JONES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2020

JONES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

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MAULDIN & JENKINS
CPAs & ADVISORS

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, 2020, 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 (the "Development Authority"), a blended component unit of Jones County, Georgia, which represents 38.0%, 39.4%, and 29.4%, 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 (the "Board of Health"), which represents 100% of the assets, net position, and revenues of the 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 and the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of August 31, 2020, 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 ("MD&A) (on pages 4 through 13), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 62 and 63), and the Schedule of County Contributions (on page 64 and 65) 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 Annotated ("O.C.G.A.") §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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jones County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
February 18, 2021

JONES COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2020

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, 2020. 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, 2019, by $45,693,257 (net position) and at August 31, 2020, by $49,271,159 (net position). Of this amount, $5,894,137 (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 $362,501.

- At August 31, 2020, the County's total fund balances as summarized for all governmental fund types on page 19 of the financial statements were $14,455,087. At August 31, 2019, the County's total fund balances as summarized for all governmental funds were $13,212,167, an increase of $1,242,920, or approximately 9%, from the 2019 fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements: 1) the statement of net position and 2) the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's increase in its unrestricted net position in 2019 and in 2020 continues to demonstrate 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's 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 the 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 Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects, 2015 SPLOST Capital Projects, CDBG Grant Fund Sun Valley, and Chip 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 and the 2015 SPLOST Capital Projects, 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 $45,693,257 at the close of the 2019 fiscal year and by $49,271,159 at the close of the 2020 fiscal year, an increase of $3,577,902. Of the $45,693,257, $30,030,091 resulted from governmental activities and $15,663,166 resulted from the County's business-type activities in 2019. In comparison, for fiscal year 2020, of the $49,271,159, $33,096,354 resulted from the County's governmental activities and $16,174,805 resulted from the County's business-type activities.

By far, the largest portion of the County's net position (82% in 2019 and 81% in 2020) 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	
	2019	**2020**	2019	**2020**	2019	**2020**
Current and other assets	$ 14,517,676	**$ 15,674,870**	$ 1,904,051	**$ 2,630,290**	$ 16,421,727	**$ 18,305,160**
Capital assets	28,914,258	**32,196,905**	16,231,607	**16,567,305**	45,145,865	**48,764,210**
Total assets	43,431,934	**47,871,775**	18,135,658	**19,197,595**	61,567,592	**67,069,370**
Deferred outflows of resources	1,432,819	**907,132**	-	**-**	1,432,819	**907,132**
Other liabilities	1,249,296	**1,109,731**	334,037	**652,558**	1,583,333	**1,762,289**
Long-term liabilities outstanding	13,541,435	**13,945,559**	2,138,455	**2,370,232**	15,679,890	**16,315,791**
Total liabilities	14,790,731	**15,055,290**	2,472,492	**3,022,790**	17,263,223	**18,078,080**
Deferred inflows of resources	43,931	**627,263**	-	**-**	43,931	**627,263**
Net position:						
Net investment in capital assets	23,272,816	**25,862,295**	14,115,332	**14,225,797**	37,388,148	**40,088,092**
Restricted	2,766,503	**3,288,930**	6,970	**-**	2,773,473	**3,288,930**
Unrestricted	3,990,772	**3,945,129**	1,540,864	**1,949,008**	5,531,636	**5,894,137**
Total net position	$ 30,030,091	**$ 33,096,354**	$ 15,663,166	**$ 16,174,805**	$ 45,693,257	**$ 49,271,159**

An additional portion of the County's total net position (6% in 2019 and 7% in 2020) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net position $5,531,636 in 2019 and $5,894,137 in 2020 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 $1,901,446 in 2019 and an increase of $3,066,263 in 2020. Business-type activities increased the County's net position by $637,132 in 2019 and increased by $511,639 in 2020, respectively. Key elements of these are as follows:

Jones County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	**2020**	2019	**2020**	2019	**2020**
Revenues						
Program revenues:						
Charges for services	$ 2,841,838	**$ 2,380,696**	$ 2,529,750	**$ 2,622,101**	$ 5,371,588	**$ 5,002,797**
Operating grants and contributions	620,817	**1,950,515**	-	**-**	620,817	**1,950,515**
Capital grants and contributions	2,813,406	**1,499,423**	133,955	**103,208**	2,947,361	**1,602,631**
General revenues:						
Property taxes	12,389,964	**12,942,511**	-	**-**	12,389,964	**12,942,511**
Sales taxes	3,810,938	**4,285,903**	-	**-**	3,810,938	**4,285,903**
Other taxes	1,950,301	**2,118,474**	-	**-**	1,950,301	**2,118,474**
Unrestricted investment earnings	192,793	**164,569**	14,818	**12,928**	207,611	**177,497**
Total revenues	24,620,057	**25,342,091**	2,678,523	**2,738,237**	27,298,580	**28,080,328**
Expenses						
General government	4,143,092	**7,100,553**	-	**-**	4,143,092	**7,100,553**
Judicial	1,616,096	**1,573,841**	-	**-**	1,616,096	**1,573,841**
Public safety	7,194,381	**5,836,422**	-	**-**	7,194,381	**5,836,422**
Public works	6,531,502	**4,661,754**	-	**-**	6,531,502	**4,661,754**
Health and welfare	377,149	**317,605**	-	**-**	377,149	**317,605**
Culture and recreation	1,542,935	**1,413,994**	-	**-**	1,542,935	**1,413,994**
Housing and development	632,146	**636,330**	-	**-**	632,146	**636,330**
Interest on long-term debt	249,662	**292,484**	-	**-**	249,662	**292,484**
Water and sewer	-	**-**	2,473,039	**2,669,443**	2,473,039	**2,669,443**
Total expenses	22,286,963	**21,832,983**	2,473,039	**2,669,443**	24,760,002	**24,502,426**
Change in net position before transfers	2,333,094	**3,509,108**	205,484	**68,794**	2,538,578	**3,577,902**
Transfers	(431,648)	**(442,845)**	431,648	**442,845**	-	**-**
Change in net position	1,901,446	**3,066,263**	637,132	**511,639**	2,538,578	**3,577,902**
Net position, beginning	28,128,645	**30,030,091**	15,026,034	**15,663,166**	43,154,679	**45,693,257**
Net position, ending	$ 30,030,091	**$ 33,096,354**	$ 15,663,166	**$ 16,174,805**	$ 45,693,257	**$ 49,271,159**

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 2020 fiscal year, the County's governmental funds reported combined ending fund balances of $14,455,087, an increase of $1,242,920 in comparison with the prior year. Specifically, the restricted fund balance for nonmajor government funds debt service increased by $3,992 in comparison with the prior year; the fund balance nonspendable for inventory increased by $26,400; nonspendable fund balance for prepaid items increased by $27,869; unassigned total governmental funds increased by $666,224; restricted fund balance for judicial and public safety decreased by $16,678; and restricted fund balance in the capital project funds increased by $543,637. 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 $240,075. Approximately 74% of the combined fund balance constitutes unassigned fund balance, $10,729,225, which is available for spending at the government's discretion. The remainder of the 2020 fund balance, $3,725,862, is classified as nonspendable, $436,932, and restricted, $3,288,930, 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 $10,750,719, while total fund balance of the General Fund reached $11,594,015. The 2020 unassigned fund balance of the General Fund increased $486,755 and the nonspendable fund balance increased by $54,269. 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 50% of total General Fund expenditures, while total fund balance represents 54% of that same amount.

The fund balance of the County's total General Fund increased in the amount of $950,582 during the current fiscal year. The actual County's revenues collected in 2020 were more than anticipated by $2,377,634, the expenditures were more than anticipated by approximately $951,708, and included in the original budgeted revenues were restricted revenues of $424,347. With the other financing sources and uses $1,055,269, the net result is the increase of $950,582.

The 2015 SPLOST Capital Projects fund accounts for the financial resources provided from the 2015 1% SPLOST. 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 1% SPLOST. These resources must be used for recreation facilities and equipment, public works capital projects, sheriff's department capital improvements, rehabilitation of government buildings, including animal control facility, renovation of Old Clinton Tanyard, library capital improvements, emergency management facilities and equipment, industrial park capital improvements, golf course capital improvements, and shared revenue of 19.2% with the City of Gray for water and sewer improvements.

Proprietary 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 $1,949,008, an increase of $408,144, or 26% from 2019. For the years ended August 31, 2020 and 2019, the proprietary funds had total net position of $16,174,805 and $15,663,166, respectively. This is an increase in total net position for the proprietary funds in the amount of $511,639.

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

	2019	**2020**
Net operating income (loss):	$ 82,497	**$ (8,910)**
Non-operating expenses	(10,968)	**(25,504)**
Income (loss) before transfers and contributions	71,529	**(34,414)**
Capital contributions	601,100	**572,184**
Transfers out	(35,497)	**(26,131)**
Change in net position	$ 637,132	**$ 511,639**

General Fund Budgetary Highlights

The major impact between the actual and the final amended budget was our government's current-year revenues were sufficient to pay for current-year services. Increase in spending resulted in additional funds within contingency in general administration. With continued rising costs, which outpace moderate revenue increases, the County is steadily emerging from the recession, the collapse of the housing market in 2008, and the current pandemic in 2020. The actual net change in fund balance was an increase in the amount of $950,582. End of year actual fund balance is $11,594,015 in the General Fund, which will cover expenses for approximately six months.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of August 31, 2020, increased $3,282,647 to $32,196,905 (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, 2020. The Development Authority of Jones County is classified as a blended component unit of the County as of August 31, 2020. The County's investment in capital assets for its business-type activities as of August 31, 2020 increased $335,698 to $16,567,305. 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	
	2019	**2020**	2019	**2020**	2019	**2020**
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	5,477,071	**8,889,899**	-	**-**	5,477,071	**8,889,899**
Buildings and improvements	7,767,304	**9,185,883**	140,195	**134,591**	7,907,499	**9,320,474**
Machinery and equipment	1,775,245	**2,611,285**	417,049	**398,594**	2,192,294	**3,009,879**
Water system	-	**-**	13,183,632	**12,704,196**	13,183,632	**12,704,196**
Water storage tanks	-	**-**	513,794	**461,617**	513,794	**461,617**
RN sewer system	-	**-**	557,565	**514,366**	557,565	**514,366**
Pumping station	-	**-**	(18,098)	**408,269**	(18,098)	**408,269**
Infrastructure	5,549,481	**5,099,460**	-	**-**	5,549,481	**5,099,460**
Construction in progress	3,937,427	**2,002,648**	1,349,303	**1,857,505**	5,286,730	**3,860,153**
Total	$ 28,914,258	**$ 32,196,905**	$ 16,231,607	**$ 16,567,305**	$ 45,145,865	**$ 48,764,210**

Major projects in 2020 included the following:

- New TE Haddock Walkways (completed)
- Passive Park Government Center (completed)
- HWY 18 Recreation Expansion – Phase 1 (completed)
- River North Rehab (completed)
- Industrial Park-Sewer Force Main (Road Infrastructure Improvement (not completed)
- Library Renovations (completed)
- Lite-N-Tie Booster Pump Rehab (not completed)
- Courthouse Renovations (not completed)
- Government Plumbing Upgrade (completed)
- Jail Expansion (not completed)
- Sun Valley Sewer CDBG 15P-y-084-1-5748 (not completed)
- Hwy 49 Track (not completed)
- GEFA CWSRF-CW2016019-Sun Valley-Griswoldville Industrial (not completed)
- Henderson Well # 10 (not completed)
- Project-Camelot, Graham Road, Hwy 49 (not completed)

Long-term debt. At the end of the current fiscal year, the County had total outstanding bonded debt of $1,675,000, which is secured solely by specified revenue services. The total long-term debt of the County, other than bonds, is $13,213,723.

- 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 six years of monitoring remaining. The costs of monitoring have been estimated based on what it would cost to perform all post-closure care in 2020. 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	$ 1,880,000	$ -	$ 205,000	1,675,000	$ 210,000
Notes payable	5,567,894	-	315,089	5,252,805	327,093
Capital leases	142,367	-	26,145	116,222	21,100
Landfill post-closure	175,000	-	25,000	150,000	25,000
Compensated absences	584,034	335,903	238,895	681,042	544,834
Net pension liability	5,192,140	2,318,989	2,867,707	4,643,422	-
	$ 13,541,435	$ 2,654,892	$ 3,677,836	$ 12,518,491	$ 1,128,027
Business-type activities:					
Revenue bonds	$ -	$ -	$ -	$ -	$ -
Notes payable	2,116,275	415,033	189,800	2,341,508	88,607
Compensated absences	22,180	20,886	14,342	28,724	22,979
Total	$ 2,138,455	$ 435,919	$ 204,142	$ 2,370,232	$ 111,586

Economic Factors and Next Year's Budgets

- The unemployment rate for the County is at 4.0% which is lower than the Middle Georgia rate of 5.3%, and the State of Georgia rate of 5.3% (revised November 2020 data). (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: www.dol.state.ga.us).
- The County continues to attract new industry throughout the community, maintain and develop existing industry with the construction of the North Gray Bypass, which opened on Thursday, December 15, 2016. The work began in June of 2014 and was completed more than 6 months ahead of the estimated completion date of June 2017. The County, the City of Gray, and the City of Macon renegotiated its revenue sharing arrangements for Local Option Sales Tax ("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 increased from $686,431,825 to $673,246,922, 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 remained the same in the unincorporated area (16.197).

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Jones County Board of Health
ASSETS				
Cash and cash equivalents	$ 12,407,706	$ 1,748,150	$ 14,155,856	$ 1,115,719
Investments	1,178,972	-	1,178,972	-
Taxes receivable	532,198	-	532,198	-
Interest receivable	278	-	278	-
Accounts receivable, net of allowances	121,154	239,882	361,036	-
Due from other governments	997,630	297,034	1,294,664	58,864
Inventories	104,255	-	104,255	-
Prepaid items	332,677	13,387	346,064	-
Restricted assets, cash	-	331,837	331,837	-
Capital assets, nondepreciable	6,410,378	1,945,672	8,356,050	-
Capital assets, depreciable, net of accumulated depreciation	25,786,527	14,621,633	40,408,160	23,677
Total assets	47,871,775	19,197,595	67,069,370	1,198,260
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	23,050	-	23,050	-
OPEB	-	-	-	23,705
Pension	884,082	-	884,082	73,707
Total deferred outflows of resources	907,132	-	907,132	97,412
LIABILITIES				
Accounts payable	714,353	416,184	1,130,537	19,246
Accrued liabilities	262,097	-	262,097	6,087
Due to other governments	40,178	-	40,178	20,397
Other current liabilities	93,103	-	93,103	-
Liabilities payable from restricted assets	-	236,374	236,374	-
Capital leases due within one year	21,100	-	21,100	-
Capital leases due in more than one year	95,122	-	95,122	-
Compensated absences due within one year	544,834	22,979	567,813	-
Compensated absences due in more than one year	136,208	5,745	141,953	17,247
Notes payable due within one year	327,093	88,607	415,700	-
Notes payable due in more than one year	6,352,780	2,252,901	8,605,681	-
Bonds payable due within one year	210,000	-	210,000	-
Bonds payable due in more than one year	1,465,000	-	1,465,000	-
Landfill post-closure costs due within one year	25,000	-	25,000	-
Landfill post-closure costs due in more than one year	125,000	-	125,000	-
Net OPEB liability	-	-	-	62,357
Net pension liability	4,643,422	-	4,643,422	356,945
Total liabilities	$ 15,055,290	$ 3,022,790	$ 18,078,080	$ 482,279

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
AUGUST 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Jones County Board of Health
DEFERRED INFLOWS OF RESOURCES				
OPEB	$ -	$ -	$ -	$ 20,015
Pension	627,263	-	627,263	130,681
Total deferred inflows of resources	627,263	-	627,263	150,696
NET POSITION				
Net investment in capital assets	25,862,295	14,225,797	40,088,092	23,677
Restricted for:				
Debt service	3,992	-	3,992	-
Capital projects	2,678,323	-	2,678,323	-
Economic development	240,075	-	240,075	-
Judicial	52,681	-	52,681	-
Public safety	313,859	-	313,859	-
Unrestricted	3,945,129	1,949,008	5,894,137	639,020
Total net position	$ 33,096,354	$ 16,174,805	$ 49,271,159	$ 662,697

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

JONES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

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	$ 7,100,553	$ 530,082	$ 1,347,137	$ -
Judicial	1,573,841	546,507	24,922	-
Public safety	5,836,422	862,855	42,544	32,781
Public works	4,661,754	132,799	116,960	1,385,137
Health and welfare	317,605	-	-	-
Culture and recreation	1,413,994	250,664	20,938	81,505
Housing and development	636,330	57,789	398,014	-
Interest on long-term debt	292,484	-	-	-
Total governmental activities	21,832,983	2,380,696	1,950,515	1,499,423
Business-type activities:				
Water and sewer	2,669,443	2,622,101	-	103,208
Total business-type activities	2,669,443	2,622,101	-	103,208
Total primary government	$ 24,502,426	$ 5,002,797	$ 1,950,515	$ 1,602,631
Component unit				
Jones County Board of Health	$ 529,593	$ 228,428	$ 397,552	$ -
Total component unit	$ 529,593	$ 228,428	$ 397,552	$ -
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			Component Unit
Governmental Activities	Business-type Activities	Total	Jones County Board of Health
$ (5,223,334)	$ -	$ (5,223,334)	$ -
(1,002,412)	-	(1,002,412)	-
(4,898,242)	-	(4,898,242)	-
(3,026,858)	-	(3,026,858)	-
(317,605)	-	(317,605)	-
(1,060,887)	-	(1,060,887)	-
(180,527)	-	(180,527)	-
(292,484)	-	(292,484)	-
(16,002,349)	-	(16,002,349)	-
-	55,866	55,866	-
-	55,866	55,866	-
(16,002,349)	55,866	(15,946,483)	-
-	-	-	96,387
-	-	-	96,387
12,942,511	-	12,942,511	-
4,285,903	-	4,285,903	-
1,753,481	-	1,753,481	-
159,825	-	159,825	-
96,321	-	96,321	-
108,847	-	108,847	-
164,569	12,928	177,497	6,750
(442,845)	442,845	-	-
19,068,612	455,773	19,524,385	6,750
3,066,263	511,639	3,577,902	103,137
30,030,091	15,663,166	45,693,257	559,560
$ 33,096,354	$ 16,174,805	$ 49,271,159	$ 662,697

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

	General	Capital Projects 2015 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 9,903,773	$ 2,136,485	$ 367,448	$ 12,407,706
Investments	1,151,186	-	27,786	1,178,972
Taxes receivable	311,325	220,513	360	532,198
Interest receivable	-	-	278	278
Accounts receivable	24,713	-	96,441	121,154
Due from other governments	996,850	-	780	997,630
Due from other funds	22,248	-	126,308	148,556
Inventories	104,255	-	-	104,255
Prepaid items	328,903	-	3,774	332,677
Total assets	$ 12,843,253	$ 2,356,998	$ 623,175	$ 15,823,426
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 656,090	$ 50,223	$ 8,040	$ 714,353
Accrued liabilities	262,097	-	-	262,097
Due to other governments	1,588	38,590	-	40,178
Due to other funds	126,308	-	22,248	148,556
Other current liabilities	93,103	-	-	93,103
Total liabilities	1,139,186	88,813	30,288	1,258,287
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	110,052	-	-	110,052
Total deferred inflows of resources	110,052	-	-	110,052

(Continued)

JONES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

	General	Capital Projects 2015 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventories	$ 104,255	$ -	$ -	$ 104,255
Prepaid items	328,903	-	3,774	332,677
Restricted for:				
Capital projects	410,138	2,268,185	-	2,678,323
Debt service	-	-	3,992	3,992
Economic development	-	-	240,075	240,075
Judicial	-	-	52,681	52,681
Public safety	-	-	313,859	313,859
Unassigned	10,750,719	-	(21,494)	10,729,225
Total fund balances	11,594,015	2,268,185	592,887	14,455,087
Total liabilities, deferred inflows of resources, and fund balances	$ 12,843,253	$ 2,356,998	$ 623,175	

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.	32,196,905
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	110,052
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	884,082
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	(627,263)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(13,922,509)
Net position of governmental activities	$ 33,096,354

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, 2020

	General	Capital Projects 2015 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 16,847,161	$ 2,368,294	$ 77,594	$ 19,293,049
Licenses and permits	213,704	-	-	213,704
Intergovernmental	2,616,336	81,505	650,540	3,348,381
Fines and forfeitures	287,257	-	92,625	379,882
Charges for services	1,129,641	-	573,207	1,702,848
Investment income	159,879	16,035	5,328	181,242
Miscellaneous	106,107	32,781	30,258	169,146
Total revenues	21,360,085	2,498,615	1,429,552	25,288,252
Expenditures				
Current:				
General government	7,689,382	-	162,089	7,851,471
Judicial	1,520,004	-	15,065	1,535,069
Public safety	6,245,767	-	909,117	7,154,884
Public works	3,814,573	-	-	3,814,573
Health and welfare	332,419	-	-	332,419
Culture and recreation	1,264,507	-	-	1,264,507
Housing and development	335,184	-	-	335,184
Intergovernmental	-	414,452	-	414,452
Capital outlay	-	1,603,505	365,272	1,968,777
Debt service:				
Principal	113,461	164,404	268,369	546,234
Interest and fiscal charges	149,475	59,224	80,492	289,191
Total expenditures	21,464,772	2,241,585	1,800,404	25,506,761
Excess (deficiency) of revenues over (under) expenditures	(104,687)	257,030	(370,852)	(218,509)

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	General	Capital Projects 2015 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Proceeds from sale of assets	$ 8,230	$ -	$ -	$ 8,230
Issuance of debt	1,427,068	-	-	1,427,068
Transfers in	51,616	-	457,776	509,392
Transfers out	(431,645)	-	(51,616)	(483,261)
Total other financing sources, net	1,055,269	-	406,160	1,461,429
Net change in fund balances	950,582	257,030	35,308	1,242,920
Fund balance, beginning of year	10,643,433	2,011,155	557,579	13,212,167
Fund balance, end of year	$ 11,594,015	$ 2,268,185	$ 592,887	$ 14,455,087

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, 2020

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

Net change in fund balances - total governmental funds.	$	1,242,920
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.		3,763,831
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(481,184)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		53,839
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.		(859,127)
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.		(654,016)
	$	3,066,263

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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 12,191,469	$ 12,811,078	$ 12,811,078	$ -
Sales taxes	1,676,129	1,917,609	1,917,609	-
Other taxes	1,896,959	2,118,474	2,118,474	-
Licenses and permits	212,100	213,704	213,704	-
Intergovernmental	1,426,654	2,616,336	2,616,336	-
Fines and forfeitures	420,300	287,257	287,257	-
Charges for services	1,068,420	1,129,641	1,129,641	-
Investment income	25,000	159,879	159,879	-
Miscellaneous	65,420	106,107	106,107	-
Total revenues	18,982,451	21,360,085	21,360,085	-
Expenditures				
Current				
General government:				
Governing body	151,527	131,277	131,277	-
Chief executive	588,567	522,566	522,566	-
Elections	120,123	128,567	128,567	-
Law	126,249	68,908	68,908	-
Data processing	159,296	161,931	161,931	-
Tax commissioner	488,616	472,273	472,273	-
Tax assessor	366,035	347,412	347,412	-
Board of equalization	13,353	8,509	8,509	-
Risk management	230,141	231,549	231,549	-
Buildings and plant	516,815	473,007	473,007	-
Records management	812	1,234	1,234	-
General administration	3,677,848	5,142,149	5,142,149	-
Total general government	6,439,382	7,689,382	7,689,382	-
Judicial				
Superior court	613,546	563,807	563,807	-
District attorney	160,759	156,031	156,031	-
Magistrate court	219,780	221,116	221,116	-
Probate court	311,849	292,368	292,368	-
Traffic court	43,929	43,673	43,673	-
Juvenile court	93,448	85,733	85,733	-
Operation early intervention	47,736	47,850	47,850	-
Public defender	109,427	109,426	109,426	-
Total judicial	1,600,474	1,520,004	1,520,004	-

(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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Public safety				
Law enforcement administration	$ 3,395,391	$ 3,243,332	$ 3,243,332	$ -
Jail operations	1,789,836	1,836,735	1,836,735	-
Fire	50,585	46,294	46,294	-
Coroner	42,285	45,368	45,368	-
Animal control	192,490	194,696	194,696	-
Emergency management	812,543	879,342	879,342	-
Total public safety	6,283,130	6,245,767	6,245,767	-
Public works				
Administration	2,843,933	2,521,068	2,521,068	-
Sanitary administration	265,524	313,367	313,367	-
DNR code enforcement	85,448	69,713	69,713	-
Solid waste collection	200,500	287,954	287,954	-
Recycling	288,196	283,614	283,614	-
Landfill	98,300	101,099	101,099	-
Public education	34,258	29,686	29,686	-
Maintenance and shop	197,808	208,072	208,072	-
Total public works	4,013,967	3,814,573	3,814,573	-
Health and welfare				
Public health	109,346	109,346	109,346	-
Welfare	50,000	50,000	50,000	-
Older American Council	35,380	26,428	26,428	-
5311 transportation	169,340	146,645	146,645	-
Total health and welfare	364,066	332,419	332,419	-
Culture and recreation				
Recreation centers	1,057,294	1,139,160	1,139,160	-
Jonesco restoration	4,850	5,472	5,472	-
Libraries	123,182	119,875	119,875	-
Total culture and recreation	1,185,326	1,264,507	1,264,507	-

(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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Housing and development				
Agricultural resources	$ 96,581	$ 83,798	$ 83,798	$ -
Planning and zoning	176,502	168,261	168,261	-
Economic development	83,125	83,125	83,125	-
Total housing and development	356,208	335,184	335,184	-
Debt service				
Principal	172,185	113,461	113,461	-
Interest and fiscal charges	98,326	149,475	149,475	-
Total debt service	270,511	262,936	262,936	-
Total expenditures	20,513,064	21,464,772	21,464,772	-
Excess (deficiency) of revenues over (under) expenditures	(1,530,613)	(104,687)	(104,687)	-
Other financing sources (uses)				
Issuance of debt	1,405,668	1,427,068	1,427,068	-
Proceeds from sale of assets	-	8,230	8,230	-
Transfers in	-	51,616	51,616	-
Transfers out	(299,402)	(431,645)	(431,645)	-
Total other financing sources (uses)	1,106,266	1,055,269	1,055,269	-
Net change in fund balance	(424,347)	950,582	950,582	-
Fund balance, beginning of year	10,643,433	10,643,433	10,643,433	-
Fund balance, end of year	$ 10,219,086	$ 11,594,015	$ 11,594,015	$ -

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

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
AUGUST 31, 2020

	Major Enterprise Fund
	Water and Sewer Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 1,748,150
Accounts receivable, net of allowances	239,882
Due from other governments	297,034
Restricted assets, cash	331,837
Prepaid items	13,387
Total current assets	2,630,290
NON-CURRENT ASSETS	
Capital assets	
Capital assets, nondepreciable	1,945,672
Capital assets, depreciable, net of accumulated depreciation	14,621,633
Total capital assets	16,567,305
Total non-current assets	16,567,305
Total assets	$ 19,197,595

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
AUGUST 31, 2020

	Major Enterprise Fund Water and Sewer Fund
LIABILITIES	
CURRENT LIABILITIES	
Payable from current assets:	
Accounts payable	$ 416,184
Compensated absences, current portion	22,979
Notes payable, current portion	88,607
Total payable from current assets	527,770
Payable from restricted assets:	
Customer deposits payable	236,374
Total payable from restricted assets	236,374
Total current liabilities	764,144
NON-CURRENT LIABILITIES	
Compensated absences, net of current portion	5,745
Notes payable, net of current portion	2,252,901
Total non-current liabilities	2,258,646
Total liabilities	3,022,790
NET POSITION	
Net investment in capital assets	14,225,797
Unrestricted	1,949,008
Total net position	$ 16,174,805

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 FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Major Enterprise Fund Water and Sewer Fund
Operating revenues	
Charges for services:	
Water sales pledged as security for revenue bonds	$ 2,059,768
Sewer sales	294,313
Connection fees	121,693
Other operating income	146,327
Total operating revenues	2,622,101
Operating expenses	
Salaries and benefits	501,674
Purchased/contracted services	571,488
Supplies and materials	764,849
Other	5,313
Depreciation	787,687
Total operating expenses	2,631,011
Operating loss	(8,910)
Non-operating revenues (expenses)	
Investment income	12,928
Interest expense	(38,432)
Total non-operating expenses, net	(25,504)
Loss before capital contributions and transfers	(34,414)
Capital contributions	572,184
Transfers	
Transfers out	(26,131)
Total transfers	(26,131)
Change in net position	511,639
Net position, beginning of year	15,663,166
Net position, end of year	$ 16,174,805

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

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Major Enterprise Fund Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 2,326,063
Payments to suppliers and service providers	(1,054,011)
Payments to employees	(495,130)
Net cash provided by operating activities	776,922
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(26,131)
Net cash used in noncapital financing activities	(26,131)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(654,409)
Principal paid on notes payable	(86,592)
Proceeds from issuance of note payable	415,033
Interest paid	(38,432)
Net cash used in capital and related financing activities	(364,400)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	12,928
Net cash provided by investing activities	12,928
Net increase in cash and cash equivalents	399,319
Cash and cash equivalents	
Beginning of year	1,680,668
End of year	$ 2,079,987
Classified as:	
Cash and cash equivalents	$ 1,748,150
Restricted assets, cash and cash equivalents	331,837
	$ 2,079,987

(Continued)

JONES COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Major Enterprise Fund Water and Sewer Fund
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	$ (8,910)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	787,687
Increase in accounts receivable	(16,700)
Decrease in due from other funds	1,000
Increase in due from other governments	(297,034)
Decrease in prepaid items	1,795
Increase in accounts payable	300,825
Increase in compensated absences	6,544
Decrease in due to other funds	(15,981)
Increase in customer deposits payable	17,696
Net cash provided by operating activities	$ 776,922
Noncash investing, capital and financing activities	
Georgia Environmental Finance Authority loan forgiveness	$ 103,208
Contributions of capital assets from other funds	468,976
Total noncash investing, capital and financing activities	$ 572,184

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

JONES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2020

	Agency Funds
ASSETS	
Cash	$ 580,114
Taxes receivable	162,406
Total assets	$ 742,520
LIABILITIES	
Due to others	$ 742,520

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 Development 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 ("O.C.G.A.") §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, therefore, 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, a Management's Discussion and Analysis ("MD&A") 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 2015 Special Local Option Sales Tax ("SPLOST") Fund*** is used to account for the financial resources provided from the 2015 1% Special Purpose Local Option Sales Tax.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary 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 fund are charges for goods and services provided. Operating expenses of the enterprise fund 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 their acquisition value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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

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

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

J. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 a 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 (the "Board") through the adoption of a resolution. Only the Board 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 GAAP 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 or 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 difference are as follows:

Capital leases payable	$ (116,222)
Notes payable	(6,679,873)
Bonds payable	(1,675,000)
Deferred amount on refinancing	23,050
Landfill post-closure costs	(150,000)
Compensated absences	(681,042)
Net pension liability	(4,643,422)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (13,922,509)

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 difference are as follows:

Capital outlay	$ 5,468,478
Depreciation expense	(1,704,647)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 3,763,831

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

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

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

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	$ (12,208)
Transfers of capital assets to other funds decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(468,976)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (481,184)

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 difference are as follows:

Debt incurred:	
Notes payable	$ (1,427,068)
Principal repayments:	
Capital leases	26,145
Notes payable	315,089
Revenue bonds	205,000
Landfill post-closure costs	25,000
Amortization of deferred loss	(3,293)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (859,127)

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 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 difference are as follows:

Compensated absences	$ (97,008)
Net pension liability	548,718
Deferred outflows of resources	(522,394)
Deferred inflows of resources	(583,332)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (654,016)

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 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 fund.

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 has delegated the Authority, upon direction of and approval by unanimous vote of the appropriate committee of the Board, 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 and amendment to the budget.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

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 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 has 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 and amendment to the budget. Appropriations for a specific project do not lapse until completion of the project.

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

The supplementary budgetary appropriations made were not material.

Deficit Fund Equity. The Drug Education Fund had a deficit fund balance of $21,494 at August 31, 2020. The County plans to eliminate this deficit through transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of August 31, 2020, are summarized as follows:

Balances per statement of net position:	
Cash - Primary government	$ 14,155,856
Investments - Primary government	1,178,972
Restricted cash - Primary government	331,837
Balances per statement of fiduciary net position:	
Cash - Agency funds	580,114
	$ 16,246,779
Cash deposited with financial institutions	$ 15,067,807
Certificates of deposit	27,786
Cash deposited with Georgia Fund 1	1,151,186
	$ 16,246,779

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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. The local government investment pool, Georgia Fund 1, is operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair value. As of August 31, 2020, the investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

At August 31, 2020, the County had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	35 days	$ 1,151,186
Certificate of deposit	6 months	27,786
		$ 1,178,972

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, 2020, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no specific investment policy in regards to custodial credit risk.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes their fair value measurements within the fair value hierarchy established by GAAP. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. Additionally, certificates of deposit are not subject to fair value level disclosure. As a result, the County does not disclose its investment in the Georgia Fund 1 or certificates of deposit within the fair value hierarchy.

NOTE 5. RECEIVABLES

Receivables at August 31, 2020, consist of the following:

	General	Capital Projects 2015 SPLOST	Water and Sewer	Nonmajor Funds	Total
Receivables:					
Taxes	$ 311,325	$ 220,513	$ -	$ 360	$ 532,198
Interest	-	-	-	278	278
Accounts	24,713	-	306,258	96,441	427,412
Gross receivables	336,038	220,513	306,258	97,079	959,888
Less allowance	-	-	(66,376)	-	(66,376)
Net receivables	$ 336,038	$ 220,513	$ 239,882	$ 97,079	$ 893,512

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 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.

NOTE 5. RECEIVABLES (CONTINUED)

The property tax calendar is as follows:

	Real/Personal Property	Motor Vehicles
Assessment date	January 1, 2019	January 1, 2019
Levy date	September 30, 2019	January 1, 2019
Due date and collection date	December 1, 2019	Staggered
Tax execution date/lien date	March 1, 2020	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 2019 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, 2020, 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	3,937,427	3,942,302	(12,208)	(5,864,873)	2,002,648
Total	8,345,157	3,942,302	(12,208)	(5,864,873)	6,410,378
Capital assets, being depreciated:					
Land improvements	7,439,381	-	-	3,666,500	11,105,881
Buildings and improvements	16,242,833	23,583	-	1,794,383	18,060,799
Machinery and equipment	13,677,174	1,502,593	(105,076)	(28,736)	15,045,955
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	53,983,097	-	-	-	53,983,097
Total	91,402,080	1,526,176	(105,076)	5,432,147	98,255,327
Less accumulated depreciation for:					
Land improvements	1,962,310	253,672	-	-	2,215,982
Buildings and improvements	8,475,529	399,387	-	-	8,874,916
Machinery and equipment	11,901,929	601,567	(105,076)	36,250	12,434,670
Furniture and fixtures	59,595	-	-	-	59,595
Infrastructure	48,433,616	450,021	-	-	48,883,637
Total	70,832,979	1,704,647	(105,076)	36,250	72,468,800
Total capital assets, being depreciated, net	20,569,101	(178,471)	-	5,395,897	25,786,527
Governmental activities capital assets, net	$ 28,914,258	$ 3,763,831	$ (12,208)	$ (468,976)	$ 32,196,905

The above schedule includes the capital asset activity of the Development Authority as of and for the year ended August 31, 2020. The Development Authority is classified as a blended component unit of the County as of August 31, 2020.

Machinery and equipment in the amount of $64,986 was purchased by the governmental activities during the year ended August 31, 2020, and transferred to the business-type activities. Construction in progress in the amount of $403,990 was completed by the governmental activities during the year ended August 31, 2020, 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	1,349,303	540,202	-	(32,000)	1,857,505
Total	1,437,470	540,202	-	(32,000)	1,945,672
Capital assets, being depreciated:					
Buildings	232,699	-	-	-	232,699
Water system	20,785,900	-	-	97,502	20,883,402
Water storage tanks	3,934,738	-	-	-	3,934,738
River North sewer system	2,159,960	-	-	-	2,159,960
Pumping stations	333,125	114,207	-	338,488	785,820
Machinery and equipment	1,395,370	-	(13,682)	28,736	1,410,424
Total	28,841,792	114,207	(13,682)	464,726	29,407,043
Less accumulated depreciation for:					
Buildings	92,504	5,604	-	-	98,108
Water system	7,602,268	576,938	-	-	8,179,206
Water storage tanks	3,420,944	52,177	-	-	3,473,121
River North sewer system	1,602,395	43,199	-	-	1,645,594
Pumping stations	351,223	26,328	-	-	377,551
Machinery and equipment	978,321	83,441	(13,682)	(36,250)	1,011,830
Total	14,047,655	787,687	(13,682)	(36,250)	14,785,410
Total capital assets, being depreciated, net	14,794,137	(673,480)	-	500,976	14,621,633
Business-type activities capital assets, net	$ 16,231,607	$ (133,278)	$ -	$ 468,976	$ 16,567,305

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 139,684
Public safety	644,560
Public works	609,130
Health and welfare	30,075
Culture and recreation	250,873
Housing and development	30,325
Total depreciation expense - governmental activities	$ 1,704,647
Business-type activities:	
Water and sewer	$ 787,687
Total depreciation expense - business-type activities	$ 787,687

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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases	$ 142,367	$ -	$ 26,145	$ 116,222	$ 21,100
Notes payable	5,567,894	1,427,068	315,089	6,679,873	327,093
Revenue bonds	1,880,000	-	205,000	1,675,000	210,000
Landfill post-closure	175,000	-	25,000	150,000	25,000
Compensated absences	584,034	335,903	238,895	681,042	544,834
Net pension liability	5,192,140	2,318,989	2,867,707	4,643,422	-
Totals	$ 13,541,435	$ 4,081,960	$ 3,677,836	$ 13,945,559	$ 1,128,027
Business-type activities					
Notes payable	$ 2,116,275	$ 415,033	$ 189,800	$ 2,341,508	$ 88,607
Compensated absences	22,180	20,886	14,342	28,724	22,979
Totals	$ 2,138,455	$ 435,919	$ 204,142	$ 2,370,232	$ 111,586

The above schedule includes the long-term debt activity of the Development Authority as of and for the year ended August 31, 2020. The Development Authority is classified as a blended component unit of the County as of August 31, 2020.

For governmental activities, compensated absences, net pension liability and landfill post-closure costs are ordinarily liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Capital Leases

Governmental Activities

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, 2020:

	Governmental Activities
Equipment	$ 173,806
Less: Accumulated depreciation	(52,142)
	$ 121,664

The County reported $17,381 of depreciation expense for governmental activities on the above leased assets for the fiscal year ended of August 31, 2020.

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

	Governmental Activities
Fiscal Year Ending August 31,	
2021	$ 24,746
2022	95,659
Total minimum lease payments	120,405
Less amount representing interest	(4,183)
Present value of future minimum lease payments	$ 116,222

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Notes Payable

Governmental Activities

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, 2020, is $872,930.

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, 2020 is $1,902,049.

The County obtained a loan from a local financial institution dated September 20, 2018, in the original amount of $2,614,800 to be used for construction or improvements to the jail. The loan is to be repaid in monthly installments, including interest at 3.70%, beginning October 20, 2018. The outstanding balance at August 31, 2020 is $2,509,103.

The County obtained a loan from a local financial institution dated September 4, 2019, in the original amount of $1,427,068 to be used for construction or improvements to the jail. The loan is to be repaid in monthly installments, including interest at 3.95%, beginning October 4, 2019. The outstanding balance at August 31, 2020 is $1,395,791.

The estimated annual requirements to maturity on the County's notes payable as of August 31, 2020, are as follows:

Fiscal Year Ending August 31,	Principal	Interest
2021	$ 327,093	$ 212,529
2022	336,725	202,897
2023	346,664	192,958
2024	356,920	182,702
2025	367,504	172,118
2026 – 2030	2,306,269	678,294
2031 – 2035	1,927,298	313,940
2036 – 2040	372,929	102,889
2041 – 2045	338,471	28,595
	$ 6,679,873	$ 2,086,922

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Notes Payable (Continued)

Business-type Activities

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, 2020, is $790,124.

The Water and Sewer Fund incurred debt of $1,450,000 to the Georgia Environmental Finance Authority for water system infrastructure improvements during current and prior years. Payments are due in monthly installments of $4,597, including interest at 1.53% through 2039. The outstanding balance at August 31, 2020, is $891,845.

The Water and Sewer Fund incurred debt to the Georgia Environmental Finance Authority for water system infrastructure improvements during the year ended August 31, 2020. The construction line of credit agreement is for $1,887,000, of which $659,539 has been drawn down as of August 31, 2020. Repayment will be determined when construction is complete and all draws have been made. This note is, therefore, not included in the maturity schedule shown below.

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

Fiscal Year Ending August 31,	Principal	Interest
2021	$ 88,608	$ 36,417
2022	90,675	34,349
2023	92,796	32,228
2024	94,972	30,053
2025	97,203	27,821
2026 – 2030	521,569	103,554
2031 – 2035	503,903	39,721
2036 – 2039	192,243	5,440
	$ 1,681,969	$ 309,583

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Landfill Post-Closure Costs

Business-type Activities

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, 2020, the County has approximately seven years of monitoring remaining. The liability for the landfill post-closure care costs is estimated to be $150,000 as of August 31, 2020. These estimated costs are based on what it would cost to perform all post-closure care in 2020. 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.

D. Revenue Bonds

Development Authority – Blended Component Unit

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, 2020, was $1,675,000. Total interest costs incurred during the year ended August 31, 2020, were $78,257.

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

Fiscal Year Ending August 31,	Principal	Interest
2021	$ 210,000	$ 58,875
2022	220,000	50,813
2023	230,000	42,375
2024	240,000	33,563
2025	250,000	24,375
2026 – 2027	525,000	19,969
	$ 1,675,000	$ 229,970

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 22,248
Nonmajor governmental funds	General Fund	126,308
		$ 148,556

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
General Fund	Nonmajor governmental funds	$ 51,616
Nonmajor governmental funds	General Fund	431,645
Nonmajor governmental funds	Water and Sewer Fund	26,131
		$ 509,392

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, 2020, the County paid $32,965 in such dues. Membership in an RC is required by the O.C.G.A. §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. O.C.G.A. §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

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 ("ACCG") 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 ACCG Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the 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, 2019, pension plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	83
Inactive plan member entitled to but not receiving benefits	125
Active plan members	139
	347

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, 2020, the County's contribution rate was 12.97% of annual payroll. County contributions to the Plan were $751,871 for the year ended August 31, 2020.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00% – 5.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Amount-weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2020.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study through February 2019.

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 (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), 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, 2019, are summarized in the following table:

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	30 %	3.07 %
Large Cap	30	1.97
International	15	0.86
Mid Cap	5	0.30
Small Cap	5	0.52
REIT	5	0.47
Multi Cap	5	0.51
Global Allocation	5	0.58
	100 %	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2019	$ 15,408,543	$ 10,216,403	$ 5,192,140
Changes for the year:			
Service cost	297,601	-	297,601
Interest	1,055,025	-	1,055,025
Differences between expected and actual experience	162,836	-	162,836
Assumption changes	653,546	-	653,546
Contributions - employer	-	751,871	(751,871)
Net investment income	-	2,115,836	(2,115,836)
Benefit payments, including refunds of employee contributions	(673,510)	(673,510)	-
Administrative expenses	-	(41,033)	41,033
Other changes	-	(108,948)	108,948
Net changes	1,495,498	2,044,216	(548,718)
Balances at August 31, 2020	$ 16,904,041	$ 12,260,619	$ 4,643,422

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)

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 7.00%, 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 (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's net pension liability	$ 6,757,725	$ 4,643,422	$ 2,875,389

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, 2019, 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, 2020, the County recognized pension expense of $1,308,879. At August 31, 2020, 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	$ 311,552	$ 12,274
Changes in actuarial assumptions	572,530	-
Net difference between projected and actual earnings on pension plan investments	-	614,989
Total	$ 884,082	$ 627,263

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	
2021	$ 350,238
2022	146,334
2023	34,820
2024	(274,573)
	$ 256,819

NOTE 11. RISK MANAGEMENT

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

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

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

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

NOTE 11. RISK MANAGEMENT (CONTINUED)

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, 2020, the County has contractual commitments on uncompleted contracts of approximately $1,474,965.

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.

NOTE 13. TAX ABATEMENT AGREEMENTS

During the year ended August 31, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues. As of August 31, 2020, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 14. SUBSEQUENT EVENTS

On January 11, 2021, the County issued the Series 2021 General Obligation Sales Tax Bonds in the amount of $3,750,000. These bonds mature from November 1, 2021 to November 1, 2027. The proceeds of these bonds will be used for various approved SPLOST projects.

JONES COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED AUGUST 31,

	2020	2019	2018
Total pension liability			
Service cost	**$ 297,601**	$ 309,535	$ 347,124
Interest on total pension liability	**1,055,025**	1,005,862	926,972
Differences between expected and actual experience	**162,836**	337,142	321,262
Changes of assumptions	**653,546**	165,249	30,244
Benefit payments, including refunds of employee contributions	**(673,510)**	(566,403)	(508,542)
Net change in total pension liability	**1,495,498**	1,251,385	1,117,060
Total pension liability - beginning	**15,408,543**	14,157,158	13,040,098
Total pension liability - ending (a)	**16,904,041**	15,408,543	14,157,158
Plan fiduciary net position			
Contributions - employer	**751,871**	672,711	618,014
Net investment income	**2,115,836**	(488,914)	1,455,828
Benefit payments, including refunds of employee contributions	**(673,510)**	(566,403)	(508,542)
Administrative expenses	**(41,033)**	(28,242)	(27,650)
Other	**(108,948)**	(67,547)	(70,753)
Net change in fiduciary net position	**2,044,216**	(478,395)	1,466,897
Plan fiduciary net position - beginning	**10,216,403**	10,694,798	9,227,901
Plan fiduciary net position - ending (b)	**12,260,619**	10,216,403	10,694,798
County's net pension liability - ending (a) - (b)	**$ 4,643,422**	$ 5,192,140	$ 3,462,360
Plan fiduciary net position as a percentage of total pension liability	**72.53%**	66.30%	75.54%
Covered-employee payroll	**$ 5,183,217**	$ 4,806,540	$ 5,143,692
County's net pension liability as a percentage of covered-employee payroll	**89.59%**	108.02%	67.31%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

2017	2016	2015
$ 324,543	$ 299,633	$ 277,218
897,517	819,635	768,751
(94,090)	(123,231)	-
379,132	430,230	-
(433,900)	(387,837)	(367,516)
1,073,202	1,038,430	678,453
11,966,896	10,928,466	10,250,013
13,040,098	11,966,896	10,928,466
762,758	693,225	717,167
600,454	66,971	531,129
(418,217)	(373,819)	(354,232)
(31,398)	(26,946)	(25,266)
(97,403)	(68,926)	(69,445)
816,194	290,505	799,353
8,411,707	8,121,202	7,321,849
9,227,901	8,411,707	8,121,202
$ 3,812,197	$ 3,555,189	$ 2,807,264
70.77%	70.29%	74.31%
$ 5,181,181	$ 4,842,493	$ 4,725,798
73.58%	73.42%	59.40%

JONES COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED AUGUST 31,

	2020	2019	2018	2017
Actuarially determined contribution	**$ 797,603**	$ 751,871	$ 672,711	$ 606,990
Contributions in relation to the actuarially determined contribution	**751,871**	672,711	618,014	762,758
Contribution deficiency (excess)	**$ 45,732**	$ 79,160	$ 54,697	$ (155,768)
Covered-employee payroll	**$ 5,796,080**	$ 5,046,599	$ 5,400,590	$ 5,440,240
Contributions as a percentage of covered-employee payroll	**12.97%**	13.33%	11.44%	14.02%

Notes to the Schedule:

Valuation Date	January 1, 2019
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.00% – 5.00% (including 3.00% 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.

2016	2015	2014
$ 560,714	$ 615,875	$ 610,102
693,225	717,167	652,729
$ (132,511)	$ (101,292)	$ (42,627)
$ 4,842,493	$ 4,725,798	$ 4,888,278
14.32%	15.18%	13.35%

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)

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.

Capital Projects Funds

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.

The **Community HOME Investment Program (CHIP) Fund** – To account for proceeds and expenditures from funds received from the U.S. Department of Housing and Urban Development HOME Investment Partnership Program for providing safe, decent and affordable housing in Georgia.

The **Capital Projects 2009 SPLOST Fund** is used to account for the financial resources provided from the 2009 1% Special Purpose Local Option Sales Tax.

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
ASSETS			
Cash	$ 7,928	$ 3,061	$ 13,731
Investments	-	-	27,786
Taxes receivable	-	-	-
Interest receivable	-	-	278
Accounts receivable	-	-	-
Due from other governments	-	780	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Total assets	$ 7,928	$ 3,841	$ 41,795
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 833	$ 3,087	$ -
Due to other governments	-	-	-
Due to other funds	-	22,248	-
Total liabilities	833	25,335	-
FUND BALANCES			
Nonspendable:			
Prepaid items	-	-	-
Restricted for:			
Debt service	-	-	-
Economic development	-	-	-
Judicial	-	-	41,795
Public safety	7,095	-	-
Unassigned	-	(21,494)	-
Total fund balances (deficits)	7,095	(21,494)	41,795
Total liabilities and fund balances	$ 7,928	$ 3,841	$ 41,795

Special Revenue				Debt Service
Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County	River North Tax District Debt Service
$ 84,690	$ 404	$ 10,886	$ 233,455	$ 3,632
-	-	-	-	-
-	-	-	-	360
-	-	-	-	-
-	96,441	-	-	-
-	-	-	-	-
-	126,308	-	-	-
-	348	-	3,426	-
$ 84,690	$ 223,501	$ 10,886	$ 236,881	$ 3,992
$ 1,079	$ -	$ -	$ 3,041	$ -
-	-	-	-	-
-	-	-	-	-
1,079	-	-	3,041	-
-	348	-	3,426	-
-	-	-	-	3,992
-	-	-	230,414	-
-	-	10,886	-	-
83,611	223,153	-	-	-
-	-	-	-	-
83,611	223,501	10,886	233,840	3,992
$ 84,690	$ 223,501	$ 10,886	$ 236,881	$ 3,992

(Continued)

JONES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

	Capital Projects		
	CDBG Grant Fund	2006 TEA Grant Fund	CHIP Grant Fund
ASSETS			
Cash	$ -	$ -	$ 9,661
Investments	-	-	-
Taxes receivable	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Total assets	$ -	$ -	$ 9,661
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Prepaid items	-	-	-
Restricted for:			
Debt service	-	-	-
Economic development	-	-	9,661
Judicial	-	-	-
Public safety	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	-	-	9,661
Total liabilities and fund balances	$ -	$ -	$ 9,661

Capital Projects Capital Projects 2009 SPLOST Fund	Totals
$ -	$ 367,448
-	27,786
-	360
-	278
-	96,441
-	780
-	126,308
-	3,774
$ -	$ 623,175
$ -	$ 8,040
-	22,248
-	30,288
-	3,774
-	3,992
-	240,075
-	52,681
-	313,859
-	(21,494)
-	592,887
$ -	$ 623,175

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Special Revenue		
	Jail Improvement Fund	Drug Education Fund	Law Library Fund
Revenues			
Property tax	$ -	$ -	$ -
Intergovernmental	-	-	-
Fines and forfeitures	32,905	23,855	12,174
Charges for services	-	-	-
Investment income	55	18	436
Miscellaneous	-	-	-
Total revenues	32,960	23,873	12,610
Expenditures			
Current:			
General	-	-	-
Judicial	-	-	14,955
Public safety	35,571	74,194	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	35,571	74,194	14,955
Excess (deficiency) of revenues over (under) expenditures	(2,611)	(50,321)	(2,345)
Other financing sources			
Transfers in	-	48,727	-
Transfers out	-	-	-
Total other financing sources	-	48,727	-
Net change in fund balances	(2,611)	(1,594)	(2,345)
Fund balances (deficit), beginning of year	9,706	(19,900)	44,140
Fund balances (deficits), end of year	$ 7,095	$ (21,494)	$ 41,795

Special Revenue				Debt Service
Confiscation Fund	Enhanced 911 Fund	Juvenile Costs and Fees Fund	Development Authority of Jones County	River North Tax District Debt Service
$ -	$ -	$ -	$ -	$ 77,594
-	-	-	388,414	-
23,691	-	-	-	-
-	573,207	-	-	-
755	410	8	3,008	-
-	201	1,360	28,697	-
24,446	573,818	1,368	420,119	77,594
-	-	-	162,089	-
-	-	110	-	-
40,272	759,080	-	-	-
-	-	-	-	-
-	-	-	205,000	63,369
-	-	-	67,789	12,703
40,272	759,080	110	434,878	76,072
(15,826)	(185,262)	1,258	(14,759)	1,522
-	185,262	-	-	2,542
-	-	-	-	-
-	185,262	-	-	2,542
(15,826)	-	1,258	(14,759)	4,064
99,437	223,501	9,628	248,599	(72)
$ 83,611	$ 223,501	$ 10,886	$ 233,840	$ 3,992

(Continued)

JONES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

	Capital Projects		
	CDBG Grant Fund	2006 TEA Grant Fund	CHIP Grant Fund
Revenues			
Property tax	$ -	$ -	$ -
Intergovernmental	94,549	51,516	116,061
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	94,549	51,516	116,061
Expenditures			
Current:			
General	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Capital outlay	94,611	40,092	106,400
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	94,611	40,092	106,400
Excess (deficiency) of revenues over (under) expenditures	(62)	11,424	9,661
Other financing sources			
Transfers in	23,589	197,656	-
Transfers out	-	(51,616)	-
Total other financing sources	23,589	146,040	-
Net change in fund balances	23,527	157,464	9,661
Fund balances (deficit), beginning of year	(23,527)	(157,464)	-
Fund balances (deficits), end of year	$ -	$ -	$ 9,661

Capital Projects Capital Projects 2009 SPLOST Fund	Totals
$ -	$ 77,594
-	650,540
-	92,625
-	573,207
638	5,328
-	30,258
638	1,429,552
-	162,089
-	15,065
-	909,117
124,169	365,272
-	268,369
-	80,492
124,169	1,800,404
(123,531)	(370,852)
-	457,776
-	(51,616)
-	406,160
(123,531)	35,308
123,531	557,579
$ -	$ 592,887

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2009 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Water and sewer improvements for Jones County	$ 3,000,000	$ 2,761,817	$ 2,761,817	$ -	$ 2,761,817
Recreation facilities and equipment	1,100,000	1,305,168	1,197,157	108,011	1,305,168
Public works capital projects	2,300,000	2,664,352	2,664,352	-	2,664,352
Sheriff's department capital improvements	1,125,000	934,846	934,846	-	934,846
Rehabilitation of government buildings, including animal control facility	100,000	317,412	301,254	16,158	317,412
Renovation of Old Clinton Tanyard	250,000	33,000	33,000	-	33,000
Library capital improvements	200,000	192,810	192,810	-	192,810
Emergency management facilities and equipment	1,312,000	1,812,898	1,812,898	-	1,812,898
Industrial park capital improvements	1,500,000	1,288,251	1,288,251	-	1,288,251
Lake Jonesco Golf Course capital improvements	425,000	422,565	422,565	-	422,565
City of Gray	2,688,000	2,556,925	2,556,925	-	2,556,925
Total	$ 14,000,000	$ 14,290,044	$ 14,165,875	$ 124,169	$ 14,290,044

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2015 ISSUE FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Project Description	Original Estimated Cost	Other Funding Sources	Current Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
Water and sewer improvements for Jones County	$ 1,300,000	$ -	$ 1,300,000	$ 1,009,755	$ 290,245	$ 1,300,000
Park and recreation capital projects	1,400,000	-	1,400,000	900,439	223,628	1,124,067
Public works capital projects	1,300,000	-	1,300,000	214,382	702,060	916,442
Sheriff's vehicles	1,280,000	32,781	1,312,781	852,303	42,207	894,510
Emergency management capital projects	1,000,000	-	1,000,000	444,972	174,408	619,380
Buildings, including tax office	300,000	-	300,000	12,991	5,300	18,291
Industrial park sewer	700,000	-	700,000	-	-	-
Community parks	100,000	-	100,000	82,250	-	82,250
Library capital improvements	275,000	1,299,325	1,574,325	1,452,974	89,977	1,542,951
Administrative, legal fees and interest	25,000	-	25,000	187	-	187
Industrial park debt	1,600,000	-	1,600,000	824,000	272,789	1,096,789
Animal control facility	200,000	4,881	204,881	200,758	2,720	203,478
Highway 49 track	300,000	-	300,000	9,200	-	9,200
Lake Jonesco Golf Course	120,000	-	120,000	64,667	23,799	88,466
City of Gray	2,100,000	-	2,100,000	1,458,346	414,452	1,872,798
Total	$ 12,000,000	$ 1,336,987	$ 13,336,987	$ 7,527,224	$ 2,241,585	$ 9,768,809

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, 2020

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
Cash	$ 362,820	$ 59,869	$ 36,347	$ 1,950
Taxes receivable	162,406	-	-	-
Total assets	$ 525,226	$ 59,869	$ 36,347	$ 1,950
LIABILITIES				
Due to others	$ 525,226	$ 59,869	$ 36,347	$ 1,950

Sheriff	Juvenile Court	Total
$ 119,018	$ 110	$ 580,114
-	-	162,406
$ 119,018	$ 110	$ 742,520
$ 119,018	$ 110	$ 742,520

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 18, 2021. Our report includes a reference to other auditors who audited the financial statements of the Jones County Board of Health (the "Board of Health") and the Development Authority of Jones County (the "Development Authority"), 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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
February 18, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Jones County, Georgia
Gray, Georgia

Report on Compliance for Each Major Federal Program

We have audited Jones County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended August 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
February 18, 2021

JONES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Grant Program	CFDA #	Grant I.D.	Expenditures
U.S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	CDBG 15P-Y-084-1-5748	$ 94,530
Community Home Investment Program	14.239	CHIP 2016-107	116,060
Total U.S. Department of Housing and Urban Development			210,590
U.S. Department of Labor			
Passed through Middle Georgia Regional Commission			
Senior Community Service Employment Program	17.235	FY2018	51
Total U.S. Department of Labor			51
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Transportation Enhancement Grant	20.205	TEE-0010-00(671)	32,074
Total Highway Planning and Construction Cluster			32,074
Section 5311 Grant - Transit Operating Assistance	20.509	GA-18-4032	116,960
Total U.S. Department of Transportation			149,034
U.S. Department of the Treasury			
Passed through Georgia Governor's Office of Planning and Budget			
Coronavirus Relief Fund	21.019	14624-CRF	1,332,824
Total U.S. Department of the Treasury			1,332,824
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Facilities Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	GEFA-CW2016019	345,847
Total Clean Water State Revolving Fund Cluster			345,847
Total U.S. Environmental Protection Agency			345,847
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Performance Partnership Agreement	97.042	OEM15-086S01	15,516
Total U.S. Department of Homeland Security			15,516
Total Expenditures of Federal Awards			$ 2,053,862

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

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

Internal control over major programs:	
Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	**U.S. Department of the Treasury** Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ Yes ____ No

JONES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

JONES COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

None reported.