animal control and library capital improvements, emergency management, industrial park capital improvements, golf course capital improvements, water and sewer improvements for Jones County and shared revenue of 17.5% with the City of Gray for water and sewer improvements.

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 2016 fiscal year, the 2009 SPLOST Capital Projects Fund had a restricted fund balance of $860,499.

Proprietary fund. The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund type is an enterprise fund.

At the end of the current fiscal year, unrestricted net position of the Water and Sewer Fund was $446,675, an increase of $214,798, or 52% from 2015. The Water and Sewer Fund reflects restricted net position of $11,174 for debt service, an increase of $563. For the years ended August 31, 2016 and 2015, the proprietary funds had total net position of $13,039,568 and $11,782,382, respectively. This is an increase in total net position for the proprietary funds in the amount of $1,257,186.

Jones County
Enterprise Net Operating Loss,
Non-operating Expenses and Transfers

	2015	**2016**
Net operating loss:	$ (574,565)	**$ (133,552)**
Non-operating expenses	(805,936)	**(42,755)**
Loss before transfers and contributions	(1,380,501)	**(176,307)**
Capital Contributions	-	**1,447,192**
Transfers in (out)	27,900	**(13,699)**
Change in net position	$ (1,352,601)	**$ 1,257,186**

General Fund Budgetary Highlights

The major impact between the actual and the final amended budget was the amount of revenues received for Transit Van and Cardboard Baler for Keep Jones Beautiful (Intergovernmental capital contribution) in the amount of $44,039 for fiscal year end. Decrease in spending resulted in additional funds staying within contingency in general administration. With continued rising costs, which outpace moderate revenue increases, the County is steadily emerging from the recession and the collapse of the housing market in 2008. The actual net change in fund balance was an increase in the amount of $128,626. End of year actual fund balance is $4,708,254 in the General Fund, which will cover expenses for approximately three and a quarter months.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of August 31, 2016, decreased $221,523 to $28,961,542 (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, 2016. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2016. The County's investment in capital assets for its business-type activities as of August 31, 2016 increased $973,093 to $13,811,992. 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	
	2015	**2016**	2015	**2016**	2015	**2016**
Land	$ 4,365,090	**$ 4,365,090**	$ 88,167	**$ 88,167**	$ 4,453,257	**$ 4,453,257**
Intangibles	42,640	**42,640**	-	**-**	42,640	**42,640**
Land improvements	3,303,566	**3,239,155**	-	**-**	3,303,566	**3,239,155**
Buildings and improvements	8,770,650	**8,419,263**	166,609	**157,001**	8,937,259	**8,576,264**
Machinery and equipment	2,150,199	**1,716,491**	146,901	**204,527**	2,297,100	**1,921,018**
Water system	-	**-**	10,723,903	**11,828,484**	10,723,903	**11,828,484**
Water storage tanks	-	**-**	888,964	**753,556**	888,964	**753,556**
RN sewer system	-	**-**	730,361	**687,162**	730,361	**687,162**
Pumping station	-	**-**	19,110	**10,044**	19,110	**10,044**
Infrastructure	7,460,895	**6,959,789**	-	**-**	7,460,895	**6,959,789**
Construction in progress	3,090,025	**4,219,114**	74,884	**83,051**	3,164,909	**4,302,165**
Total	$ 29,183,065	**$ 28,961,542**	$ 12,838,899	**$ 13,811,992**	$ 42,021,964	**$ 42,773,534**

Major projects in 2016 included the following:

- New TE Haddock Walkways (not completed)
- HWY 18 Recreation Expansion (not completed)
- Old Mattie Wells Gym (not completed)
- Industrial Park-road infrastructure improvement (not completed)
- Animal Control Facility (not completed)
- Tanyard (completed)
- Jail Expansion (not completed)
- Gray Hwy Water Lines (not completed)
- River North Rehab-GEFA (not completed)
- Drinking Water-GEFA-DWSRF 15018-Masseyville Filtration System (not completed)
- Briarwood Circle (completed)

Long-term debt. At the end of the current fiscal year, Jones County had total outstanding bonded debt of $2,655,000, which is secured solely by specified revenue services. The total long-term debt of the County, other than bonds, is $9,720,760.

- Capital Leases are used to finance new equipment in various departments.
- The Compensated Absences line item reflects the vacation pay employees have earned but not yet taken.
- The County closed its landfill located on Overland Way in 1996. Federal and state laws require maintenance and monitoring of the landfill for a period of 30 years. The County has 10 years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all postclosure care in 2016. 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	$ 2,620,000	$ -	$ 175,000	2,445,000	$ 180,000
Notes payable	3,691,797	311,303	145,841	3,857,259	284,465
Capital leases	647,211	-	183,329	463,882	187,920
Landfill post-closure	242,000	-	22,000	220,000	22,000
Compensated absences	555,288	128,850	129,050	555,088	444,070
Net pension liability	2,807,264	1,645,370	897,445	3,555,189	-
	$ 10,563,560	$ 2,085,523	$ 1,552,665	$11,096,418	$ 1,118,455
Business-type activities:					
Revenue bonds	$ 254,000	$ -	$ 44,000	$ 210,000	$ 44,000
Notes payable	1,054,590	30,972	55,685	1,029,877	57,537
Compensated absences	35,520	10,132	6,187	39,465	33,746
Total	$ 1,344,110	$ 41,104	$ 105,872	$ 1,279,342	$ 135,283

Economic Factors and Next Year's Budgets

- The unemployment rate for the County is at 5.2% which is lower than the Middle Georgia rate of 6.1%, and the State of Georgia rate of 5.7% (revised July 2016 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 2015. The County will receive 82.5% and the City of Gray will receive 17.5%. These numbers were previously based on population as opposed to revenues. (Georgia Department of Revenue website: www.etax.dor.ga.gov).
- The value of the County's tax digest decreased from $690,573,434 to $674,258,806, 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 (13.447) to (16.197), which is a 2.75 mill increase.

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, and P.O. Box 1359, Gray, Georgia 31032.

BASIC FINANCIAL STATEMENTS

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
AUGUST 31, 2016

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Jones County Board of Health
Cash and cash equivalents	$ 7,538,605	$ 117,395	$ 7,656,000	$ 939,474
Investments	791,977	-	791,977	-
Taxes receivable	218,979	-	218,979	-
Interest receivable	90	-	90	-
Accounts receivable, net of allowances	196,175	332,360	528,535	738
Due from other governments	268,615	-	268,615	40,354
Internal balances	30,735	(30,735)	-	-
Inventories	73,390	-	73,390	-
Prepaid items	463,451	14,487	477,938	-
Restricted assets, cash	-	251,015	251,015	-
Capital assets, nondepreciable	8,626,844	171,218	8,798,062	-
Capital assets, depreciable, net of accumulated depreciation	20,334,698	13,640,774	33,975,472	5,402
Total assets	38,543,559	14,496,514	53,040,073	985,968
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	36,222	-	36,222	-
Pension	843,231	-	843,231	67,318
Total deferred outflows of resources	879,453	-	879,453	67,318
LIABILITIES				
Accounts payable	407,454	4,782	412,236	-
Accrued liabilities	588,707	-	588,707	6,373
Due to other governments	28,288	-	28,288	18,212
Other current liabilities	90,458	-	90,458	-
Accrued interest	-	1,750	1,750	-
Liabilities payable from restricted assets	-	171,072	171,072	-
Capital leases due within one year	187,920	-	187,920	-
Capital leases due in more than one year	275,962	-	275,962	-
Compensated absences due within one year	444,070	33,746	477,816	-
Compensated absences due in more than one year	111,018	5,719	116,737	32,593
Notes payable due within one year	284,465	57,537	342,002	-
Notes payable due in more than one year	3,572,794	972,340	4,545,134	-
Bonds payable due within one year	180,000	44,000	224,000	-
Bonds payable due in more than one year	2,265,000	166,000	2,431,000	-
Landfill post-closure costs due within one year	22,000	-	22,000	-
Landfill post-closure costs due in more than one year	198,000	-	198,000	-
Net pension liability	3,555,189	-	3,555,189	347,813
Total liabilities	12,211,325	1,456,946	13,668,271	404,991

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
AUGUST 31, 2016

	Primary Government			Component Unit
DEFERRED INFLOWS OF RESOURCES	**Governmental Activities**	**Business-type Activities**	**Total**	**Jones County Board of Health**
Pension	$ 95,224	$ -	$ 95,224	$ 29,924
Total deferred inflows of resources	95,224	-	95,224	29,924
NET POSITION				
Net investment in capital assets	23,230,074	12,572,115	35,802,189	5,402
Restricted for:				
Debt service	276,450	11,174	287,624	-
Renewal and replacement	-	9,604	9,604	-
Capital projects	2,912,484	-	2,912,484	-
Economic development	171,004	-	171,004	-
Judicial	51,150	-	51,150	-
Public safety	324,575	-	324,575	-
Unrestricted	150,726	446,675	597,401	612,969
Total net position	$ 27,116,463	$ 13,039,568	$ 40,156,031	$ 618,371

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

JONES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,415,950	$ 547,750	$ 24,901	$ 44,039
Judicial	1,493,625	630,158	23,853	-
Public safety	7,200,277	945,902	64,722	-
Public works	5,011,257	103,769	74,156	683,541
Health and welfare	463,770	-	-	-
Culture and recreation	1,446,129	210,405	20,196	945
Housing and development	671,576	120,203	373,350	-
Interest on long-term debt	211,059	-	-	-
Total governmental activities	20,913,643	2,558,187	581,178	728,525
Business-type activities:				
Water and sewer	2,364,351	2,187,204	-	86,301
Total business-type activities	2,364,351	2,187,204	-	86,301
Total primary government	$ 23,277,994	$ 4,745,391	$ 581,178	$ 814,826
Component unit:				
Jones County Board of Health	$ 477,903	$ 185,534	$ 316,979	$ -
Total component unit	$ 477,903	$ 185,534	$ 316,979	$ -

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
$ (3,799,260)	$ -	$ (3,799,260)	$ -
(839,614)	-	(839,614)	-
(6,189,653)	-	(6,189,653)	-
(4,149,791)	-	(4,149,791)	-
(463,770)	-	(463,770)	-
(1,214,583)	-	(1,214,583)	-
(178,023)	-	(178,023)	-
(211,059)	-	(211,059)	-
(17,045,753)	-	(17,045,753)	-
-	(90,846)	(90,846)	-
-	(90,846)	(90,846)	-
(17,045,753)	(90,846)	(17,136,599)	-
-	-	-	24,610
-	-	-	24,610
11,813,954	-	11,813,954	-
3,581,171	-	3,581,171	-
1,333,400	-	1,333,400	-
88,748	-	88,748	-
100,405	-	100,405	-
138,790	-	138,790	-
20,923	840	21,763	685
(1,347,192)	1,347,192	-	-
15,730,199	1,348,032	17,078,231	685
(1,315,554)	1,257,186	(58,368)	25,295
28,432,017	11,782,382	40,214,399	593,076
$ 27,116,463	$ 13,039,568	$ 40,156,031	$ 618,371

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2016

	General	Capital Projects 2009 SPLOST	Capital Projects 2015 SPLOST	Central Complex Expansion	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 4,044,581	$ 860,499	$ 1,034,673	$ 809,502	$ 789,350	$ 7,538,605
Investments	757,576	-	-	-	34,401	791,977
Taxes receivable	218,732	-	-	-	247	218,979
Interest receivable	-	-	-	-	90	90
Accounts receivable	53,015	-	-	-	143,160	196,175
Due from other governments	11,534	-	161,647	-	95,434	268,615
Due from other funds	54,719	-	-	-	84,163	138,882
Inventories	73,390	-	-	-	-	73,390
Prepaid items	463,451	-	-	-	-	463,451
Total assets	$ 5,676,998	$ 860,499	$ 1,196,320	809,502	$ 1,146,845	$ 9,690,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 240,278	$ -	$ 33,333	$ 123,121	$ 10,722	$ 407,454
Accrued liabilities	511,715	-	-	76,992	-	588,707
Due to other governments	-	-	28,288	-	-	28,288
Due to other funds	84,163	-	-	-	23,984	108,147
Other current liabilities	90,458	-	-	-	-	90,458
Total liabilities	926,614	-	61,621	200,113	34,706	1,223,054
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	42,130	-	-	-	-	42,130
Total deferred inflows of resources	42,130	-	-	-	-	42,130

(Continued)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2016

	General	Capital Projects 2009 SPLOST	Capital Projects 2015 SPLOST	Central Complex Expansion	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Inventories	$ 73,390	$ -	$ -	$ -	$ -	$ 73,390
Prepaid items	463,451	-	-	-	-	463,451
Restricted for:						
Capital projects	-	860,499	1,134,699	609,389	307,897	2,912,484
Debt service	-	-	-	-	276,450	276,450
Economic development	-	-	-	-	171,004	171,004
Judicial	-	-	-	-	51,150	51,150
Public safety	-	-	-	-	324,575	324,575
Unassigned	4,171,413	-	-	-	(18,937)	4,152,476
Total fund balances	4,708,254	860,499	1,134,699	609,389	1,112,139	8,424,980
Total liabilities, deferred inflows of resources, and fund balances	$ 5,676,998	$ 860,499	$ 1,196,320	$ 809,502	$ 1,146,845	
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.						28,961,542
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						(53,094)
Deferred outflows of resources are not due and payable in the current period, and therefore, are not reported in the funds.						843,231
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(11,060,196)
Net position of governmental activities						$ 27,116,463

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, 2016

	General	Capital Projects 2009 SPLOST	Capital Projects 2015 SPLOST	Central Complex Expansion	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,078,165	$ -	$ 1,966,005	$ -	$ 77,848	$ 17,122,018
Licenses and permits	209,291	-	-	-	-	209,291
Intergovernmental	874,869	-	-	-	363,750	1,238,619
Fines and forfeitures	356,925	-	-	-	123,118	480,043
Charges for services	1,203,587	-	-	-	486,263	1,689,850
Impact fees	-	-	-	-	67,489	67,489
Investment income	19,665	1,737	1,334	945	1,258	24,939
Miscellaneous	177,125	-	-	-	1,457	178,582
Total revenues	17,919,627	1,737	1,967,339	945	1,121,183	21,010,831
Expenditures						
Current:						
General government	3,968,285	-	-	-	62,959	4,031,244
Judicial	1,471,813	-	-	-	21,103	1,492,916
Public safety	5,498,034	-	-	-	847,109	6,345,143
Public works	4,275,955	-	-	-	-	4,275,955
Health and welfare	431,425	-	-	-	-	431,425
Culture and recreation	1,142,092	-	-	-	-	1,142,092
Housing and development	346,883	-	-	-	-	346,883
Intergovernmental	-	-	344,051	-	-	344,051
Capital outlay	-	618,255	467,982	2,064,908	284,739	3,435,884
Debt service:						
Principal	158,240	25,089	145,841	-	175,000	504,170
Interest and fiscal charges	17,346	1,473	77,786	-	96,314	192,919
Issuance costs	-	-	-	-	14,847	14,847
Total expenditures	17,310,073	644,817	1,035,660	2,064,908	1,502,071	22,557,529
Excess (deficiency) of revenues over (under) expenditures	609,554	(643,080)	931,679	(2,063,963)	(380,888)	(1,546,698)

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	General	Capital Projects 2009 SPLOST	Capital Projects 2015 SPLOST	Central Complex Expansion	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses):						
Proceeds from sale of assets	$ 34,026	$ -	$ -	$ -	$ -	$ 34,026
Issuance of debt	-	-	-	-	311,303	311,303
Transfers in	13,599	307,508	-	-	293,089	614,196
Transfers out	(528,553)	-	(71,944)	-	-	(600,497)
Total other financing sources (uses)	(480,928)	307,508	(71,944)	-	604,392	359,028
Net change in fund balances	128,626	(335,572)	859,735	(2,063,963)	223,504	(1,187,670)
Fund balance, beginning of year	4,579,628	1,196,071	274,964	2,673,352	888,635	9,612,650
Fund balance, end of year	$ 4,708,254	$ 860,499	$ 1,134,699	$ 609,389	$ 1,112,139	$ 8,424,980

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, 2016

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

Net change in fund balances - total governmental funds	$	(1,187,670)
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 outlay exceeded depreciation in the current period.		1,172,368
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(1,393,891)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(65,550)
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.		211,574
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.		(52,385)
	$	(1,315,554)

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 12,372,790	$ 11,801,656	$ 11,801,656	$ -
Sales taxes	1,630,727	1,615,166	1,615,166	-
Other taxes	1,531,846	1,661,343	1,661,343	-
Licenses and permits	188,700	209,291	209,291	-
Intergovernmental	649,607	874,869	874,869	-
Fines and forfeitures	450,500	356,925	356,925	-
Charges for services	1,545,370	1,203,601	1,203,587	(14)
Investment income	20,000	19,665	19,665	-
Miscellaneous	51,867	133,086	177,125	44,039
Total revenues	18,441,407	17,875,602	17,919,627	44,025
Expenditures:				
Current:				
General government:				
Governing body	151,711	138,945	138,945	-
Chief executive	562,117	611,545	611,545	-
Elections	149,485	139,336	139,336	-
Law	166,144	196,969	196,969	-
Data processing	128,309	97,703	97,703	-
Tax commissioner	415,493	421,648	421,648	-
Tax assessor	358,094	334,439	334,439	-
Board of equalization	13,664	13,412	13,412	-
Risk management	213,060	210,222	210,222	-
Buildings and plant	517,671	502,794	502,794	-
Records management	915	853	853	-
General administration	2,083,424	1,300,419	1,300,419	-
Total general government	4,760,087	3,968,285	3,968,285	-
Judicial:				
Superior court	531,729	547,519	547,519	-
District attorney	147,719	147,795	147,795	-
Magistrate court	202,293	182,184	182,184	-
Probate court	276,678	278,610	278,610	-
Traffic court	29,195	27,891	27,891	-
Juvenile court	93,735	132,065	132,065	-
Operation early intervention	45,261	52,521	52,521	-
Grand jury	3,500	-	-	-
Public defender	107,827	103,228	103,228	-
Total judicial	1,437,937	1,471,813	1,471,813	-

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Public safety:				
Law enforcement administration	$ 3,061,151	$ 3,068,877	$ 3,068,877	$ -
Jail operations	1,654,535	1,682,288	1,682,288	-
Drug and alcohol awareness	-	-	130	(130)
Adult probation and parole	250	-	-	-
Fire	68,557	62,245	62,245	-
Ambulance	400	2,421	2,421	-
Coroner	43,988	40,557	40,557	-
Animal control	202,100	167,516	167,516	-
Emergency management	435,196	474,000	474,000	-
Total public safety	5,466,177	5,497,904	5,498,034	(130)
Public works:				
Administration	3,280,480	3,029,074	3,029,074	-
Sanitary administration	262,492	269,176	269,176	-
DNR code enforcement	81,690	67,366	67,366	-
Solid waste collection	193,120	199,801	199,801	-
Recycling	255,424	297,953	297,953	-
Landfill	97,941	114,212	114,212	-
Public education	38,736	39,127	39,127	-
Maintenance and shop	262,306	259,246	259,246	-
Total public works	4,472,189	4,275,955	4,275,955	-
Health and welfare:				
Public health	109,346	109,422	109,422	-
Welfare	50,000	50,000	50,000	-
Older American Council	61,003	45,128	45,128	-
5311 transportation	217,932	226,875	226,875	-
Total health and welfare	438,281	431,425	431,425	-
Culture and recreation:				
Recreation centers	943,279	1,014,565	1,014,555	10
Jonesco restoration	12,750	6,791	6,791	-
Libraries	125,521	120,746	120,746	-
Total culture and recreation	1,081,550	1,142,102	1,142,092	10

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Housing and development:				
Agricultural resources	$ 96,232	$ 92,883	$ 92,883	$ -
Planning and zoning	171,124	170,875	170,875	-
Economic development	83,125	83,125	83,125	-
Total housing and development	350,481	346,883	346,883	-
Debt service				
Principal	114,649	158,240	158,240	-
Interest and fiscal charges	15,312	17,346	17,346	-
Total debt service	129,961	175,586	175,586	-
Total expenditures	18,136,663	17,309,953	17,310,073	(120)
Excess (deficiency) of revenues over (under) expenditures	304,744	565,649	609,554	43,905
Other financing sources (uses):				
Proceeds from sale of assets	3,500	34,026	34,026	-
Transfers in	-	13,599	13,599	-
Transfers out	(308,244)	(528,553)	(528,553)	-
Total other financing sources (uses)	(304,744)	(480,928)	(480,928)	-
Net change in fund balance	-	84,721	128,626	43,905
Fund balance, beginning of year	4,579,628	4,579,628	4,579,628	-
Fund balance, end of year	$ 4,579,628	$ 4,664,349	$ 4,708,254	$ 43,905

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

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2016

	Major Enterprise Fund Water and Sewer Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 117,395
Accounts receivable, net of allowances	332,360
Restricted assets, cash	251,015
Prepaid items	14,487
Total current assets	715,257
NONCURRENT ASSETS	
Capital assets	
Capital assets, nondepreciable	171,218
Capital assets, depreciable, net of accumulated depreciation	13,640,774
Total capital assets	13,811,992
Total noncurrent assets	13,811,992
Total assets	$ 14,527,249
LIABILITIES	
CURRENT LIABILITIES	
Payable from current assets:	
Accounts payable	$ 4,782
Compensated absences, current portion	33,746
Notes payable, current portion	57,537
Due to other funds	30,735
Total payable from current assets	126,800

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2016

	Major Enterprise Fund Water and Sewer Fund
Payable from restricted assets:	
Accrued interest payable	$ 1,750
Revenue bonds payable, current portion	44,000
Customer deposits payable	171,072
Total payable from restricted assets	216,822
Total current liabilities	343,622
NONCURRENT LIABILITIES	
Revenue bonds payable, net of current portion	166,000
Compensated absences, net of current portion	5,719
Notes payable, net of current portion	972,340
Total noncurrent liabilities	1,144,059
Total liabilities	1,487,681
NET POSITION	
Net investment in capital assets	12,572,115
Restricted for:	
Debt service	11,174
Renewal and replacement	9,604
Unrestricted	446,675
Total net position	$ 13,039,568

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, 2016

	Major Enterprise Fund Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water sales pledged as security for revenue bonds	$ 1,779,771
Sewer sales	209,748
Connection fees	75,298
Other operating income	122,387
Total operating revenues	2,187,204
Operating expenses:	
Salaries and benefits	471,309
Purchased/contracted services	520,573
Supplies and materials	732,425
Other	9,193
Depreciation	587,256
Total operating expenses	2,320,756
Operating loss	(133,552)
Non-operating revenues (expenses):	
Investment income	840
Interest expense	(43,595)
Total non-operating expenses	(42,755)
Loss before transfers	(176,307)
Capital contributions	1,447,192
Transfers	
Transfers out	(13,699)
Total transfers	(13,699)
Change in net position	1,257,186
Net position, beginning of year	11,782,382
Net position, end of year	$ 13,039,568

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, 2016

	Major Enterprise Fund Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 2,095,848
Payments to suppliers and service providers	(1,295,020)
Payments to employees	(481,255)
Net cash provided by operating activities	319,573
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(13,699)
Net cash used in noncapital financing activities	(13,699)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(129,456)
Principal paid on bonds	(44,000)
Principal paid on notes payable	(55,687)
Interest paid	(43,962)
Net cash used in capital and related financing activities	(225,832)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	840
Net cash provided by investing activities	840
Net increase in cash and cash equivalents	80,882
Cash and cash equivalents:	
Beginning of year	287,528
End of year	$ 368,410

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	Major Enterprise Fund Water and Sewer Fund
Classified as:	
Cash and cash equivalents	$ 117,395
Restricted assets, cash and cash equivalents	251,015
	$ 368,410
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (133,552)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	587,256
Increase in accounts receivable	(106,071)
Increase in prepaid items	(13,211)
Decrease in accounts payable	(27,114)
Decrease in accrued liabilities	(13,891)
Increase in compensated absences	3,945
Increase in due to other funds	7,496
Increase in customer deposits payable	14,715
Net cash provided by operating activities	$ 319,573
Noncash investing, capital, and financing activities:	
Georgia Environmental Finance Authority loan forgiveness	$ 16,301
Contributions of capital assets from other funds	1,430,891
Total noncash investing, capital and financing activities	$ 1,447,192

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

JONES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2016

	Agency Funds
ASSETS	
Cash	$ 537,326
Taxes receivable	101,807
Due from others	20,792
Total assets	$ 659,925
LIABILITIES	
Due to others	$ 659,925

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.

The ***Capital Projects 2015 SPLOST Fund*** is used to account for the financial resources provided from the 2015 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 ***Central Complex Expansion Fund*** is used to account for the construction or improvement of the Highway 18 recreation complex.

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

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 *non-operating* 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 non-operating 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 the 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 the discretely presented component unit 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Other than the items relating to the changes in the net pension liability, as discussed on the following page, the County has one item that qualifies for reporting in this category. This item 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 and the governmental funds balance sheet 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. Other than the items relating to the changes in the net pension liability as discussed on the following page, the County has one item that qualifies for reporting in this category, which arises only under a modified accrual basis of accounting. 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)

L. Deferred Outflows/Inflows of Resources (Continued)

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

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

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

Net 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.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Jones County Defined Benefit Plan (The Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 $11,060,196 difference are as follows:

Capital leases payable	$ (463,882)
Notes payable	(3,857,259)
Bonds payable	(2,445,000)
Deferred amount on refinancing	36,222
Landfill post-closure costs	(220,000)
Compensated absences	(555,088)
Net pension liability	(3,555,189)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (11,060,196)

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 – 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 $1,172,368 difference are as follows:

Capital outlay	$ 3,054,531
Depreciation expense	(1,882,163)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 1,172,368

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 $211,574 difference are as follows:

Debt incurred:		
Notes payable	$	(311,303)
Principal repayments:		
Capital leases		183,329
Notes payable		145,841
Revenue bonds		175,000
Landfill post-closure costs		22,000
Amortization of deferred loss		(3,293)
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net position - governmental activities*	$	211,574

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 $52,385 difference are as follows:

Compensated absences	$	200
Net pension liability		(747,925)
Deferred outflows of resources		790,564
Deferred inflows of resources		(95,224)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(52,385)

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 and the 2006 TEA Grant Fund had deficit fund balances of $16,077 and $2,860, respectively, at August 31, 2016. 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, 2016, the County's only investments were certificates of deposit.

At August 31, 2016, the County had the following investments:

Investment	Maturities	Fair Value
Certificate of deposit	13 months	$ 757,576
Certificate of deposit	12 months	34,401
		$ 791,977

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, 2016, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

Fair Value Measurements. The County categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County's only investments as of August 31, 2016 are certificate of deposits, which are not subject to level disclosure.

NOTE 5. RECEIVABLES

Receivables at August 31, 2016, consist of the following:

	General	Water and Sewer	Nonmajor Funds	Total
Receivables:				
Taxes	$ 218,732	$ -	$ 247	$ 218,979
Interest	-	-	90	90
Accounts	53,015	402,304	143,160	598,479
Gross receivables	271,747	402,304	143,497	817,548
Less allowance	-	(69,944)	-	(69,944)
Net receivables	$ 271,747	$ 332,360	$ 143,497	$ 747,604

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, 2015	January 1, 2015
Levy date	September 29, 2015	January 1, 2015
Due date and collection date	December 1, 2015	Staggered
Tax execution date/lien date	March 1, 2016	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 2015 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, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 4,365,090	$ -	$ -	$ -	$ 4,365,090
Intangibles	42,640	-	-	-	42,640
Construction in progress	3,090,025	2,522,980	(33,000)	(1,360,891)	4,219,114
Total	7,497,755	2,522,980	(33,000)	(1,360,891)	8,626,844
Capital assets, being depreciated:					
Land improvements	4,477,428	99,395	-	-	4,576,823
Buildings and improvements	15,588,094	43,211	-	-	15,631,305
Machinery and equipment	13,005,612	388,945	(222,849)	-	13,171,708
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	53,983,097	-	-	-	53,983,097
Total	87,113,826	531,551	(222,849)	-	87,422,528
Less accumulated depreciation for:					
Land improvements	1,173,862	163,806	-	-	1,337,668
Buildings and improvements	6,817,444	394,598	-	-	7,212,042
Machinery and equipment	10,855,413	822,653	(222,849)	-	11,455,217
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	46,522,202	501,106	-	-	47,023,308
Total	65,428,516	1,882,163	(222,849)	-	67,087,830
Total capital assets, being depreciated, net	21,685,310	(1,350,612)	-	-	20,334,698
Governmental activities capital assets, net	$ 29,183,065	$ 1,172,368	$ (33,000)	$ (1,360,891)	$ 28,961,542

The above schedule includes the capital asset activity of the Development Authority of Jones County as of and for the year ended August 31, 2016. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2016.

Construction in progress in the amount of $1,360,891 was completed by the Governmental activities during the year ended August 31, 2016 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	$ 88,167	$ -	$ -	$ -	$ 88,167
Construction in progress	74,884	85,501	-	(77,334)	83,051
Total	163,051	85,501	-	(77,334)	171,218
Capital assets, being depreciated:					
Buildings	232,699	-	-	-	232,699
Water system	16,538,103	36,755	-	1,438,225	18,013,083
Water storage tanks	3,934,738	-	-	-	3,934,738
River North sewer system	2,159,960	-	-	-	2,159,960
Pumping stations	333,125	-	-	-	333,125
Machinery and equipment	927,800	77,202	(13,622)	-	991,380
Total	24,126,425	113,957	(13,622)	1,438,225	25,664,985
Less accumulated depreciation for:					
Buildings	66,090	9,608	-	-	75,698
Water system	5,814,200	370,399	-	-	6,184,599
Water storage tanks	3,045,774	135,408	-	-	3,181,182
River North sewer system	1,429,599	43,199	-	-	1,472,798
Pumping stations	314,015	9,066	-	-	323,081
Machinery and equipment	780,899	19,576	(13,622)	-	786,853
Total	11,450,577	587,256	(13,622)	-	12,024,211
Total capital assets, being depreciated, net	12,675,848	(473,299)	-	1,438,225	13,640,774
Business-type activities capital assets, net	$ 12,838,899	$ (387,798)	$ -	$ 1,360,891	$ 13,811,992

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 98,860
Public safety	826,149
Public works	712,164
Health and welfare	32,345
Culture and recreation	186,760
Housing and development	25,885
Total depreciation expense - governmental activities	$ 1,882,163
Business-type activities:	
Water and sewer	$ 587,256
Total depreciation expense - business-type activities	$ 587,256

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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 647,211	$ -	$ 183,329	$ 463,882	$ 187,920
Notes payable	3,691,797	311,303	145,841	3,857,259	284,465
Revenue bonds	2,620,000	-	175,000	2,445,000	180,000
Landfill postclosure	242,000	-	22,000	220,000	22,000
Compensated absences	555,288	128,850	129,050	555,088	444,070
Net pension liability	2,807,264	1,645,370	897,445	3,555,189	-
Totals	$ 10,563,560	$ 2,085,523	$ 1,552,665	$ 11,096,418	$ 1,118,455
Business-type activities:					
Revenue bonds	$ 254,000	$ -	$ 44,000	$ 210,000	$ 44,000
Notes payable	1,054,590	30,972	55,685	1,029,877	57,537
Compensated absences	35,520	10,132	6,187	39,465	33,746
Totals	$ 1,344,110	$ 41,104	$ 105,872	$ 1,279,342	$ 135,283

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, 2016. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2016.

NOTE 7. LONG-TERM DEBT (CONTINUED)

For governmental activities, compensated absences, net pension liability and landfill post-closure 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, 2016:

	Governmental Activities
Equipment	$ 499,112
Less: Accumulated depreciation	(197,993)
	$ 301,119

The County reported $60,226 of depreciation expense for Governmental Activities on the above leased assets for the fiscal year ended of August 31, 2016.

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

	Governmental Activities
Fiscal Year Ending August 31,	
2017	$ 199,598
2018	216,245
2019	64,603
Total minimum lease payments	480,446
Less amount representing interest	(16,564)
Present value of future minimum lease payments	$ 463,882

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, 2016, 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%.	$ 84,000
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%.	126,000
	$ 210,000

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

Fiscal Year ending August 31,	Principal	Interest
2017	$ 44,000	$ 10,500
2018	48,000	8,300
2019	50,000	5,900
2020	22,000	3,400
2021	22,000	2,300
2022	24,000	1,200
	$ 210,000	$ 31,600

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, 2016, is $35,020.

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

Fiscal Year ending August 31,	Principal	Interest
2017	$ 16,029	$ 1,061
2018	16,682	408
2019	2,309	3
	$ 35,020	$ 1,472

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). The County incurred debt of $1,326,319 to the Georgia Environmental Finance Authority for rehabilitation of sewage pump stations in the River North collection system during the current and prior years. Payments are due in monthly installments of $6,339 including interest at 1.4% through 2036. Payments will be made from a special tax district established for River North residents. Therefore, the debt is being shown in governmental activities. The outstanding balance at August 31, 2016 is $1,326,319.

Fiscal Year ending August 31,	Principal	Interest
2017	$ 134,218	$ 15,981
2018	59,764	16,307
2019	60,607	15,465
2020	61,461	14,611
2021	62,326	13,745
2022-2026	325,055	55,301
2027-2031	348,610	31,746
2032-2034	274,278	7,330
	$ 1,326,319	$ 170,486

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, 2016 is $963,885.

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

Fiscal Year ending August 31,	Principal	Interest
2017	$ 41,508	$ 28,349
2018	42,771	27,086
2019	44,071	25,786
2020	45,412	24,445
2021	46,793	23,064
2022-2026	256,200	93,084
2027-2031	297,607	51,678
2032-2034	189,523	8,405
	$ 963,885	$ 281,897

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). The County obtained a loan from a local financial institution dated May 1, 2015, in the original amount of $2,700,000 to be used for construction or improvements to the recreational complex. The loan is to be repaid in annual installments of $223,628, including interest at 2.98%, beginning June 1, 2015. The outstanding balance at August 31, 2016 is $2,530,940.

Fiscal Year ending August 31,	Principal	Interest
2017	$ 150,247	$ 73,381
2018	154,786	68,842
2019	159,462	64,166
2020	164,280	59,348
2021	169,243	54,385
2022-2026	926,067	192,073
2027-2031	806,855	47,822
	$ 2,530,940	$ 560,017

The Water and Sewer Fund incurred debt to the Georgia Environmental Finance Authority for water system infrastructure improvements during the year ended August 31, 2016. The construction line of credit agreement for $1,450,000, of which $30,972 has been drawn down as of August 31, 2016. Repayment will be determined when construction is complete and all draws have been made.

Landfill Post-closure 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, 2016, the County has 10 years of monitoring remaining. The liability for the landfill post-closure care costs is estimated to be $220,000 as of August 31, 2016. These estimated costs are based on what it would cost to perform all post-closure care in 2016. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure 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

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. The principal amount outstanding at August 31, 2016 was $2,445,000. Total interest costs incurred during the year ended August 31, 2016 were $111,595.

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

Fiscal Year ending August 31,	Principal	Interest
2017	$ 180,000	$ 88,313
2018	190,000	81,375
2019	195,000	74,156
2020	205,000	66,656
2021	210,000	58,875
2022-2026	1,195,000	166,031
2027	270,000	5,063
	$ 2,445,000	$ 540,469

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 30,735
General Fund	Nonmajor governmental funds	23,984
Nonmajor governmental funds	General Fund	84,163
		$ 138,882

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
Capital Projects 2009 SPLOST	Capital Projects 2015 SPLOST	$ 71,944
Capital Projects 2009 SPLOST	General Fund	235,564
Nonmajor governmental funds	General Fund	292,989
General Fund	Water and Sewer Fund	13,599
Nonmajor governmental funds	Water and Sewer Fund	100
		$ 614,196

Transfers are used to: (1) move revenues from the fund that the 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, 2016, the County paid $30,361 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

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Association County Commissioners of Georgia Jones County Defined Benefit Plan (The Plan), covering the majority of all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the 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. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to the Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2015, pension plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	58
Inactive plan member entitled to but not receiving benefits	114
Active plan members	148
	320

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the year ended August 31, 2016, the County's contribution rate was 14.3% of annual payroll. County contributions to the Plan were $693,225 for the year ended August 31, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00% - 6.50%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). Mortality rates were based on the RP-2000 Combined Mortality Table.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study through December 31, 2014.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
S&P 500	30 %	3.22 %
Barclay's Agg.	30	2.34
MSCI EAFE	15	1.43
Citi Non US WEBI	5	0.27
NARREIT Equity	5	0.57
Russell 2000	5	0.47
Russell 3000	5	0.53
S&P Mid Cap	5	0.66
	100 %	

* Rates shown are net of the 3.00% assumed rate of inflation.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended August 31, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2015	$ 10,928,466	$ 8,121,202	$ 2,807,264
Changes for the year:			
Service cost	299,633	-	299,633
Interest	819,635	-	819,635
Differences between expected and actual experience	(123,231)	-	(123,231)
Assumption changes	430,230	-	430,230
Contributions - employer	-	693,225	(693,225)
Net investment income	-	66,971	(66,971)
Benefit payments, including refunds of employee contributions	(387,837)	(373,819)	(14,018)
Administrative expenses	-	(26,946)	26,946
Other changes	-	(68,926)	68,926
Net changes	1,038,430	290,505	747,925
Balances at August 31, 2016	$ 11,966,896	$ 8,411,707	$ 3,555,189

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
County's net pension liability	$ 5,101,744	$ 3,555,189	$ 2,256,488

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 December 31, 2015 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended August 31, 2016, the County recognized pension expense of $745,810. At August 31, 2016, the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 95,224
Changes in actuarial assumptions	332,450	
Net difference between projected and actual earnings on pension plan investments	510,781	-
Total	$ 843,231	$ 95,224

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

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

Year ending August 31:	
2017	$ 187,593
2018	187,593
2019	187,593
2020	145,727
2021	39,501
	$ 748,007

B. Health Department – Component Unit

Plan Description

The Employees' Retirement System (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Benefits Provided (Continued)

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The Department's contributions to ERS totaled $49,848 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Members become vested after ten years of membership service.

Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions, the member forfeits all rights to retirement benefits.

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

At June 30, 2016, the Department reported a liability of $347,813 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll forward techniques. The Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Employer's proportion was .008585%, which was an increase of .000624% from its proportion measured as of June 30, 2014.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

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

For the year ended June 30, 2016, the Department recognized pension expense of $26,445. As of June 30, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,779
Net difference between projected and actual earnings on pension plan investments	-	25,095
Changes in proportion and differences between Department contributions and proportionate share of contributions	17,470	2,050
Employer contributions subsequent to the measurement date	49,848	-
Total	$ 67,318	$ 29,924

Department contributions subsequent to the measurement date of $49,848 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	$ (3,442)
2018	(6,288)
2019	(11,185)
2020	8,461
	$ (12,454)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	5.45 – 9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the periods July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at the current contribution rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Department's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Department's proportionate share of the net pension liability	$ 493,037	$ 347,813	$ 224,003

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/formspubs/formspubs.

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.

NOTE 11. RISK MANAGEMENT (CONTINUED)

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.

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at August 31, 2016, the County has contractual commitments on uncompleted contracts of approximately $14,470.

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

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	August 31, 2016	August 31, 2015
Total pension liability		
Service cost	**$ 299,633**	$ 277,218
Interest on total pension liability	**819,635**	768,751
Differences between expected and actual experience	**(123,231)**	-
Changes of assumptions	**430,230**	-
Benefit payments, including refunds of employee contributions	**(387,837)**	(367,516)
Net change in total pension liability	**1,038,430**	678,453
Total pension liability - beginning	**10,928,466**	10,250,013
Total pension liability - ending (a)	**$ 11,966,896**	$ 10,928,466
Plan fiduciary net position		
Contributions - employer	**$ 693,225**	$ 717,167
Net investment income	**66,971**	531,129
Benefit payments, including refunds of employee contributions	**(373,819)**	(354,232)
Administrative expenses	**(26,946)**	(25,266)
Other	**(68,926)**	(69,445)
Net change in fiduciary net position	**290,505**	799,353
Plan fiduciary net position - beginning	**8,121,202**	7,321,849
Plan fiduciary net position - ending (b)	**$ 8,411,707**	$ 8,121,202
County's net pension liability - ending (a) - (b)	**$ 3,555,189**	$ 2,807,264
Plan fiduciary net position as a percentage of total pension liability	**70.29%**	74.31%
Covered-employee payroll	**4,842,493**	4,725,798
County's net pension liability as a percentage of covered-employee payroll	**73.42%**	59.40%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY CONTRIBUTIONS

	2016	2015	2014
Actuarially determined contribution	**$ 560,714**	$ 615,875	$ 610,102
Contributions in relation to the actuarially determined contribution	**693,225**	717,167	652,729
Contribution deficiency (excess)	**$ (132,511)**	$ (101,292)	$ (42,627)
Covered-employee payroll	**4,842,493**	4,725,798	4,888,278
Contributions as a percentage of Covered-employee payroll	**14.32%**	15.18%	13.35%

Notes to the Schedule

Valuation Date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	4.00% - 6.50% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

REQUIRED SUPPLEMENTARY INFORMATION

HEALTH DEPARTMENT – COMPONENT UNIT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2016	2015
Proportion of the net pension liability	**0.008585 %**	0.007961 %
Proportionate share of the net pension liability	**$ 347,813**	$ 298,587
Covered-employee payroll	**$ 206,235**	$ 202,403
Proportionate share of the net pension liability as a percentage of covered-employee payroll	**168.65 %**	147.52 %
Plan fiduciary net position as a percentage of the total pension liability	**76.20 %**	77.99 %

SCHEDULE OF CONTRIBUTIONS

	2016	2015
Contractually required contribution	**$ 49,848**	$ 43,070
Contributions made in relation to the contractually required contribution	**49,848**	43,070
Contribution deficit (excess)	**$ -**	$ -
Covered-employee payroll	**$ 206,235**	$ 202,403
Contributions made as a percentage of covered-employee payroll	**24.17 %**	21.28 %

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The **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.

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

The **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.

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

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

The **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.

The **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

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

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

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

Debt Service Funds

The **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, 2016

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
ASSETS			
Cash	$ 34,490	$ 7,442	$ 2,380
Investments	-	-	34,401
Taxes receivable	-	-	-
Interest receivable	-	-	90
Accounts receivable	-	-	-
Due from other governments	-	34	-
Due from other funds	4,786	-	-
Prepaid items	-	-	-
Total assets	$ 39,276	$ 7,476	$ 36,871
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 1,846	$ -	$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	23,553	431
Total liabilities	1,846	23,553	431
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Capital projects	-	-	-
Debt service	-	-	-
Economic development	-	-	-
Judicial	-	-	36,440
Public safety	37,430	-	-
Unassigned	-	(16,077)	-
Total fund balances (deficits)	37,430	(16,077)	36,440
Total liabilities and fund balances	$ 39,276	$ 7,476	$ 36,871

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County
$ 63,728	$ 965	$ 14,710	$ 176,835
-	-	-	-
-	-	-	-
-	-	-	-
-	143,160	-	-
-	-	-	-
-	79,377	-	-
-	-	-	-
$ 63,728	$ 223,502	$ 14,710	$ 176,835
$ 85	$ -	$ -	$ 5,831
-	-	-	-
-	-	-	-
-	-	-	-
85	-	-	5,831
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	171,004
-	-	14,710	-
63,643	223,502	-	-
-	-	-	-
63,643	223,502	14,710	171,004
$ 63,728	$ 223,502	$ 14,710	$ 176,835

(Continued)

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2016

	Capital Projects		
	Impact Fee Fund	CDBG Grant Fund	2006 TEA Grant Fund
ASSETS			
Cash	$ 307,797	$ 100	$ 100
Investments	-	-	-
Taxes receivable	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	$ 307,797	$ 100	$ 100
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ -	$ 2,960
Due to other funds	-	-	-
Total liabilities	-	-	2,960
FUND BALANCES			
Restricted for:			
Capital projects	307,797	100	-
Debt service	-	-	-
Economic development	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Unassigned	-	-	(2,860)
Total fund balances (deficits)	307,797	100	(2,860)
Total liabilities and fund balances	$ 307,797	$ 100	$ 100

Debt Service River North Tax District Debt Service	Totals
$ 180,803	$ 789,350
-	34,401
247	247
-	90
-	143,160
95,400	95,434
-	84,163
$ 276,450	$ 1,146,845
$ -	$ 10,722
-	23,984
-	34,706
-	307,897
276,450	276,450
-	171,004
-	51,150
-	324,575
-	(18,937)
276,450	1,112,139
$ 276,450	$ 1,146,845

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
Revenues:			
Property tax	$ -	$ -	$ -
Sales tax	-	-	-
Intergovernmental	-	-	-
Fines and forfeitures	40,204	46,403	15,572
Charges for services	-	-	-
Impact fees	-	-	-
Investment income	85	13	163
Miscellaneous	-	-	-
Total revenues	40,289	46,416	15,735
Expenditures:			
Current:			
General	-	-	-
Judicial	-	-	17,808
Public safety	52,559	75,848	-
Culture and recreation	-	-	-
Intergovernmental	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Issuance costs	-	-	-
Total expenditures	52,559	75,848	17,808
Excess (deficiency) of revenues over (under) expenditures	(12,270)	(29,432)	(2,073)
Other financing sources:			
Transfers in	-	32,498	-
Issuance of debt	-	-	-
Total other financing sources	-	32,498	-
Net change in fund balances	(12,270)	3,066	(2,073)
Fund balances (deficit), beginning of year	49,700	(19,143)	38,513
Fund balances (deficits), end of year	$ 37,430	$ (16,077)	$ 36,440

Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	363,750
20,939	-	-	-
-	486,263	-	-
-	-	-	-
171	-	28	258
-	85	1,372	-
21,110	486,348	1,400	364,008
-	-	-	62,959
-	-	3,295	-
37,775	680,927	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	175,000
-	-	-	96,314
-	-	-	-
37,775	680,927	3,295	334,273
(16,665)	(194,579)	(1,895)	29,735
-	258,691	-	-
-	-	-	-
-	258,691	-	-
(16,665)	64,112	(1,895)	29,735
80,308	159,390	16,605	141,269
$ 63,643	$ 223,502	$ 14,710	$ 171,004

(Continued)

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

	Capital Projects		
	Impact Fee Fund	CDBG Grant Fund	2006 TEA Grant Fund
Revenues:			
Property tax	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Impact fees	67,489	-	-
Investment income	540	-	-
Miscellaneous	-	-	-
Total revenues	68,029	-	-
Expenditures:			
Current:			
General	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Capital outlay	-	-	4,760
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Issuance costs	-	-	-
Total expenditures	-	-	4,760
Excess (deficiency) of revenues over (under) expenditures	68,029	-	(4,760)
Other financing sources:			
Transfers in	-	100	1,800
Issuance of debt	-	-	-
Total other financing sources	-	100	1,800
Net change in fund balances	68,029	100	(2,960)
Fund balances, beginning of year	239,768	-	100
Fund balances (deficits), end of year	$ 307,797	$ 100	$ (2,860)

Debt Service River North Tax District Debt Service	Totals
$ 77,848	$ 77,848
-	363,750
-	123,118
-	486,263
-	67,489
-	1,258
-	1,457
77,848	1,121,183
-	62,959
-	21,103
-	847,109
279,979	284,739
-	175,000
-	96,314
14,847	14,847
294,826	1,502,071
(216,978)	(380,888)
-	293,089
311,303	311,303
311,303	604,392
94,325	223,504
182,125	888,635
$ 276,450	$ 1,112,139

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

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	$ 2,731,396	$ -	$ 2,731,396
Recreation facilities and equipment	1,100,000	1,100,000	831,587	193,421	1,025,008
Public works capital projects	2,300,000	2,415,477	2,415,477	138,592	2,554,069
Sheriff's department capital improvements	1,125,000	1,125,000	934,846	-	934,846
Rehabilitation of government buildings, including animal control facility	100,000	110,630	110,630	8,854	119,484
Renovation of Old Clinton Tanyard	250,000	250,000	4,950	28,050	33,000
Library capital improvements	200,000	200,000	-	-	-
Emergency management facilities and equipment	1,312,000	1,744,391	1,744,391	13,578	1,757,969
Industrial park capital improvements	1,500,000	1,500,000	1,028,896	259,355	1,288,251
Lake Jonesco Golf Course capital improvements	425,000	425,000	419,598	2,967	422,565
City of Gray	2,688,000	2,688,000	2,556,925	-	2,556,925
Total	$ 14,000,000	$ 14,558,498	$ 12,778,696	$ 644,817	$ 13,423,513

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2015 ISSUE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Water and sewer improvements for Jones County	$ 1,300,000	$ 1,300,000	$ -	$ 98,252	$ 98,252
Park and recreation capital projects	1,400,000	1,400,000	-	229,555	229,555
Public works capital projects	1,300,000	1,300,000	-	-	-
Sheriff's vehicles	1,280,000	1,280,000	-	213,333	213,333
Emergency management capital projects	1,000,000	1,000,000	-	-	-
Buildings, including tax office	300,000	300,000	-	8,912	8,912
Industrial park sewer	700,000	700,000	-	-	-
Community parks	100,000	100,000	-	82,250	82,250
Library capital improvements	275,000	275,000	-	-	-
Administrative, legal fees, and interest	25,000	25,000	-	-	-
Industrial park debt	1,600,000	1,600,000	-	11,970	11,970
Animal control facility	200,000	200,000	-	2,000	2,000
Highway 49 track	300,000	300,000	-	-	-
Lake Jonesco Golf Course	120,000	120,000	-	45,337	45,337
City of Gray	2,100,000	2,100,000	58,304	344,051	402,355
Total	$ 12,000,000	$ 12,000,000	$ 58,304	$ 1,035,660	$ 1,093,964

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, 2016

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 358,728	$ 32,359	$ 13,696	$ 11,867
Taxes receivable	101,807	-	-	-
Due from others	-	20,792	-	-
Total assets	$ 460,535	$ 53,151	$ 13,696	$ 11,867
LIABILITIES				
Due to others	$ 460,535	$ 53,151	$ 13,696	$ 11,867

Sheriff	Juvenile Court	Total
$ 120,510	$ 166	$ 537,326
-	-	101,807
-	-	20,792
$ 120,510	$ 166	$ 659,925

$ 120,510	$ 166	$ 659,925

COMPLIANCE SECTION

MAULDIN & JENKINS

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 31, 2017. 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
August 31, 2017

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

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

A single audit was not performed for the fiscal year ended June 30, 2016 due to the County not expending $750,000 or more in federal funds.

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

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, 2016

2015-001. Recording of Capital Leases

Condition: During the year ended August 31, 2015, the County entered into a new capital lease agreement, but it was not recorded by the County.

Context/Cause: During our audit of debt, an adjustment was required to record this new capital lease in the General Fund of the County.

Auditee Response/Status: Resolved.

2015-002. Management of Capital Assets

Condition: Prior to fiscal year 2015, the County improperly duplicated certain governmental assets in their property records.

Context/Cause: See above condition.

Auditee Response/Status: Resolved.