

**COUNTY OF JONES**  
**Trenton, North Carolina**

**FINANCIAL STATEMENTS**

**For The Fiscal Year Ended June 30, 2020**

# **JONES COUNTY, NORTH CAROLINA**

## **BOARD OF COMMISSIONERS**

**Frank Emory**  
Chairperson

**W. Michael Haddock**

**Charlie Dunn, Jr.**

**Sondra Ipock Riggs**

**James Harper**

**April Aycock**

**Charlie Gray**

## **COUNTY OFFICIALS**

**Franky Howard**  
County Manager

**Hope Avery**  
Tax Supervisor/Collector

**Brenda Reece**  
Finance Officer

**Susan Gray**  
Register of Deeds

**Jessica Adams**  
Interim Social Services Director

**Danny Heath**  
Sheriff

**JONES COUNTY**  
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## **Independent Auditor's Report**

To the Board of County Commissioners  
Jones County, North Carolina

### **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, North Carolina, as of and for the year then ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Jones 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 Jones County ABC Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jones County ABC Board is based solely on the report 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. The financial statements of Jones County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

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 report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison 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, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, 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 and other auditors 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Jones County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards 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 the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State 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 January 21, 2021 on our consideration of Jones 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jones County's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., PA*  
Wilmington, North Carolina  
January 21, 2021



## **Management's Discussion and Analysis**

As management of Jones County, we offer readers of Jones County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

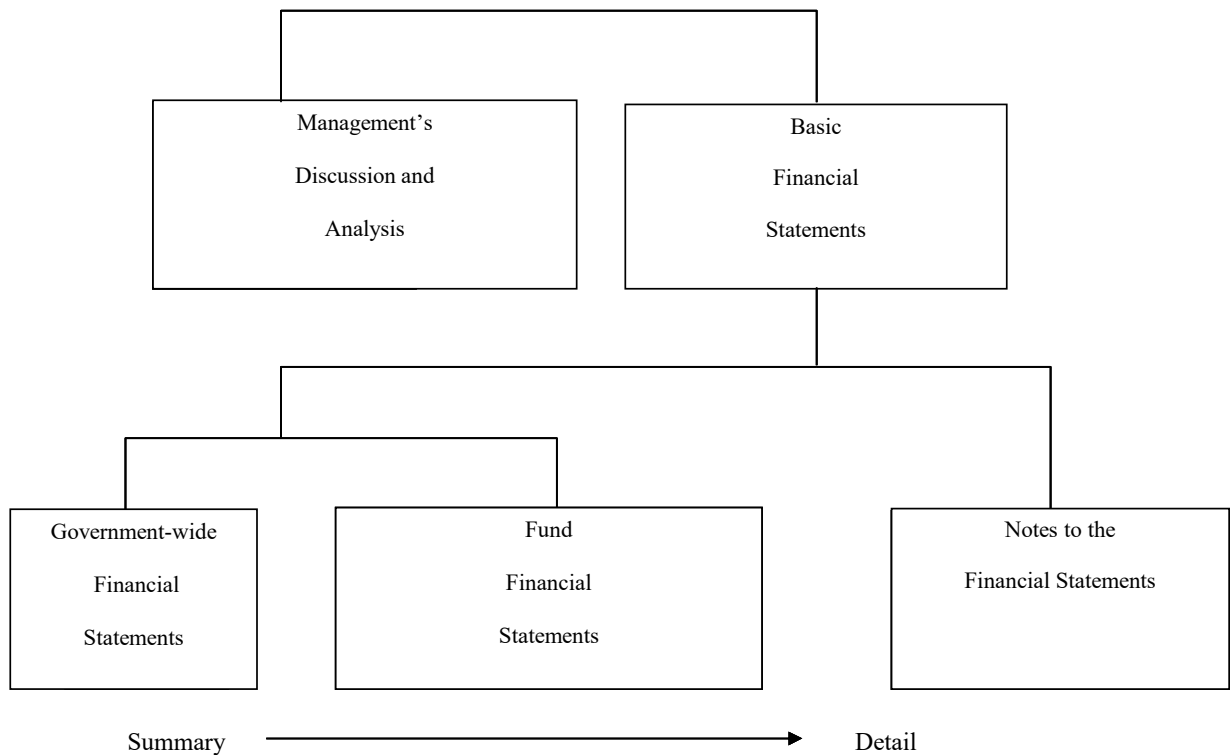
- The assets and deferred outflows of resources of Jones County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,876,101 (net position).
- The government's total net position increased by \$3,678,715, primarily due to increased net position in the governmental funds.
- As of the close of the current fiscal year, Jones County's governmental funds (which include the general and special revenue funds) reported combined ending fund balances of \$10,487,725 a decrease of \$4,012,986 in comparison with the prior year. At June 30, 2020, approximately 29% of this total amount or \$3,081,014 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,040,475, or 36% of total general fund expenditures for the fiscal year.
- Jones County's total debt increased by \$4,732,740 during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Jones County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Jones County.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1&2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3-10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the government fund statements; 2) the budgetary comparison statements; 3) the proprietary governmental funds statements; 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's major and non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the Notes is the required supplemental information. This section contains funding information about the County's Pension Plan.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes the water service offered by Jones County. The final category is the component unit. Jones County ABC Board is legally separate from the County; however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The Fund Financial Statements (see Figure 1) provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jones County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the funds of the Jones County can be divided into three categories: governmental funds, proprietary funds, and fiduciary fund.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in the governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** - The County has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the South Jones Water & Sewer District operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jones County has one fiduciary fund, which is an agency fund.

**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** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Jones County's progress in funding its obligation to provide pension benefits to its employees.

#### Government-Wide Financial Analysis

**Jones County's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 55,108,357	\$ 57,517,655	\$ 11,776,125	\$ 3,662,334	\$ 66,884,482	\$ 61,179,989
Capital assets	7,967,700	7,715,093	7,930,436	7,205,319	15,898,136	14,920,412
Total assets	63,076,057	65,232,748	19,706,561	10,867,653	82,782,618	76,100,401
Deferred outflows of resources	1,006,121	1,213,703	75,372	121,563	1,081,493	1,335,266
Long-term liabilities outstanding	15,905,016	18,573,941	9,375,216	1,871,370	25,280,232	20,445,311
Current liabilities	1,222,786	4,452,485	1,331,534	265,579	2,554,320	4,718,064
Total liabilities	17,127,802	23,026,426	10,706,750	2,136,949	27,834,552	25,163,375
Deferred inflows of resources	149,346	53,370	4,112	21,536	153,458	74,906
Net Position:						
Net investment						
in capital assets	6,503,593	4,319,608	6,370,882	5,503,301	12,874,475	9,822,909
Restricted	3,059,661	7,687,631	-	27,455	3,059,661	7,715,086
Unrestricted	37,241,776	31,359,416	2,700,189	3,299,975	39,941,965	34,659,391
Total net position	\$ 46,805,030	\$ 43,366,655	\$ 9,071,071	\$ 8,830,731	\$ 55,876,101	\$ 52,197,386

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$55,876,101 as of June 30, 2020. The County's Net Position increased by \$3,678,715 for the fiscal year ending June 30, 2020. Net position is reported in three net categories: Net investment in capital assets of \$12,874,475 (23%), restricted assets of \$3,059,661 (5%), and unrestricted net position of \$39,941,965 (72%). The amount Net investment in capital assets category is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, and infrastructure) less any related debt still outstanding that was issued to acquire those items. 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 the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities. The second category of net position is restricted net position. Constraints on use are externally imposed by creditors (such as through debt covenants), grantors, contributors, or can be imposed by law through constitutional provisions or legislation. The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes has allowed Jones County to maintain a collection percentage of 97.07%.
- Jones County Administration, including all department heads and employees, has strived to reduce spending to stay in line with reduced revenues.
- Jones County has also been utilizing an outside collection agency to collect outstanding utility bills.

**Jones County  
Changes in Net Position  
Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 2,180,924	\$ 1,388,747	\$ 1,563,168	\$ 1,350,887	\$ 3,744,092	\$ 2,739,634
Operating grants and contributions	6,552,823	4,266,852	-	506,790	6,552,823	4,773,642
Capital grants and contributions	238,081	16,533,942	79,080	-	317,161	16,533,942
General revenues:						
Property taxes	7,081,888	7,249,730	-	-	7,081,888	7,249,730
Other taxes	2,252,382	2,195,335	-	-	2,252,382	2,195,335
Grants and contributions not restricted to specific programs	-	36,455	-	-	-	36,455
Other	186,077	476,075	19,246	4,759	205,323	480,834
<b>Total revenues</b>	<b>18,492,175</b>	<b>32,147,136</b>	<b>1,661,494</b>	<b>1,862,436</b>	<b>20,153,669</b>	<b>34,009,572</b>
<b>Expenses:</b>						
General government	2,232,521	4,756,542	-	-	2,232,521	4,756,542
Public Safety	4,929,747	4,477,601	-	-	4,929,747	4,477,601
Environmental protection	796,181	684,531	-	-	796,181	684,531
Economic and physical development	403,248	338,413	-	-	403,248	338,413
Human services	3,233,074	3,246,995	-	-	3,233,074	3,246,995
Cultural and recreation	838,063	134,756	-	-	838,063	134,756
Education	2,494,780	2,184,551	-	-	2,494,780	2,184,551
Miscellaneous	95,410	-	-	-	95,410	-
Interest on long-term debt	130,776	245,487	-	-	130,776	245,487
Water	-	-	1,321,154	1,875,588	1,321,154	1,875,588
<b>Total expenses</b>	<b>15,153,800</b>	<b>16,068,876</b>	<b>1,321,154</b>	<b>1,875,588</b>	<b>16,474,954</b>	<b>17,944,464</b>
Increase (decrease) in net position before transfers and special items	3,338,375	16,078,260	340,340	(13,152)	3,678,715	16,065,108
Special item - Insurance Recovery	-	1,799,338	-	-	-	1,799,338
Transfers	100,000	100,000	(100,000)	(100,000)	-	-
Increase (decrease) in net position	3,438,375	17,977,598	240,340	(113,152)	3,678,715	17,864,446
Net position, beginning	43,366,655	25,389,057	8,830,731	8,943,883	52,197,386	34,332,940
Net position, June 30, ending	\$ 46,805,030	\$ 43,366,655	\$ 9,071,071	\$ 8,830,731	\$ 55,876,101	\$ 52,197,386

**Governmental activities:** Governmental activities increased the County's net position by \$3,438,375. Key elements of the increase in 2020 are as follows:

- The Board of County Commissioners has continued to operate the County within a lean and conservative budget.
- Monthly review of the year-to-date expenditures by the Finance Officer and the County Manager have ensured that the County remained within the approved operating budget.

**Business-type activities:** Business-type activities increased Jones County's net position by \$240,340. Key elements of this increase in 2020 are as follows:

- Decrease in water expenses.

### **Financial Analysis of the County'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 usable resources. Such information is useful in assessing the Jones County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Jones County. At the end of the current fiscal year, Jones County's fund balance available in the General Fund was \$6,040,475, while total fund balance reached \$10,382,974. Of this fund balance available, \$2,950,644 is restricted, \$606,630 is committed, and \$785,225 is assigned, leaving \$6,040,475 unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 36% of total General Fund expenditures, while total fund balance represents 61% of that same amount. The Governing Body of Jones County has determined that the county should maintain an available fund balance between 18% and 24% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. As of June 30, 2020, Jones County is above the range established by the Board.

At June 30, 2020, the governmental funds of the County reported a combined fund balance of \$10,487,725, a \$4,012,986 decrease over last year.

#### **General Fund Budgetary Highlights:**

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Proprietary Funds:** Jones County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$2,700,189. The total increase in net position was \$240,340. Other factors concerning the finances of this fund have already been addressed in the discussion of Jones County's business-type activities.

### Capital Asset and Debt Administration

Capital assets. The Jones County's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$15,898,136 (net of accumulated depreciation). These assets include land, buildings, automotive equipment, office and other equipment, and water and sewer lines.

Major capital assets transactions during the year include:

- Addition of construction in progress on Water and Well plant facilities

**Jones County's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 931,561	\$ 741,561	\$ 54,808	\$ 54,808	\$ 986,369	\$ 796,369
Buildings	5,383,669	5,560,089	6,351,714	6,754,282	11,735,383	12,314,371
Furniture, fixtures and equipment, vehicles	1,471,625	1,253,242	72,507	116,686	1,544,132	1,369,928
Infrastructure	100,361	103,406	-	-	100,361	103,406
Construction in Progress	80,484	56,795	1,451,407	279,543	1,531,891	336,338
Total	\$ 7,967,700	\$ 7,715,093	\$ 7,930,436	\$ 7,205,319	\$ 15,898,136	\$ 14,920,412

Additional information on the County's capital assets can be found in Note III(a)5 of the Basic Financial Statements.

### Long-term Debt

Jones County's Outstanding Debt

**Jones County's Outstanding Debt  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capitalized Leases	\$ 48,820	\$ 72,729	\$ -	\$ -	\$ 48,820	\$ 72,729
Installment Purchases	13,627,999	16,380,135	9,210,784	1,701,999	22,838,783	18,082,134
Compensated Absences	364,119	379,058	36,487	56,137	400,606	435,195
Net Pension Liability (LGRS)	1,650,066	1,553,592	127,945	113,215	1,778,011	1,666,807
Net Pension Liability (LEOSSA)	214,012	188,427	-	-	214,012	188,427
Total	\$ 15,905,016	\$ 18,573,941	\$ 9,375,216	\$ 1,871,351	\$ 25,280,232	\$ 20,445,292

Jones County's total liabilities increased by \$4,834,940 (24%) during the past fiscal year. The County incurred new debt for the purpose of constructing a water system.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Jones County is \$56,015,090. At June 30, 2020, Jones County had general obligations and capitalized leases outstanding of \$22,887,603 that are to be considered within the legal debt margin. Additional information regarding Jones County's long-term debt can be found in the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

- NC DOT recently opened a new section of U.S. Hwy 17 through Jones County as a four-lane bypass. There is expected to be significant growth potential along this bypass, especially at the N.C. 58 interchange at Pollocksville. The bypass connects up with existing four lane parts of U.S. 17 at Onslow County and Craven County. In a matter of minutes, you can easily get to the Metro areas around New Bern and Jacksonville.
  - NC DOT is also upgrading sections of U.S. 70 through Jones County to interstate standards in preparation of the new I-42 designation. This will give Jones County yet another opportunity to develop areas in and around U.S. 70.
- Jones County is still feeling the effects of Hurricane Florence. We had over 700 homes damaged or destroyed. Over 100 of these may end up being FEMA buyout sites due to being substantially damaged by flooding. This could be a permanent loss of over \$10 million in property values and 250 residences, assuming they don't build back in Jones County.

### **Budget Highlights for the Fiscal Year Ending June 30, 2021**

The following key economic indicators reflect the growth and prosperity of the County:

#### **Governmental Activities**

Several factors will positively affect the economic outlook of the county over the next several fiscal years. Economic forecasts indicate growth in coming years which, while modest, are positive indicators for prospective commercial growth in the county. The County continues to strive to keep a lean budget and make every effort to increase the collection rate county wide.

#### **Business-type Activities**

Water Enterprise operating expenses will remain relatively level. There have been cuts in overhead cost; however, that is offset by budgeted set asides for future construction needs. Tap fees have been adjusted to better offset the actual cost involved with installing new services. The tiered rate structure helps to promote water conservation. This also makes the water system more eligible for future grants. Plans are also underway to develop an alternative water supply for Jones County using the Castle Hayne Aquifer. This will give Jones County three water sources to ensure that the County is prepared to provide water to customers and citizens long term.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Jones County Finance Office, 418 Hwy 58 North, Trenton, NC 28585. You can also call (252) 448-7571 or visit our website at [www.jonescountync.gov](http://www.jonescountync.gov) for more information.



**Jones County, North Carolina**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Jones County ABC Board</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,520,974	\$ 3,687,492	\$ 11,208,466	\$ 93,350
Receivables, (net)	384,177	212,399	596,576	-
Taxes receivable, net	636,495	-	636,495	-
Due from other governments	886,773	-	886,773	-
Inventories	21,353	74,433	95,786	126,354
Prepaid items	-	-	-	3,577
Restricted cash and cash equivalents	3,092,049	7,801,801	10,893,850	-
Total current assets	<u>12,541,821</u>	<u>11,776,125</u>	<u>24,317,946</u>	<u>223,281</u>
Net pension asset	13,969	-	13,969	-
Notes Receivable:				
Due within one year	37,000	-	37,000	-
Due in more than one year	106,000	-	106,000	-
Intangible Asset-Future rights to receive Jones K-12 School	42,409,567	-	42,409,567	-
Capital assets:				
Land, improvements, and construction in progress	1,012,045	1,506,215	2,518,260	15,073
Other capital assets, net of depreciation	6,955,655	6,424,221	13,379,876	41,630
Total assets capital assets	<u>7,967,700</u>	<u>7,930,436</u>	<u>15,898,136</u>	<u>56,703</u>
Total assets	<u>63,076,057</u>	<u>19,706,561</u>	<u>82,782,618</u>	<u>279,984</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,006,121	75,372	1,081,493	13,715
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	799,096	1,208,584	2,007,680	75,464
Accrued interest payable	20,440	-	20,440	-
Advance from other governments	403,250	-	403,250	-
Liabilities to be paid from restricted assets	-	122,950	122,950	-
Long-term liabilities				
Due within one year	1,158,851	7,805,555	8,964,406	-
Due in more than one year	12,882,087	1,441,716	14,323,803	8,128
Net pension liability - LGRS	1,650,066	127,945	1,778,011	15,566
Total pension liability - LEOSSA	<u>214,012</u>	<u>-</u>	<u>214,012</u>	<u>-</u>
Total long-term liabilities	<u>15,905,016</u>	<u>9,375,216</u>	<u>25,280,232</u>	<u>23,694</u>
Total liabilities	<u>17,127,802</u>	<u>10,706,750</u>	<u>27,834,552</u>	<u>99,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	149,346	4,112	153,458	2,255
<b>NET POSITION</b>				
Net investment in capital assets	6,503,593	6,370,882	12,874,475	43,442
Restricted for:				
Environmental protection	17,607	-	17,607	-
Education	1,399,269	-	1,399,269	-
Stabilization by state statute	1,552,477	-	1,552,477	-
Human services	9,879	-	9,879	-
Working capital	-	-	-	35,720
USDA loan payments	80,429	-	80,429	-
Unrestricted (deficit)	37,241,776	2,700,189	39,941,965	113,124
Total net position	<u>\$ 46,805,030</u>	<u>\$ 9,071,071</u>	<u>\$ 55,876,101</u>	<u>\$ 192,286</u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-type Activities		Jones County ABC Board
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 2,232,521	\$ 821,355	\$ -	\$ -	\$ (1,411,166)	\$ -	\$ (1,411,166)	\$ (1,411,166)
Public safety	4,929,747	815,771	1,185,459	-	(2,928,517)	-	(2,928,517)	(2,928,517)
Environmental protection	796,181	487,743	180,291	-	(128,147)	-	(128,147)	(128,147)
Economic and physical development	403,248	20,000	-	-	(383,248)	-	(383,248)	(383,248)
Human services	3,233,074	36,055	5,187,073	-	1,990,054	-	1,990,054	1,990,054
Cultural and recreational	838,063	-	-	-	(838,063)	-	(838,063)	(838,063)
Miscellaneous - County	95,410	-	-	-	(95,410)	-	(95,410)	(95,410)
Education	2,494,780	-	-	238,081	(2,256,699)	-	(2,256,699)	(2,256,699)
Interest and fees on long-term debt	130,776	-	-	-	(130,776)	-	(130,776)	(130,776)
Total governmental activities	<u>15,153,800</u>	<u>2,180,924</u>	<u>6,552,823</u>	<u>238,081</u>	<u>(6,181,972)</u>	<u>-</u>	<u>(6,181,972)</u>	<u>(6,181,972)</u>
Business-type activities:								
Water	1,321,154	1,563,168	-	79,080	-	321,094	321,094	-
Total business-type activities	<u>1,321,154</u>	<u>1,563,168</u>	<u>-</u>	<u>79,080</u>	<u>-</u>	<u>321,094</u>	<u>321,094</u>	<u>-</u>
Total primary government	<u>\$ 16,474,954</u>	<u>\$ 3,744,092</u>	<u>\$ 6,552,823</u>	<u>\$ 317,161</u>	<u>\$ (6,181,972)</u>	<u>\$ 321,094</u>	<u>\$ (5,860,878)</u>	<u>\$ (6,181,972)</u>
Component units:								
ABC Board	1,137,011	1,198,448	-	-	-	-	-	61,437
Total component units	<u>\$ 1,137,011</u>	<u>\$ 1,198,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,437</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					7,081,888	-	7,081,888	-
Local option sales tax					2,159,112	-	2,159,112	-
Other taxes and licenses					93,270	-	93,270	-
Grants and contributions not restricted to specific programs					-	-	-	-
Investment earnings, unrestricted					186,077	19,246	205,323	-
Miscellaneous, unrestricted					-	-	-	750
Total general revenues excluding transfers and special items					9,520,347	19,246	9,539,593	750
Transfers					100,000	(100,000)	-	(38,105)
Total general revenues, special items, and transfers					9,620,347	(80,754)	9,539,593	(37,355)
Change in net position					3,438,375	240,340	3,678,715	24,082
Net position, beginning					43,366,655	8,830,731	52,197,386	168,204
Net position, ending					<u>\$ 46,805,030</u>	<u>\$ 9,071,071</u>	<u>\$ 55,876,101</u>	<u>\$ 192,286</u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2020**

	<b>Major</b>		<b>NonMajor</b>	
	<b>School</b>		<b>Other</b>	<b>Total</b>
	<b>General Fund</b>	<b>Construction Fund</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,509,953	\$ -	\$ 11,021	\$ 7,520,974
Restricted cash	2,847,663	98,431	145,955	3,092,049
Taxes receivable, net	525,345	-	10,234	535,579
Receivables, (net)	391,411	-	-	391,411
Due from other governments	823,111	-	52,661	875,772
Note receivable	143,000	-	-	143,000
Due from other funds	142,294	-	-	142,294
Inventories	21,353	-	-	21,353
Total assets	<u>\$ 12,404,130</u>	<u>\$ 98,431</u>	<u>\$ 219,871</u>	<u>\$ 12,722,432</u>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	741,014	20,722	37,361	799,097
Due to other funds	-	-	142,294	142,294
Advance from other governments	403,250	-	-	403,250
Total liabilities	<u>1,144,264</u>	<u>20,722</u>	<u>179,655</u>	<u>1,344,641</u>
Deferred Inflows of Resources	<u>876,892</u>	<u>-</u>	<u>13,174</u>	<u>890,066</u>
Fund balances:				
Nonspendable:				
Inventories	21,353	-	-	21,353
Restricted				
Stabilization by state statute	1,499,816	-	52,661	1,552,477
Health department	9,879	-	-	9,879
White goods	17,607	-	-	17,607
School capital	1,321,560	77,709	-	1,399,269
USDA loan payments	80,429	-	-	80,429
Committed				
Tax revaluation	-	-	145,955	145,955
Cultural and recreational	-	-	(2,940)	(2,940)
Public safety	-	-	(148,308)	(148,308)
Economic development	606,630	-	(20,326)	586,304
Assigned				
Long-term screening	129,615	-	-	129,615
Soil conservation	10,110	-	-	10,110
Subsequent years' expenditures	645,500	-	-	645,500
Unassigned	6,040,475	-	-	6,040,475
Total fund balances	<u>10,382,974</u>	<u>77,709</u>	<u>27,042</u>	<u>10,487,725</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,404,130</u>	<u>\$ 98,431</u>	<u>\$ 219,871</u>	<u>\$ 12,722,432</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	10,487,725
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,967,700
Net pension asset	13,969
Other assets are not available to pay for current-period expenditures and therefore are not accrued as income in the funds.	93,682
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	379,012
Deferred inflows of resources for taxes and special assessments	795,533
Intangible Asset - Future Right to Receive Jones K-12 School	42,409,567
Net pension liability	(1,650,066)
Total pension liability	(214,012)
Pension related deferrals	583,298
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(14,061,378)
Net position of governmental activities	<u>\$ 46,805,030</u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Major</b>	<b>School</b>	<b>NonMajor</b>	<b>Total</b>
	<b>General Fund</b>	<b>Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>				
Ad valorem taxes	6,949,274	-	175,594	7,124,868
Local option sales taxes	2,157,598	-	1,514	2,159,112
Other taxes and licenses	74,541	-	-	74,541
Unrestricted intergovernmental	149,531	-	529,982	679,513
Restricted intergovernmental	6,236,684	238,081	-	6,474,765
Permits and fees	187,289	-	-	187,289
Sales and services	1,352,912	-	-	1,352,912
Investment earnings	177,483	8,594	-	186,077
Miscellaneous	449,416	-	20,000	469,416
Total revenues	<u>17,734,728</u>	<u>246,675</u>	<u>727,090</u>	<u>18,708,493</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,224,163	-	-	2,224,163
Public safety	4,748,797	-	348,168	5,096,965
Environmental protection	783,996	-	-	783,996
Economic and physical development	275,383	-	20,326	295,709
Human services	3,071,516	-	-	3,071,516
Cultural and recreational	324,651	-	477,509	802,160
Miscellaneous - County	106,411	-	-	106,411
Intergovernmental:				
Education	2,494,780	4,987,072	-	7,481,852
Debt service				
Principal	2,776,045	-	-	2,776,045
Interest	182,662	-	-	182,662
Total expenditures	<u>16,988,404</u>	<u>4,987,072</u>	<u>846,003</u>	<u>22,821,479</u>
Excess (deficiency) of revenues over expenditures	<u>746,324</u>	<u>(4,740,397)</u>	<u>(118,913)</u>	<u>(4,112,986)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	100,000	-	31,250	131,250
Transfers to other funds	(31,250)	-	-	(31,250)
Total other financing sources and uses	<u>68,750</u>	<u>-</u>	<u>31,250</u>	<u>100,000</u>
Net change in fund balance	815,074	(4,740,397)	(87,663)	(4,012,986)
Fund balances - beginning	9,567,900	4,818,106	114,705	14,500,711
Fund balances-ending	<u>\$ 10,382,974</u>	<u>\$ 77,709</u>	<u>\$ 27,042</u>	<u>\$ 10,487,725</u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

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

Net changes in fund balance - total government funds	\$ (4,012,986)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year.	252,607
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	379,012
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	170,558
Some expenses reported in the Fund Statements that are reported as an intangible asset on the government-wide statements.	4,987,072
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 has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,776,045
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.	(1,113,933)
Total changes in net position of governmental activities	<u><u>\$ 3,438,375</u></u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**General Fund Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2020**

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 6,704,435	\$ 6,900,345	\$ 6,949,274	\$ 48,929
Local option sales tax	2,270,000	2,309,422	2,157,598	(151,824)
Other taxes and licenses	54,200	75,166	74,541	(625)
Unrestricted intergovernmental	136,000	136,654	149,531	12,877
Restricted intergovernmental	4,224,399	4,458,781	6,236,684	1,777,903
Permits and services	124,050	146,680	187,289	40,609
Sales and services	1,263,084	1,290,114	1,352,912	62,798
Investment earnings	45,000	49,648	177,483	127,835
Miscellaneous	425,716	876,001	449,416	(426,585)
Total revenues	<u>15,246,884</u>	<u>16,242,811</u>	<u>17,734,728</u>	<u>1,491,917</u>
Expenditures				
Current:				
General government	2,551,028	2,605,597	2,224,163	381,434
Public safety	4,015,532	7,502,569	4,748,797	2,753,772
Environmental protection	680,173	959,876	783,996	175,880
Economic and physical development	412,391	413,674	275,383	138,291
Human services	3,418,993	3,647,160	3,071,516	575,644
Cultural and recreational	320,294	383,475	324,651	58,824
Miscellaneous - County	65,500	476,892	106,411	370,481
Intergovernmental:				
Education	1,762,837	2,637,583	2,494,780	142,803
Debt service				
Principal retirement	3,457,437	3,387,730	2,776,045	611,685
Interest	130,293	200,000	182,662	17,338
Total expenditures	<u>16,814,478</u>	<u>22,214,556</u>	<u>16,988,404</u>	<u>5,226,152</u>
Revenues over (under) expenditures	(1,567,594)	(5,971,745)	746,324	6,718,069
Other financing sources (Uses)				
Transfers from other funds	100,000	100,000	100,000	-
Transfers to other funds	-	(35,750)	(31,250)	4,500
Total other financing sources and uses	<u>100,000</u>	<u>64,250</u>	<u>68,750</u>	<u>4,500</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,467,594)</u>	<u>(5,907,495)</u>	<u>815,074</u>	<u>6,722,569</u>
Appropriated fund balance	<u>1,467,594</u>	<u>5,907,495</u>	-	<u>(5,907,495)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	815,074	\$ <u>815,074</u>
Fund balances - beginning			9,567,900	
Fund Balances - ending			<u>\$ 10,382,974</u>	

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
**June 30, 2020**

	Major Water Fund
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 3,687,492
Receivables, (net)	212,399
Inventories	74,433
Total Current Assets	<u>3,974,324</u>
Noncurrent assets:	
Restricted cash and cash equivalents	7,801,801
Capital assets:	
Land, improvements and construction in progress	1,506,215
Other capital assets, net of depreciation	<u>6,424,221</u>
Total capital assets	<u>7,930,436</u>
Total noncurrent assets	<u>15,732,237</u>
Total Assets	<u>19,706,561</u>
Deferred Outflows of Resources	<u>75,372</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	1,208,584
Current portion of installment obligation payable	<u>7,805,555</u>
Total Current Liabilities	<u>9,014,139</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	122,950
Compensated absences	36,487
Installment obligation payable	1,405,229
Net pension liability	<u>127,945</u>
Total noncurrent liabilities	<u>1,692,611</u>
Total Liabilities	<u>10,706,750</u>
Deferred Inflows of Resources	<u>4,112</u>
<b>Net Position</b>	
Net investment in capital assets	
Restricted	6,370,882
Unrestricted	<u>2,700,189</u>
Total Net Position	<u>\$ 9,071,071</u>

The notes to the financial statements are an integral part of this statement.

**Jones County, North Carolina**  
**Statement of Revenues and Expenditures and**  
**Changes in Fund Net Position**  
**Proprietary Fund**  
**For The Fiscal Year Ended June 30, 2020**

	<u>Major</u> <u>Water Fund</u>
Operating revenues:	
Water sales	\$ 1,416,956
Water tap fees	26,500
Reconnect fees	10,740
Other operating revenue	108,972
Total Operating Revenues	<u>1,563,168</u>
Operating expenses:	
Administration	238,266
Raw water supply maintenance	597,096
Depreciation	466,630
Total operating expenses	<u>1,301,992</u>
Operating Income (Loss)	261,176
Nonoperating Revenues (Expenses):	
Interest earned on investment	19,246
Interest on long-term debt	(19,162)
Capital contributions	79,080
Total nonoperating revenues (expenses)	<u>79,164</u>
Income (loss) before contributions and operating transfers	340,340
Transfers in/(out)	<u>(100,000)</u>
Changes in net position	240,340
Net position, beginning	8,830,731
Total net position, ending	<u>\$ 9,071,071</u>

The notes to the financial statements are an integral part of this statement.



**Jones County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For The Fiscal Year Ended June 30, 2020**

Exhibit 8

	<u>Major</u>
	<u>Water Fund</u>
<b>Cash flows From operating activities:</b>	
Cash received from customers	\$ 1,445,046
Cash paid for goods and services	(426,261)
Cash paid to employees for services	(367,075)
Customer deposits - net	9,150
Other operating revenues	108,972
Net cash provided (used) by operating activities	<u>769,832</u>
<b>Cash flows from noncapital financing activities:</b>	
Transfers in (out)	<u>(100,000)</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(104,209)
Proceeds from BAN	7,657,000
Contributed capital	79,080
Principal paid on indebtednes	(148,234)
Interest paid on indebtednes	(19,162)
Net cash flows provided (used) for capital and related financing activities	<u>7,464,475</u>
<b>Cash flows from investing activities</b>	
Interest on investment	<u>19,246</u>
Net cash provided (used) for investing activities	<u>19,246</u>
Net increase (decrease) in cash and cash equivalents	8,153,553
Cash and cash equivalents, beginning	<u>3,335,740</u>
Cash and cash equivalents, ending	<u>\$ 11,489,293</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ <u>261,176</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	466,630
Changes in assets and liabilities, and deferred outflows in inflows of resources:	
(Increase) decrease in accounts receivable	54,237
(Increase) decrease in inventory	(14,475)
(Increase) decrease in deferred outflows of resources for pensions	46,191
Increase (decrease) in accounts payable and accrued liabilities	(30,330)
Increase (decrease) in customer deposits	9,150
Increase (decrease) in accrued vacation payable	(19,603)
Increase (decrease) in net pension liability	14,280
Increase (decrease) in deferred inflows of resources for pensions	(17,424)
Total adjustments	<u>508,656</u>
Net cash provided (used) by operating activities	<u>\$ 769,832</u>

**Jones County, North Carolina**  
**Statement of Fiduciary Net Position**  
**June 30, 2020**

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<b>Assets</b>	
Cash and cash equivalents	\$ 276,316
Accounts receivable	59,469
Total Assets	<u>335,785</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	<u>335,785</u>
Total Liabilities	<u>335,785</u>
<b>Net Position</b>	
Assets held in trust	\$ <u><u>-0-</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

JONES COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2020

I. Summary of Significant Accounting Policies

The accounting policies of Jones County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Jones County Industrial Facility and Pollution Control Financing Authority (Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Jones County Finance Corporation (Corporation) is a not-for-profit corporation charged with the powers to purchase, mortgage, hold, and prove, give, grant, sell, lease, convey and exchange all or any part of the real or personal property or funds of the Corporation. The Jones County ABC Board (Board), which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statement
Jones County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued.
Jones County Finance Corporation	Blended	The Corporation is governed by a four-member board made up of the County Manager, Finance Officer, one County Commissioner, and the secretary is the clerk to the Board.	None issued.
Jones County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County	Jones County ABC Board PO Box 86 Trenton, NC 28585

B. Basis of Presentation – Basis of Accounting

**Basis of Presentation, Measurement Focus - Basis of Accounting**

*Government-wide Statements* : The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements* : The fund financial statements provide information about the County's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

*General Fund* - This 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.

*School Construction Fund* – This fund will be used to construct a new school in Jones County.

The County reports the following major enterprise fund:

*Water Fund* – This fund is used to account for the operations of the water system within the County.

*Nonmajor Funds* – The County maintains six legally budgeted funds. The Property Revaluation Fund, the Fire District Fund, the Stream Debris Removal Fund, Emergency Watershed Protection Fund, CDBG Fund, and the Swift Water Rescue Fund are reported as nonmajor special revenue funds. The Restore Brock's Mill Pond Fund, and the Hazard Mitigation Grant Program Fund are reported as capital projects funds.

The County reports the following fund types:

*Agency Funds* - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Jones County Board of Education, the Ad Valorem Tax Fund, which accounts for property taxes that are billed and collected by the County for municipalities and other taxing jurisdictions within the County but that are not revenues to the County, the Agricultural Extension Fund, which accounts for the moneys collected and disbursed by the cooperative extension office, the Animal Cruelty Fund, which accounts for the moneys collected and dispersed by the Animal Control department and the Miscellaneous Trust Fund which accounts for all other moneys collected and dispersed by the County for various other organizations in the County.

#### C. Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year on the modified accrual basis of accounting.

*Government-wide and Proprietary Financial Statements* – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus, except for agency funds which have no measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 30 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Property Revaluation and Fire Tax District Special Revenue Funds, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the School Construction Fund, the Stream Debris Removal Fund, the Restore Brock's Mill Pond Fund, the Hazard Mitigation Grant Program Fund, and the Enterprise Capital Project Fund. The Enterprise Capital Project Fund is consolidated with the enterprise operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is authorized to transfer appropriations, not to exceed \$10,000 per transfer, among departments within the fund for which the funds were originally appropriated. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. In the General Fund, revenues and expenditures were increased by \$2,502,582 due to budget amendments. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the County and Jones County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's and the ABC Board's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

5. Inventories and Prepaid Items

The inventories of the County and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise fund as well as those of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's Enterprise Fund and that of the ABC Board is recorded as an expense as it is consumed or sold.

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.

## 6. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are as follows: land, \$1; Buildings, improvements, substations, lines and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Jones County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Jones County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	40 - 50
Plant and Distribution	40 - 50
Infrastructure	50
Improvements	10 - 50
Furniture and equipment	10
Vehicles	5
Computer equipment	5

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings	20
Furniture & Equipment	10
Vehicles	10

## 7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion: contributions made to the pension plans in the current fiscal year.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category: prepaid taxes and other pension plan related deferrals.

## 8. Long-term Obligations

In the government-wide financial statements and in the 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.



### 9. Compensated Absences

The vacation policies of the County, and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as leave as earned.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

### 10. Restricted Assets

As a part of the two loan agreements with the US Department of Agriculture (USDA), the County has restricted cash equal to one annual loan payment including interest. To meet this requirement, the County has purchased two certificates of deposit at Branch Bank and Trust Company. The total amount of the cash restrictions, by the terms of the loan agreements, was \$80,429 and \$27,621 at June 30, 2020. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. These deposits amounted to \$181,075 at June 30, 2020. Money in the Tax Revaluation Fund in the amount of \$145,955 is classified as restricted cash because its use is restricted per North Carolina General Statute 153A-150. Money in the School Construction Fund in the amount of \$98,431 is classified as restricted cash because its use is restricted by the Office of State Budget and Management for the construction of a collocated middle and high school.

Money in the Hurricane Florence Recovery Fund in the amount of \$2,709,109 is classified as restricted cash because its use is restricted by the North Carolina Office of Recovery and Resiliency for hurricane recovery efforts. Unspent BAN proceeds in the amount of \$7,651,230 is classified as restricted cash because its use is restricted by the terms of the loan. Total restricted cash at June 30, 2020 amounted to \$10,893,850.

#### **Jones County Restricted Cash**

##### Governmental Activities:

General Fund - USDA Admin CD	\$ 80,429
General Fund - Customer Deposits	58,125
Tax Revaluation Fund - Tax Revaluation	145,955
School Construction Fund	98,431
Hurricane Florence Recovery Fund	2,709,109
<b>Total Governmental Activities</b>	<u><u>\$ 3,092,049</u></u>

##### Business-Type Activities:

Utility Fund - Investments USDA Water CD	\$ 27,621
Unspent BAN proceeds	\$ 7,651,230
Utility Fund - Customer Deposits	122,950
<b>Total Business-Type Activities</b>	<u><u>\$ 7,801,801</u></u>
<b>Total Restricted Cash</b>	<u><u>\$ 10,893,850</u></u>

## 11. Net Position/Fund Balances

### Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

**Restricted Fund Balance** – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation."* RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

Restricted for Health Department – portion of fund balance that is restricted by revenue source to provide resources for the Health Department.

Restricted for White Goods – portion of fund balance that is restricted by revenue source for white goods projects.

Restricted for School Capital – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for USDA Loan Payments – portion of fund balance that is restricted by revenue source to equal one annual loan payment including interest.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Jones County’s governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Economic Development – Portion of fund balance that can only be used for Economic Development.

Committed for Tax Revaluation – Portion of fund balance that can only be used for Tax Revaluation. Assigned Fund Balance – portion of fund balance that the Jones County governing board has budgeted.

Assigned Fund Balance – portion of fund balance that the Jones County governing body has budgeted.

Assigned for Soil Conservation – portion of fund balance that has been budgeted by the board for soil conservation.

Assigned for Subsequent Year’s Expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Jones County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it’s in the best interest of the County.

Jones County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is maintained between 18% and 24% of budgeted expenditures. Any portion of the General Fund balance in excess of 24% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

## 12. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees’ Retirement System (LERS), the Registers of Deeds’ Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) (collectively, the “state-administered defined benefit pension plans”). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans’ fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County’s employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

Reconciliation of Government-wide & Fund Financial Statements**1. 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. The net adjustment of \$36,317,305 consists of the following elements as follows:

<b>Description</b>	<b>Amount</b>
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 13,661,526
Less accumulated depreciation	(5,693,826)
Net capital assets	7,967,700
Net pension asset.	13,969
Intangible Asset - Future Right to Receive Jones K-12 School	42,409,567
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	379,012
Deferred inflows of resources reported in the fund statements but not the government-wide	795,533
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	93,682
Pension related deferrals	583,298
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(13,676,819)
Accrued interest payable	(20,440)
Net pension liability	(1,650,066)
Total pension liability	(214,012)
Compensated absences	(364,119)
Total adjustment	<u>\$ 36,317,305</u>

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$7,451,361 as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 761,537
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements	(508,930)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	2,776,045
Expenses reported on the fund statements that are reported as an intangible asset on the government-wide statements	4,987,072
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	379,012
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in fund statements	
Increase/Decrease in deferred inflows of resources - deferred revenues	170,558
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. This includes accrued interest payable, compensated absences, pension expense and OPEB.	(1,113,933)
Total adjustment	<u>\$ 7,451,361</u>

**II. Stewardship, Compliance, and Accountability**

**A. Significant Violations of Finance-Related Legal and Contractual Provisions**

Noncompliance with North Carolina General Statutes

None.

**B. Deficit Fund Balance or Net Position of Individual Funds**

The Storm Debris Removal Fund, CDBG Fund, and the Hazard Mitigation Grant Program Fund all had deficit Fund Balances due to timing issues related to income.

**C. Excess of Expenditures over Appropriations**

None.

III. Detail Notes on All FundsA. Assets1. Deposits

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agent in the entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2020, the County's deposits had a carrying amount of \$9,423,788 and a bank balance of \$11,258,724. Of the bank balance, \$750,840 was covered by federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2020, Jones County had \$1,517 of cash on hand.

At June 30, 2020, the carrying amount of deposits for Jones County ABC Board was \$92,350 and the bank balance was \$145,413. All of these amounts were covered by federal depository insurance. At June 30, 2020, the ABC Board had \$1,000 cash on hand.

2. Investments

At June 30, 2020, the County had the following investments and maturities.

As of June 30, 2020, the County's investments consisted of \$11,878,191 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's.

	Valuation Measurement Method	Fair Value	Less than 1 Year	2-3 Years	4-7 Years
Commercial Paper	Fair Value - Level 2	\$ 798,820	\$ 798,820	\$ -	\$ -

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets of identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process.

At June 30, 2020, the ABC Board had no investments.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

**Credit Risk.** The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2020, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended. The County's investment in US Agencies (US Government Bonds) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

**Custodial Credit Risk.** Custodial credit risk 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's formal policy indicates that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

### 3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present-use value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2016	1,049,003	343,548	\$ 1,392,551
2017	1,107,323	262,989	1,370,312
2018	1,078,876	159,134	1,238,010
2019	1,048,361	60,281	1,108,642
Total	\$ 4,283,563	\$ 825,952	\$ 5,109,515

### 4. Receivables

Receivables at the government-wide level at June 30, 2020 were as follows:

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
<b>Governmental Activities:</b>				
General	\$ 444,777	\$ 642,461	\$ 834,112	\$ 1,921,350
Special Revenue Funds	-	10,234	52,661	62,895
Total Receivables	444,777	652,695	886,773	1,984,245
Allowance for Doubtful	(60,600)	(16,200)	-	(76,800)
<b>Total Governmental Activities</b>	<b>\$ 384,177</b>	<b>\$ 636,495</b>	<b>\$ 886,773</b>	<b>\$ 1,907,445</b>
<b>Business-Type Activities:</b>				
Water/Sewer receivables	\$ 318,099	\$ -	\$ -	\$ 318,099
Allowance for Doubtful Accounts	(105,700)	-	-	(105,700)
<b>Total Business-Type Activities</b>	<b>\$ 212,399</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,399</b>

### Notes Receivable

The County has three loans from funds restricted for industrial development. The purpose of the loans is to increase the County tax base and create jobs. The subsequent repayments of these loans will likewise be restricted.

The first loan was made on January 23, 2014, to Beer Army, LLC. The terms of the loan call for interest at 3% for 5 years and six equal monthly payments of interest only in the amount of \$750 with the first payment due March 1, 2014. Thereafter, Beer Army, LLC will make fifty-two equal payments of principal and interest in the amount of \$6,051 with one final payment of outstanding principal and interest due on February 1, 2019. On September 17, 2015, the County filed a complaint against Beer Army, LLC. The collateral on the note was auctioned on February 3, 2016 and proceeds of \$63,000 were used to reduce the note balance. A settlement was reached on February 23, 2019. As part of the settlement, the note receivable was reduced by \$87,000. A payment of \$10,000 was made at the time of settlement. A payment of \$50,000 was made on December 4, 2018. The remaining payments of \$50,000 and \$40,000 are due November 15, 2019 and June 15, 2020, respectively.

The second loan was made on March 14, 2017, to the Trenton Volunteer Fire Department for the purchase of a fire truck. The County borrowed \$290,000 from Jones-Onslow Electric Membership Corporation acting as agent for the Trenton Volunteer Fire Department to finance this purchase. The total loan amount was for \$337,000 and 0% interest with a yearly payment of \$25,000 until the note is paid. County of Jones is the lienholder and does not hold title to the truck.

During the fiscal year ending June 30, 2016, the County took back title of the DHI building to satisfy a previous note receivable dated February 5, 2007. In fiscal year ending June 30, 2017, Defense Holdings, Inc. filed Chapter 11 bankruptcy. As a result, the County was given a total cash dividend of \$60,000 payable at \$3,000 per quarter over the life of the bankruptcy plan.

The following summarizes the expected collection on these notes:

<b>Principal Amounts Due for the Year Ended June 30:</b>	<b>Trenton Volunteer Fire Department</b>	<b>DHI</b>	<b>Total</b>
2021	\$ 25,000	\$ 12,000	\$ 37,000
2022	25,000	6,000	31,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025	25,000	-	25,000
	<u>\$ 125,000</u>	<u>\$ 18,000</u>	<u>\$ 143,000</u>

## 5. Capital Assets

### Primary Government

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balances July 1, 2019	Increases	Decreases	Ending Balances June 30, 2020
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 741,561	\$ 190,000	\$ -	\$ 931,561
Construction in Progress	56,795	23,689	-	80,484
Total capital assets not being depreciated	<u>798,356</u>	<u>213,689</u>	<u>-</u>	<u>1,012,045</u>
Capital assets being depreciated:				
Buildings	8,642,920	20,107	-	8,663,027
Infrastructure	152,235	-	-	152,235
Equipment	3,372,765	527,741	66,287	3,834,219
Total capital assets being depreciated	<u>12,167,920</u>	<u>547,848</u>	<u>66,287</u>	<u>12,649,481</u>
Less accumulated depreciation for:				
Buildings	3,082,831	196,527	-	3,279,358
Infrastructure	48,829	3,045	-	51,874
Equipment	2,119,523	309,358	66,287	2,362,594
Total accumulated depreciation	<u>5,251,183</u>	<u>\$ 508,930</u>	<u>\$ 66,287</u>	<u>5,693,826</u>



Total capital assets being depreciated, net	6,916,737	6,955,655
<b>Governmental activity capital assets, net</b>	<u><u>\$ 7,715,093</u></u>	<u><u>\$ 7,967,700</u></u>

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

General government	\$ 135,108
Public Safety	227,325
Environmental Protection	1,729
Economic and Physical Development	90,409
Human Services	21,229
Cultural and Recreational	33,130
Total Depreciation Expense	<u>\$ 508,930</u>

	Beginning Balances July 1, 2019	Increases	Decreases	Ending Balances June 30, 2020
<b>Business-type Activities</b>				
<b>Water &amp; Sewer District</b>				
Capital assets not being depreciated:				
Land	\$ 54,808	\$ -	\$ -	\$ 54,808
Construction in progress	279,543	1,171,864	-	1,451,407
Total capital assets not being depreciated	<u>334,351</u>	<u>1,171,864</u>	<u>-</u>	<u>1,506,215</u>
Capital assets being depreciated:				
Plant and distribution systems	12,892,708	19,883	-	12,912,591
Furniture and equipment	52,375	-	-	52,375
Vehicles and motor equipment	448,880	-	-	448,880
Total capital assets being depreciated	<u>13,393,963</u>	<u>19,883</u>	<u>-</u>	<u>13,413,846</u>
Less accumulated depreciation for:				
Plant and distribution systems	6,138,426	422,451	-	6,560,877
Furniture and equipment	52,375	-	-	52,375
Vehicles and motor equipment	332,194	44,179	-	376,373
Total accumulated depreciation	<u>6,522,995</u>	<u>\$ 466,630</u>	<u>\$ -</u>	<u>6,989,625</u>
Total capital assets being depreciated, net	<u>6,870,968</u>			<u>6,424,221</u>
<b>Total Water and Sewer Fund District, Net</b>	<u>\$ 7,205,319</u>			<u>\$ 7,930,436</u>

#### **Construction Commitments**

The government has three active construction projects as of June 30, 2020. The projects include the School Construction Project, Restore Brock's Mill Pond Project, and the Water Supply Improvements Project. At June 30, 2020, the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
School Construction Project	\$ 42,409,567	\$ 3,322,721
Restore Brock's Mill Pond Project	80,484	19,516
Water Supply Improvements Project	1,451,407	9,914,593
	<u>\$ 43,941,458</u>	<u>\$ 13,256,830</u>

#### **School Construction Project**

Jones County has entered into an agreement with Jones County Board of Education for the construction of a new Jones K-12 School. Jones County Finance Corporation, a blended component unit of the County, was formed to facilitate the financing arrangement. The school will be constructed on a site that is owned by the County and leased to the developer, FirstFloor Jones, LLC during the construction period. During the period of construction, the County will record an intangible asset with a future right to receive the Jones K-12 School. Upon completion, FirstFloor Jones, LLC will lease the school to the Jones County Board of Education. At the end of the lease period, the developer will transfer ownership to Jones County. Jones County will hold title until all debt is paid in full, at which time title will be transferred to the Jones County Board of Education.

**Discretely presented component unit**

ABC Board:

Land	\$	15,073
Buildings		6,208
Equipment		35,422
Capital assets, net of depreciation	\$	<u>56,703</u>

**B. Liabilities****1. Payables**

Payables at the government-wide level at June 30, 2020, were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Accrued Interest</b>	<b>Total</b>
Governmental Activities	\$ 592,434	\$ 206,662	\$ 20,440	\$ 819,536
Business-type Activities	\$ 1,194,784	\$ 13,800	\$ -	\$ 1,208,584

**2. Pension Plan and Other Post Employment Obligations****a. Local Governmental Employees' Retirement System**

**Plan Description.** Jones County and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.01% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$407,610 for the year ended June 30, 2020.

**Refunds of Contributions** – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2020, the County reported a liability of \$1,777,011 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.06507%, which was a decrease of 0.00493% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$789,986. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 304,269	\$ -
Changes of assumptions	289,623	-
Net difference between projected and actual earnings on pension plan investments	43,344	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,991	57,108
County contributions subsequent to the measurement date	407,610	-
Total	<u>\$ 1,046,837</u>	<u>\$ 57,108</u>

\$407,610 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2021	303,918
2022	82,672
2023	156,701
2024	38,828
2025	-
Thereafter	-
Total	<u>\$ 582,119</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*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 contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1 % Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
County's proportionate share of the net pension liability (asset)	\$4,064,349	\$1,777,011	(\$124,230)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description - Jones County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County has made no contributions to this plan. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2019, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	-
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	-
Active Plan Members	18
Total	18

(2) Summary of Significant Accounting Policies

*Basis of Accounting* - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

(3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

**Mortality Rate**

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Deaths Before Retirement: Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

**(4) Contributions**

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid no benefits for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$214,012. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$28,119.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,490	\$ 21,063
Changes of assumptions and other inputs	18,629	11,103
County benefit payments and administrative expenses subsequent to the measurement date.	-	-
	<u>\$ 32,119</u>	<u>\$ 32,166</u>

The County paid \$0 in benefit payments and \$0 in administrative expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2021	1,010
2022	1,010
2023	1,010
2024	1,287
2025	(4,246)
Thereafter	(118)
	<u>\$ (47)</u>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.26 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 241,580	\$ 214,012	\$ 189,477

**Schedule of Changes in Total Pension Liability Law  
Enforcement Officers' Special Separation Allowance**

	2020
Beginning balance	\$ 188,427
Service Cost	19,654
Interest on the total pension liability	6,859
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(10,596)
Changes of assumptions or other inputs	9,668
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 214,012</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 to 3.26 percent at June 30, 2019.

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description* - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$84,821, which consisted of \$35,012 from the County and \$49,809 from employees.



d. Register of Deeds' Supplemental Pension Fund

**Plan Description.** Jones County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$750 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$13,969 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 0.071%, which was a decrease of 0.01024% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$2,230. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 674
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	143	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,644	-
County contributions subsequent to the measurement date	750	-
Total	<u>\$ 2,537</u>	<u>\$ 674</u>

\$750 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30**

2021	343
2022	652
2023	394
2024	(276)
2025	-
Total	<u>\$ 1,113</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	<b>1 % Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	(\$941)	\$13,969	(\$1,289)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<b><u>LGERS</u></b>	<b><u>ROD</u></b>	<b><u>LEOSSA</u></b>	<b><u>Total</u></b>
Proportionate Share of Net Pension Liability (Asset)	\$ 1,777,011	\$ (13,969)	n/a	\$ 1,763,042
Proportion of the Net Pension Liability (Asset)	0.06507%	0.07100%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 214,012	\$ 214,012
Pension Expense	\$ 789,986	\$ 2,230	\$ 28,119	\$ 820,335

As June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>LGERS</u></b>	<b><u>ROD</u></b>	<b><u>LEOSSA</u></b>	<b><u>Total</u></b>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 304,269	\$ -	\$ 13,490	\$ 317,759
Changes of assumptions	289,623	-	18,629	308,252
Net difference between projected and actual earnings on pension plan investments	43,344	143	-	43,487
Changes in proportion and differences between County contributions and proportionate share of contributions	1,991	1,644	-	3,635
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	407,610	750	-	408,360
<b><u>Deferred Inflows of Resources</u></b>				
Difference between expected and actual experience	\$ -	\$ 674	\$ 21,063	\$ 21,737
Changes of assumptions	-	-	11,103	11,103
Changes in proportion and differences between County contributions and proportionate share of contributions	57,108	-	-	57,108

f. Supplemental Retirement Income Plan for Employees not Engaged in Law Enforcement

The County has a defined contribution pension plan (457(b) plan) in place for employees not engaged in law enforcement. The plan is strictly voluntary with no matching contributions made by the County.

g. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience	\$ 317,759	\$ 21,737
Pensions - difference between projected and actual investment earnings	43,487	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	3,635	57,108
Pensions - change in assumptions	308,252	11,103
Contributions to pension subsequent to measurement date (LGRS, ROD)	408,360	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
Prepaid Property Taxes Not Yet Earned (General)	-	63,510
Taxes Receivable, Net (General), less penalties	-	-
Taxes Receivable, Net (Special Revenue), less penalties	-	-
EMS Receivables, Net	-	-
Other Receivables Not Available at Year End	-	-
Total	<u>\$ 1,081,493</u>	<u>\$ 153,458</u>

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the North Carolina Association of County Commissioners (NCACC). Because the County is in an area of the State that has been mapped and designated an "X" area (all other mapped areas) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP but can also purchase private coverage.

The County's insurance policy provides limited flood coverage in areas outside of the 100-year flood zones and is subject to a per occurrence deductible of \$25,000. Property located in the 100-year flood zone, as designated by FEMA, is excluded from coverage. The County has two properties located inside this area. The County has decided not to pursue further insurance coverage for these two properties.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The County Manager, Finance Officer, and Assistant Finance Officer are individually bonded for \$50,000 each. The Tax Collector is bonded for \$20,000. The Sheriff and Register of Deeds are individually bonded for \$10,000 each.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Jones County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

## 5. Contingent Liabilities

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

## 6. Long-Term Obligations

### a. Notes Payable/Installment Obligations

On April 13, 2004, the County entered into an agreement to borrow \$2,200,000 from Branch Banking and Trust (BB&T) for the purpose of constructing a county office complex in the Industrial Park located within the county. The County was awarded a \$1,500,000 loan and a \$700,000 grant from the US Department of Agriculture and Rural Development. This funding was used to pay the obligation to BB&T. The USDA obligation calls for forty annual payments of \$78,630 beginning on April 11, 2006 and ending on April 11, 2045. The obligation carries an interest rate of 4.25% and the June 30, 2020 balance was \$1,195,827.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 27,781	\$ 50,849	\$ 78,630

2022	28,961	49,669	78,630
2023	30,192	48,438	78,630
2024	31,475	47,155	78,630
2025	32,813	45,817	78,630
2026-2030	186,208	206,942	393,150
2031-2035	229,287	163,863	393,150
2036-2040	282,331	110,819	393,150
2041-2045	346,779	45,503	392,282
	<u>\$ 1,195,827</u>	<u>\$ 769,055</u>	<u>\$ 1,964,882</u>

On June 20, 2006, the County entered into a financing agreement with the US Department of Agriculture (USDA) for the purpose of constructing a water tank in the Rock Creek area. The County borrowed \$500,000 and the agreement calls for 40 annual payments of \$26,950. The agreement carries a 4.375% interest rate. The June 30, 2020 balance was \$430,230.

<b>During the Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 8,108	\$ 18,842	\$ 26,950
2022	8,463	18,487	26,950
2023	8,833	18,117	26,950
2024	9,219	17,731	26,950
2025	9,622	17,328	26,950
2026-2030	42,887	64,913	107,800
2031-2035	65,044	69,706	134,750
2036-2040	80,572	54,179	134,751
2041-2045	99,805	34,945	134,750
2046-2050	97,658	11,080	108,738
	<u>\$ 430,211</u>	<u>\$ 325,328</u>	<u>\$ 755,539</u>

On May 28, 2013, the County entered into a financing agreement with the State of North Carolina by the Department of Environment and Natural Resources – Division of Water Resources for an Automatic Meter Reading Capital Project. The County borrowed a total of \$1,966,253. The agreement calls for fourteen annual payments of \$140,447. The agreement carries a 0% interest rate. The June 30, 2020 balance was \$1,123,573.

<b>During the Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 140,447	\$ -	\$ 140,447
2022	140,447	-	140,447
2023	140,447	-	140,447
2024	140,447	-	140,447
2025	140,447	-	140,447
2026-2030	421,338	-	421,338
	<u>\$ 1,123,573</u>	<u>\$ -</u>	<u>\$ 1,123,573</u>

On March 14, 2017, the County entered into a loan agreement with Jones-Onslow Electric Membership Corporation for funding to purchase a fire truck in a direct placement for use by the Trenton Volunteer Fire Department. The County acted as an agent on behalf of the fire department to borrow a total of \$290,000. The County does not hold title to the fire truck. The County has recorded a note receivable from the Trenton Volunteer Fire Department for these funds. The agreement calls for 120 consecutive monthly payments in the amount of \$2,083. The agreement carries a 0% interest rate. The June 30, 2020 balance was \$125,000.

<b>During the Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 25,000	\$ -	\$ 25,000
2022	25,000	-	25,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025	25,000	-	25,000
	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>

Qualified School Construction bonds (QSCB) issued on October 14, 2010, under Internal Revenue Code Section 54F; due serially to 2025 with no interest; collateralized by real estate, including a school gymnasium in a direct placement for use by the Jones County Board of Education. Legal title to the property financed will remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The June 30, 2020 balance was \$880,000.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 146,667	\$ -	\$ 146,667
2022	146,667	-	146,667
2023	146,667	-	146,667
2024	146,667	-	146,667
2025	146,667	-	146,667
2026-2030	146,665	-	146,665
	<u>\$ 880,000</u>	<u>\$ -</u>	<u>\$ 880,000</u>

Qualified School Construction bonds (QSCB) issued on October 14, 2010, under Internal Revenue Code Section 54F; due serially to 2025 with interest at 1.35%; collateralized by real estate, including a school gymnasium in a direct placement for use by the Jones County Board of Education. Legal title to the property financed will remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The June 30, 2020 balance was \$120,000.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 20,000	\$ -	\$ 20,000
2022	20,000	-	20,000
2023	20,000	-	20,000
2024	20,000	-	20,000
2025	20,000	-	20,000
2026-2030	20,000	-	20,000
	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>

On December 21, 2017 the County entered into an installment financing contract to borrow \$8,998,000 from Branch Banking and Trust (BB&T) in the form of a qualified zone academy bond (QZAB) for the purpose of constructing a K-12 Collocated School in Jones County in a direct placement for use by the Jones County Board of Education. Legal title to the property financed will remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The obligation calls for fourteen annual payments of \$653,000 beginning on December 1, 2019 and ending on December 1, 2032. The obligation carries an interest rate of 0% and the June 30, 2020 balance was \$8,345,000.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 652,000	\$ -	\$ 652,000
2022	653,000	-	653,000
2023	653,000	-	653,000
2024	652,000	-	652,000
2025	652,000	-	652,000
2026-2030	3,260,000	-	3,260,000
2031-2035	1,823,000	-	1,823,000
	<u>\$ 8,345,000</u>	<u>\$ -</u>	<u>\$ 8,345,000</u>

On December 21, 2017 the County entered into an installment financing contract to borrow \$2,742,712 from Branch Banking and Trust (BB&T) in the form of a taxable loan (Taxable) for the purpose of constructing a K-12 Collocated School in Jones County in a direct placement for use by the Jones Board of Education. Legal title to the property financed will remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The obligation calls for interest only payments due semi-annually beginning December 1, 2019 and ending on June 1, 2032. Interest only payments continue to be due annually beginning June 1, 2033 through June 1, 2036. Variable principal payments are due annually beginning on December 1, 2032 and ending on December 1, 2036. The obligation carries an interest rate of 4.55% and the June 30, 2020 balance was \$2,742,712.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ -	\$ 124,793	\$ 124,793
2022	-	124,793	124,793
2023	-	124,793	124,793
2024	-	124,793	124,793
2025	-	124,793	124,793
2026-2030	-	623,965	623,965
2031-2035	1,438,188	549,406	1,987,594
2036-2040	1,304,524	59,356	1,363,880
	<u>\$ 2,742,712</u>	<u>\$ 1,856,692</u>	<u>\$ 4,599,404</u>



On May 1, 2019, the County entered into a financing agreement with Branch Banking & Trust (BB&T) in the amount of \$100,255 for the purchase of an ambulance. The agreement calls for three annual payments in the amount of \$35,614 beginning on May 1, 2020 and ending on May 1, 2022. The agreement carries an interest rate of 3.25%. The June 30, 2020 balance was \$67,900.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 33,407	\$ 2,207	\$ 35,614
2022	34,493	1,121	35,614
	<u>\$ 67,900</u>	<u>\$ 3,328</u>	<u>\$ 71,228</u>

On April 23, 2019, the County entered into a financing agreement with the North Carolina Office of Recovery and Resiliency (NCORR) under NCORR's State Revolving Loans for Temporary Cash Assistance to Local Governments in the amount of \$2,000,000 to meet cash needs of the County as a result of damage sustained from Hurricane Florence. The agreement will terminate after three years or upon the full repayment of the loan proceeds and submission of a final report, whichever comes first. Once the County receives reimbursement from the federal government for expenses covered, the County will repay NCORR the amount of the loan proceeds within five business days of receipt of the federal reimbursement. The principal only loan does not carry interest charges. The June 30, 2020 balance was \$151,560.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ -	\$ -	\$ -
2022	151,560	-	151,560
	<u>\$ 151,560</u>	<u>\$ -</u>	<u>\$ 151,560</u>

The Water District within Jones County has issued bond anticipation notes, in order to finance water improvements.

On April 30, 2020, the County entered into a temporary financing agreement with Truist Bank for the purpose of constructing a water system. This will be assumed by USDA after construction. The County borrowed \$7,657,000 and the agreement calls for 1 annual payment. The agreement carries a 1.86% interest rate. The June 30, 2020 balance was \$7,657,000.

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 7,657,000	\$ 209,674	\$ 7,866,674
	<u>\$ 7,657,000</u>	<u>\$ 209,674</u>	<u>\$ 7,866,674</u>

#### b. Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on July 1, 2017 for the lease of tasers for the jail and requires one annual payment of \$2,667 in the first year and four annual payments of \$2,640 in the remaining years. The second agreement was executed on September 11, 2017 for the lease of emergency services equipment and requires one annual payment of \$21,000 in the first year and four annual payments of \$22,043 in the remaining years. Under the terms of both agreements, title passes to the County at the end of the lease term.

At June 30, 2020, the County leased equipment valued at:

<b>Classes of Property</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Equipment	\$ 106,625	\$ 39,096	\$ 67,529

For Jones County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<b>During the Year Ending June 30,</b>	
2021	\$ 24,683
2022	24,683
2023	214
Total Minimum Lease Payments	\$ 49,580
Less: Amount Representing Interest	760
Present Value of the Minimum Lease Payments	<u>\$ 48,820</u>

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed only \$1,464,107 relates to assets the County holds title.

c. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020	Current Portion
<b>Governmental Activities:</b>					
USDA Loan	\$ 1,222,501	\$ -	\$ (26,674)	\$ 1,195,827	\$ 27,781
BB&T Ambulance	100,255	-	(32,355)	67,900	33,407
Direct Placement Installment Purchases	13,057,379	-	(844,667)	12,212,712	843,667
Capitalized Leases	72,729	-	(23,909)	48,820	24,323
NCORR Loan	2,000,000	-	(1,848,440)	151,560	-
Net pension liability (LGERS)	1,553,592	96,474	-	1,650,066	-
Net pension liability (LEOSSA)	188,427	25,585	-	214,012	-
Compensated absences	379,058	229,673	(244,612)	364,119	229,673
<b>Total governmental activities</b>	<b>\$ 18,573,941</b>	<b>\$ 351,732</b>	<b>\$ (3,020,657)</b>	<b>\$ 15,905,016</b>	<b>\$ 1,158,851</b>
	Balance 6/30/2019	Additions	Retirements	Balance 6/30/2020	Current Portion
<b>Business Type Activities:</b>					
USDA Loan	\$ 437,979	\$ 7,657,000	\$ (7,768)	\$ 8,087,211	\$ 7,665,108
NC Drinking Water State Revolving Loan	1,264,020	-	(140,447)	1,123,573	140,447
Net pension liability (LGERS)	113,215	14,730	-	127,945	-
Compensated Absences	56,137	19,066	(38,716)	36,487	19,066
<b>Total business type activities</b>	<b>\$ 1,871,351</b>	<b>\$ 7,690,796</b>	<b>\$ (186,931)</b>	<b>\$ 9,375,216</b>	<b>\$ 7,824,621</b>

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Net pension liability, total pension liabilities for governmental activities are all typically liquidated in the general fund.

C. Interfund Balances and Transfer Activity

The composition of interfund balances at June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund		
	<i>Special Revenue Fund:</i>	
	Hazard Mitigation Grant Program	\$ 72,679
	Emergency Watershed Protection Fund	48,000
	CDBG Fund	20,166
	Fire District	1,449
		<u>\$ 142,294</u>

Transfers to/from other funds for the year ended June 30, 2020 were made to supplement other funding sources and consist of

	Transfers	
	From	To
<b>General Fund:</b>		
Special Revenue Fund		\$ 31,250
Enterprise Fund		100,000
<b>Special Revenue Fund:</b>		
General Fund	\$ 31,250	
<b>Enterprise Fund:</b>		
Water Fund		182,266
Water Capital Reserve Fund	182,266	
General Fund	100,000	
<b>Total Operating Transfers</b>	<u>\$ 313,516</u>	<u>\$ 313,516</u>

D. Fund Balance

Jones County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the County.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

<b>Total fund balance - General Fund</b>	<b>\$ 10,757,025</b>
<b>Less:</b>	
Inventories	21,353
Stabilization by State Statute	1,510,817
Register of Deeds	-
Health Department	9,879
White Goods	17,607
Schools	1,321,560
Economic Development	606,630
Long-Term Screening	129,615
Soil Conservation	10,110
USDA Loan Payments	80,429
Subsequent Year's Expenditures	645,500
Working Capital/Fund Balance Policy	4,074,577
<b>Remaining Fund Balance</b>	<b>\$ 2,328,948</b>

Jones County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is maintained between 18% and 24% of budgeted expenditures.

### III. Joint Ventures

The County participates in a joint venture to operate Neuse Regional Library with three other local governments. Jones County appoints three board members to the twelve-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$93,720 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 510 N. Queen Street, Kinston, NC, 28501.

The County in conjunction with the State of North Carolina and three other local governments participates in a joint venture to operate the Lenoir County Community College. The County appoints two members of the sixteen-member Board of Trustees of the Community College. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Jones County division of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$104,858 and \$0 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the community college may be obtained from the community college's administrative offices at PO Box 188, Hwy 70 and 58, NC 28502.

The County, in conjunction with three other local governments, participates in a joint venture to operate Trillium Health Resources. Jones County appoints one member of the seventeen-member board. The County has an ongoing financial responsibility for the organization because of the statutory responsibilities to provide funding for the organization's services. The County contributed \$24,102 for the operation of the organization during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the organization can be obtained from the Trillium Health Resources regional office at 3809 Shipyard Blvd., Wilmington, NC 28403.

#### Jointly Governed Organizations

##### Eastern Carolina Housing Authority

The County, in conjunction with ten (10) other counties, has established the Eastern Carolina Housing Authority (Authority). The participating governments established the council to provide housing for low income individuals and families. Each participating government appoints one member to the Authority's governing board.

### IV. Summary Disclosure of Significant Commitments and Contingencies

#### Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Jones County Board of Education

The County entered into an Interlocal Funding Agreement with Jones County Board of Education (BOE) on November 20, 2017 which states that the County will pass through to the BOE the full amount of any forestry receipts received. Additionally, the County will provide funding to the BOE for Current Expense, Capital Outlay, and an Operating Lease for the construction of the new K-12 school over the next seven years as follows:

<b>Budget Year</b>	<b>Current Expense</b>	<b>Capital Outlay</b>	<b>Operating Lease</b>
2020-2021	\$ 1,587,579	\$ 75,938	\$ 890,000
2021-2022	1,607,423	76,887	890,000
2022-2023	1,627,516	77,848	890,000
2023-2024	1,647,860	78,821	890,000
2024-2025	1,668,458	79,806	890,000
	<u>\$ 8,138,836</u>	<u>\$ 389,300</u>	<u>\$ 4,450,000</u>

Industrial Development Utility Account Grant

The County received \$355,679 in grant funds from the Industrial Development Fund Utility Account ("IDF") as part of the Technical Control Consultants Project accounted for in the Community Development Block Grant Fund. The IDF grant agreement stipulated that the County must create positions for 38 full-time employees requiring at least 1,600 hours of work in a year within three years from the date of the first disbursement of the IDF grant and must maintain these employment levels until the Department of Commerce notifies the County that the grant is closed. The County received their first IDF grant funds in June 2013, therefore in accordance with the grant agreement, the job creation requirement must be met by June 2016. However, the North Carolina Department of Commerce granted one final extension to February 27, 2017, to give the County additional time to create and maintain the required positions. Jones County did not meet the deadline extension and the required number of jobs were not created. Beginning July 1, 2017, the County agreed to pay back \$24,000 (an average of the grant amount per job times the two jobs not created) in three annual installments of \$8,000.

Economic Development Notes Receivable*Defense Holdings, Inc.*

During the fiscal year ending June 30, 2016, the County took back title of the building to satisfy a previous note receivable dated February 5, 2007. In fiscal year ending June 30, 2017, Defense Holdings, Inc. filed Chapter 11 bankruptcy. As a result, the County was given a total cash dividend of \$60,000 payable at \$3,000 per quarter over the life of the bankruptcy plan. The balance at June 30, 2020 was \$18,000.

V. Capital Assets - Trenton Volunteer Fire Department

From time to time, the County acts as an agent for certain grant moneys and expenditures for various towns and/or organizations in the county. The County never takes title to these assets. They are transferred to the respective town or organization upon completion of the project. The County currently is acting as agent for loan proceeds and expenditures related to the purchase of a fire truck for the Trenton Volunteer Fire Department. The County does not hold title to the fire truck.

VI. Significant Effects of Subsequent Events

There are no subsequent events that would have a material effect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally  
generally accepted accounting principals.

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Proportionate Share of the Net Pension Liability (Asset) – Local  
Governmental Employees’ Retirement System

Proportionate Share of the Net Pension Liability (Asset) – Local  
Governmental Employees’ Retirement System

Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds’  
Supplemental Pension Fund

Schedule of County Contributions – Register of Deeds’ Supplemental Pension  
Fund

Schedule of Changes in Total Pension Liability

Shedule of Total Pension Liability as a Percentage of Covered-Employee  
Payroll

**Jones County, North Carolina**  
**Jones County's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Seven Fiscal Years\***

**Local Government Employees' Retirement System**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.06507%	0.07000%	0.07100%	0.06800%	0.06300%	0.0680%	0.0680%
County's proportion of the net pension liability (asset) (\$)	\$ 1,777,011	\$ 1,666,807	\$ 1,084,226	\$ 1,450,192	\$ 469,977	\$ (400,791)	\$ 814,840
Board's covered-employee payroll	\$ 4,419,486	\$ 4,269,106	\$ 4,133,513	\$ 3,800,468	\$ 3,466,578	\$ 3,671,842	\$ 3,655,851
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	40.21%	39.04%	26.23%	38.16%	13.56%	( 10.92%)	22.29%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18% %	91.47%	98.09%	98.79%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Jones County, North Carolina  
Jones County's Contributions  
Required Supplementary Information  
Last Seven Fiscal Years**

**Local Government Employees' Retirement System**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 407,610	\$ 367,934	\$ 341,618	\$ 318,418	\$ 256,587	\$ 247,059	\$ 260,858
Contributions in relation to the contractually required contribution	407,610	367,934	341,618	318,418	256,587	247,059	260,858
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 4,470,344	\$ 4,419,486	\$ 4,269,106	\$ 4,133,513	\$ 3,800,468	\$ 3,466,578	\$ 3,671,842
Contributions as a percentage of covered-employee payroll	9.12%	8.33%	8.00%	7.70%	6.75%	7.13%	7.10%



**Jones County, North Carolina**  
**Jones County's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Seven Fiscal Years\***

**Registers of Deeds' Supplemental Pension Fund**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.071%	0.081%	0.083%	0.083%	0.107%	0.098%	0.088%
County's proportion of the net pension liability (asset) (\$)	\$ (13,969)	\$ (13,479)	\$ (14,128)	\$ (15,607)	\$ (24,798)	\$ (22,233)	\$ (18,793)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Jones County, North Carolina  
Jones County's Contributions  
Required Supplementary Information  
Last Seven Fiscal Years**

**Registers of Deeds' Supplemental Pension Fund**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 750	\$ 673	\$ 696	\$ 719	\$ 682	\$ 856	\$ 801
Contributions in relation to the contractually required contribution	750	673	696	719	682	856	801
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Jones County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**June 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Beginning balance	188,427	190,378	126,418
Service Cost	19,654	21,086	17,292
Interest on the total pension liability	6,859	6,016	4,880
Differences between expected and actual experience in the measurement of the total pension liability	(10,596)	(16,817)	23,633
Changes of assumptions or other inputs	9,668	(12,236)	18,155
Benefit payments	-	-	-
Ending balance of the total pension liability	<u>\$ 214,012</u>	<u>\$ 188,427</u>	<u>\$ 190,378</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

**Jones County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 214,012	\$ 188,427	\$ 190,378
Covered payroll	799,825	788,528	760,421
Total pension liability as a percentage of covered payroll	26.76%	23.90%	25.04%

Notes to the schedules:

Bertie County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Special Capital Fund is presented separately for budget compliance reporting but is combined with the General Fund in Exhibit 4.

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**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad Valorem Taxes:			
Taxes	\$ 6,840,345	\$ 6,884,276	\$
Penalties and Interest	60,000	64,998	
Total Ad Valorem Taxes	<u>6,900,345</u>	<u>6,949,274</u>	<u>48,929</u>
Local Option Sales Tax:			
Articles 39, 40, 42, 44 and 46	<u>2,309,422</u>	<u>2,157,598</u>	<u>(151,824)</u>
Other Taxes and Licenses:			
Real estate transfer tax	52,631	51,997	
Scrap tire disposal tax	14,435	14,434	
Solid waste disposal tax	8,100	8,110	
Total Other Taxes and Licenses	<u>75,166</u>	<u>74,541</u>	<u>(625)</u>
Unrestricted Intergovernmental Revenues:			
Payment in lieu of taxes	100,000	112,877	
Beer & wine tax	36,654	36,654	
Total Unrestricted Intergovernmental Revenues	<u>136,654</u>	<u>149,531</u>	<u>12,877</u>
Restricted Intergovernmental Revenues:			
State and federal grants	2,478,801	4,631,205	
Health medicaid cost study	-	99,006	
Court facilities fees	45,500	63,053	
ABC - 5 cent bottle tax	3,500	3,446	
ABC - 1 cent bottle tax	500	350	
Juvenile justice and delinquency	96,376	96,376	
Veterans commission	2,100	2,182	
National forest receipts/schools	43,782	43,518	
Lottery funds	-	-	
Emergency management	1,761,722	1,262,421	
Soil conservation	26,500	35,127	
Total Restricted Intergovernmental Revenues	<u>4,458,781</u>	<u>6,236,684</u>	<u>1,777,903</u>
Permits and Fees:			
Beer & wine	-	340	
Concealed/handgun permits	14,530	18,540	
Building and other permits and fees	81,850	120,047	
Register of deeds	44,500	42,318	
Marriage licenses	800	1,425	
Franchise - cable tv	5,000	4,619	
Total Permits and Fees	<u>146,680</u>	<u>187,289</u>	<u>40,609</u>

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Election fees	500	6,237	
Jail and officer fees	46,240	51,038	
EMS fees	520,000	562,753	
Town tax billings & collections	13,950	14,004	
Vending machines	1,700	2,018	
Solid waste/recycling	25,000	13,283	
Curbside service	456,300	474,460	
Rents	202,539	193,064	
Health services	23,885	36,055	
Total Sales and Services	<u>1,290,114</u>	<u>1,352,912</u>	<u>62,798</u>
Investment Earnings:	<u>49,648</u>	<u>177,483</u>	<u>127,835</u>
Other Revenues:			
GIS funds - Lenoir County	19,125	19,125	
Other	856,876	430,291	
Total Other Revenues	<u>876,001</u>	<u>449,416</u>	<u>(426,585)</u>
<b>TOTAL REVENUES</b>	<b>16,242,811</b>	<b>17,734,728</b>	<b>1,491,917</b>
<b>Expenditures:</b>			
General Government			
Governing body			
Salaries and employee benefits	85,484	84,932	
Other operating expenditures	61,075	24,602	
Insurance other than property	237,600	211,665	
Total	<u>384,159</u>	<u>321,199</u>	<u>62,960</u>
Elections			
Salaries and employee benefits	140,345	115,456	
Other operating expenditures	57,120	36,488	
Total	<u>197,465</u>	<u>151,944</u>	<u>45,521</u>
Finance			
Salaries and employee benefits	284,516	282,189	
Other operating expenditures	50,930	31,681	
Total	<u>335,446</u>	<u>313,870</u>	<u>21,576</u>
Taxes			
Salaries and employee benefits	189,009	176,406	
Other operating expenditures	166,038	153,621	
Capital outlay	25,000	18,855	
Total	<u>380,047</u>	<u>348,882</u>	<u>31,165</u>
Legal			
Contracted services	<u>95,000</u>	<u>90,130</u>	<u>4,870</u>
Jury Commission			
Salaries and employee benefits	646	484	
Other operating expenditures	1,700	1,533	
Total	<u>2,346</u>	<u>2,017</u>	<u>329</u>

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Register of Deeds			
Salaries and employee benefits	105,195	104,001	
Other operating expenditures	59,671	59,410	
Total	<u>164,866</u>	<u>163,411</u>	<u>1,455</u>
Public Buildings			
Salaries and employee benefits	142,685	113,527	
Other operating expenditures	414,985	344,696	
Capital	47,683	33,207	
Total	<u>605,353</u>	<u>491,430</u>	<u>113,923</u>
Court Facilities			
Salaries and employee benefits	42,789	36,962	
Other operating expenditures	30,000	23,209	
Total	<u>72,789</u>	<u>60,171</u>	<u>12,618</u>
Administration			
Salaries and employee benefits	195,601	193,470	
Other operating expenditures	26,425	15,591	
Total	<u>222,026</u>	<u>209,061</u>	<u>12,965</u>
Computer			
Operating expenses	<u>146,100</u>	<u>72,048</u>	<u>74,052</u>
Total General Government	<u>2,605,597</u>	<u>2,224,163</u>	<u>381,434</u>
Public Safety			
Sheriff			
Salaries and employee benefits	1,134,244	1,101,770	
Other operating expenditures	374,047	289,886	
Capital	120,896	117,938	
Total	<u>1,629,187</u>	<u>1,509,594</u>	<u>119,593</u>
County Jail			
Salaries and employee benefits	482,288	471,389	
Other operating expenditures	465,900	412,552	
Capital	20,875	20,875	
Total	<u>969,063</u>	<u>904,816</u>	<u>64,247</u>
Inspections			
Salaries and employee benefits	107,522	94,057	
Other operating expenditures	33,230	23,863	
Total	<u>140,752</u>	<u>117,920</u>	<u>22,832</u>
Emergency Management			
Salaries and employee benefits	52,066	51,593	
Other operating expenditures	21,458	14,506	
Capital outlay	26,243	25,225	
Total	<u>99,767</u>	<u>91,324</u>	<u>8,443</u>



**Jones County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Emergency Services			
Salaries and employee benefits	857,629	773,936	
Other operating expenditures	438,844	348,777	
Aid to local fire department	56,300	56,295	
Aid to local rescue squads	43,500	43,410	
Total	<u>1,396,273</u>	<u>1,222,418</u>	<u>173,855</u>
Florence Recovery			
Contracted services	981,165	63,025	
Other operating expenditures	1,714,059	327,115	
Capital outlay	202,272	153,203	
Total	<u>2,897,496</u>	<u>543,343</u>	<u>2,354,153</u>
Communication Sytem			
Operating expenditures	352,731	348,708	
Total	<u>352,731</u>	<u>348,708</u>	<u>4,023</u>
Medical Examiner			
Professional services	14,800	8,800	
Total	<u>14,800</u>	<u>8,800</u>	<u>6,000</u>
Rabies Control			
Operating expenditures	2,500	1,874	
Total	<u>2,500</u>	<u>1,874</u>	<u>626</u>
Total Public Safety	<u>7,502,569</u>	<u>4,748,797</u>	<u>2,753,772</u>
Environmental Protection			
Sanitation			
Salaries and employee benefits	51,094	49,206	
Other operating expenditures	414,165	389,628	
Contracted services	290,840	153,728	
Total	<u>756,099</u>	<u>592,562</u>	<u>163,537</u>
State Forest Protection	<u>85,284</u>	<u>75,477</u>	
Soil Conservation			
Salaries and employee benefits	110,483	110,244	
Other operating expenditures	8,010	5,713	
Total	<u>118,493</u>	<u>115,957</u>	<u>2,536</u>
Total Environmental Protection	<u>959,876</u>	<u>783,996</u>	<u>175,880</u>
Economic and Physical Development			
Agricultural Extension			
Salaries and employee benefits	167,532	145,151	
Other operating expenditures	33,340	26,897	
Total	<u>200,872</u>	<u>172,048</u>	<u>28,824</u>

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Economic Development			
Salaries and employee benefits	64,384	48,623	
Other operating expenditures	128,388	35,939	
Capital	12,000	12,000	
Total	204,772	96,562	108,210
Commissions, Committee & Councils Planning			
Salaries and employee benefits	1,130	-	
Other operating expenditures	6,900	6,773	
Total	8,030	6,773	1,257
Total Economic and Physical Development	413,674	275,383	138,291
Human Services			
Health			
Administration			
Salaries and employee benefits	344,594	303,985	
Other operating expenditures	88,874	85,134	
Total	433,468	389,119	44,349
Tuberculosis			
Salaries and employee benefits	3,020	3,008	
Other operating expenditures	357	26	
Total	3,377	3,034	343
Bioterrorism			
Salaries and employee benefits	24,076	24,041	
Other operating expenditures	7,032	6,630	
Total	31,108	30,671	437
Communicable Disease			
Salaries and employee benefits	7,883	7,861	
Other operating expenditures	1,895	1,346	
Total	9,778	9,207	571
Family Planning			
Salaries and employee benefits	50,506	46,336	
Other operating expenditures	16,669	13,376	
Total	67,175	59,712	7,463
Maternity Care			
Salaries and employee benefits	25,282	21,318	
Other operating expenditures	4,480	217	
Total	29,762	21,535	8,227
Environmental Health			
Salaries and employee benefits	1,436	1,404	
Other operating expenditures	25,411	24,757	
Total	26,847	26,161	686

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Food/Lodging			
Salaries and employee benefits	11,486	10,515	
Other operating expenditures	10,524	10,307	
Total	22,010	20,822	1,188
Cancer Prevention			
Salaries and employee benefits	3,743	3,555	
Other operating expenditures	5,307	4,548	
Total	9,050	8,103	947
Immunization Action Plan			
Salaries and employee benefits	8,121	7,617	
Other operating expenditures	9,558	8,940	
Total	17,679	16,557	1,122
Maternal & Child Health			
Salaries and employee benefits	21,220	19,285	
Other operating expenditures	11,472	8,519	
Total	32,692	27,804	4,888
Women, Infants & Children Health Supplement Food			
Salaries and employee benefits	41,671	41,298	
Other operating expenditures	7,730	7,010	
Total	49,401	48,308	1,093
School Health Education			
Other operating expenditures	75,000	75,000	
Total	75,000	75,000	-
Health Promotions			
Salaries and employee benefits	33,011	28,704	
Other operating expenditures	1,334	1,066	
Total	34,345	29,770	4,575
Child Services - Coordinator			
Salaries and employee benefits	22,106	18,622	
Other operating expenditures	3,400	341	
Total	25,506	18,963	6,543
Mosquito Control			
Other operating expenditures	14,900	10,412	
Total	14,900	10,412	4,488
Cap Program			
Salaries and employee benefits	27,268	20,972	
Other operating expenditures	11,500	4,362	
Total	38,768	25,334	13,434
Breast Feeding			
Salaries and employee benefits	8,837	8,187	
Other operating expenditures	1,163	234	
Total	10,000	8,421	1,579

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
NC Wisewoman			
Salaries and employee benefits	2,959	2,694	
Other operating expenditures	2,136	814	
Total	5,095	3,508	1,587
HIV/STD Grant			
Other operating expenditures	1,453	1,433	
Total	1,453	1,433	20
Diabetes			
Salaries and employee benefits	12,330	12,316	
Other operating expenditures	392	385	
Total	12,722	12,701	21
Ace learning	10,000	2,651	7,349
Health hurricane relief			
Other operating expenditures	5,875	5,875	
Capital outlay	36,010	36,010	
Total	41,885	41,885	-
Emerginig diseases			
Salaries and employee benefits	48,611	43,169	
Other operating expenditures	6,172	1,075	
Total	54,783	44,244	10,539
Other health services	3,135	1,784	1,351
Total Health	1,059,939	937,139	122,800
Mental Health			
Administration			
Regional allocation	20,306	20,306	
Bottle tax	4,000	3,796	
Total Mental Health	24,306	24,102	204
Social Services			
Administration			
Salaries and employee benefits	1,504,462	1,417,552	
Other operating expenditures	153,300	105,893	
Total	1,657,762	1,523,445	134,317
AFDC Program			
Extra items	12,393	992	
Foster care	100,000	7,187	
Total	112,393	8,179	104,214

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Foster Care	13,000	7,147	
General Assistance	2,000	1,485	
Aid to Blind	3,500	867	
Food Stamp - EBT	3,185	1,566	
Child Support Officer	23,500	14,596	
Work First Job Program	23,000	202	
Supplemental Assistance	70,000	42,486	
Medicaid Transportation	30,000	26,099	
Crisis Intervention	60,647	46,913	
Emergency Assistance	79,474	79,374	
Adoption Assistance	25,953	9,204	
Energy Assistance	3,891	1,532	
HCCBG	167,377	163,425	
SSBG	9,519	-	
Total Social Services	<u>2,285,201</u>	<u>1,926,520</u>	<u>358,681</u>
Veterans Services			
Salaries and employee benefits	21,911	8,638	
Other operating expenditures	1,650	701	
Total Veterans Services	<u>23,561</u>	<u>9,339</u>	<u>14,222</u>
Rural Transportation	<u>137,674</u>	<u>86,110</u>	<u>51,564</u>
Tri-County Senior Citizens			
Salaries and employee benefits	69,653	65,357	
Title V	46,483	22,611	
DR services outreach	343	338	
Total	<u>116,479</u>	<u>88,306</u>	<u>28,173</u>
Total Human Services	<u>3,647,160</u>	<u>3,071,516</u>	<u>575,644</u>
Cultural and Recreational			
Recreational			
Salaries and employee benefits	47,218	32,884	
Other operating expenditures	17,782	5,040	
Total	<u>65,000</u>	<u>37,924</u>	<u>27,076</u>
Civic Center			
Salaries and employee benefits	26,204	21,988	
Other operating expenditures	62,400	39,863	
Capital	38,000	33,008	
Total	<u>126,604</u>	<u>94,859</u>	<u>31,745</u>
Interagency Council			
Other operating expenditures	<u>96,376</u>	<u>96,373</u>	<u>3</u>
Arts Council Appropriation	<u>1,775</u>	<u>1,775</u>	<u>-</u>
Library Appropriation	<u>93,720</u>	<u>93,720</u>	<u>-</u>
Total Cultural and Recreational	<u>383,475</u>	<u>324,651</u>	<u>58,824</u>

**Jones County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Miscellaneous - County			
Other operating expenditures			
Disaster expense	476,892	106,411	
Capital			
Total Miscellaneous - County	<u>476,892</u>	<u>106,411</u>	<u>370,481</u>
Education			
Public Schools			
Current expense	2,001,443	1,955,563	
Forest receipts	42,782	42,782	
Capital outlay	488,500	391,577	
Total	<u>2,532,725</u>	<u>2,389,922</u>	<u>142,803</u>
Community College			
Other operating expenditures	<u>104,858</u>	<u>104,858</u>	<u>-</u>
Total Education	<u>2,637,583</u>	<u>2,494,780</u>	<u>142,803</u>
Debt Service			
Principal retirement		2,776,045	
Interest		182,662	
Total Debt Service	<u>3,587,730</u>	<u>2,958,707</u>	<u>629,023</u>
<b>TOTAL EXPENDITURES</b>	<u>22,214,556</u>	<u>16,988,404</u>	<u>5,226,152</u>
Revenues over (under) expenditures	(5,971,745)	746,324	(3,734,235)
Other financing sources (uses):			
Transfers from other funds:			
Enterprise Fund	100,000	100,000	-
Transfers to other funds:			
Special Revenue Fund	(35,750)	(31,250)	(4,500)
Total other financing sources (uses)	<u>64,250</u>	<u>68,750</u>	<u>(4,500)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(5,907,495)</u>	<u>815,074</u>	<u>(3,738,735)</u>
Appropriated fund balance	<u>5,907,495</u>	-	<u>(5,907,495)</u>
Net change in fund balance	\$ <u>-</u>	815,074	\$ <u>815,074</u>
Fund balance - beginning		9,567,900	
Fund balance - ending		<u>\$ 10,382,974</u>	

**Jones County, North Carolina**  
**School Construction Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental:					
State of NC - Grant-In-Aid	\$ 13,957,288	\$ 13,957,288	\$ -	\$ 13,957,288	\$ -
Golden Leaf Grant	1,500,000	1,261,919	238,081	1,500,000	-
Lottery Funds	15,000,000	15,000,000	-	15,000,000	-
New Market Tax Credits	3,546,053	-	-	-	(3,546,053)
Rent	-	750	-	750	750
Interest Income	-	279,932	8,594	288,526	288,526
Total Revenues	<u>34,003,341</u>	<u>30,499,889</u>	<u>246,675</u>	<u>30,746,564</u>	<u>(3,256,777)</u>
<b>Expenditures:</b>					
Education:					
Installment Obligations Issued	<u>45,732,288</u>	<u>37,422,495</u>	<u>4,987,072</u>	<u>42,409,567</u>	<u>3,322,721</u>
Total Expenditures	<u>45,732,288</u>	<u>37,422,495</u>	<u>4,987,072</u>	<u>42,409,567</u>	<u>3,322,721</u>
Revenues over (under) expenditures	(11,728,947)	(6,922,606)	(4,740,397)	(11,663,003)	65,944
<b>Other Financing Sources (Uses):</b>					
Installment Purchase Obligation - QZAB	8,992,127	8,998,000	-	8,998,000	5,873
Installment Purchase Obligation - Taxable Loan	<u>2,736,820</u>	<u>2,742,712</u>	<u>-</u>	<u>2,742,712</u>	<u>5,892</u>
Total Other Financing Sources (Uses)	<u>11,728,947</u>	<u>11,740,712</u>	<u>-</u>	<u>11,740,712</u>	<u>11,765</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>4,818,106</u>	(4,740,397)	\$ <u>77,709</u>	\$ <u>77,709</u>
Fund Balance, beginning			<u>4,818,106</u>		
Fund Balance, ending			\$ <u><u>77,709</u></u>		

**Jones County, North Carolina**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2020**

	Special Revenue Funds						Capital Project Funds				
	Property Revaluation Fund	Fire District Fund	Stream Debris Removal Fund	Emergency Watershed Protection Fund	Community Development Block Grant	Swift Water Rescue Fund	Total Nonmajor Special Revenue Funds	Restore Brock Mill Fund	Hazard Mitigation Grant Program Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds Funds
<b>Assets:</b>											
Cash & cash equivalents	\$ -	\$ 1,972	\$ -	\$ -	\$ -	\$ 9,049	\$ 11,021	\$ -	\$ -	\$ -	\$ 11,021
Restricted cash	145,955	-	-	-	-	-	145,955	-	-	-	145,955
Accounts receivable (net)	-	3,994	-	48,667	-	-	52,661	-	-	-	52,661
Taxes receivable (net)	-	10,234	-	-	-	-	10,234	-	-	-	10,234
Total Assets	<u>\$ 145,955</u>	<u>\$ 16,200</u>	<u>\$ -</u>	<u>\$ 48,667</u>	<u>\$ -</u>	<u>\$ 9,049</u>	<u>\$ 219,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,871</u>
<b>Liabilities:</b>											
Accounts payable	-	4,517	-	-	160	-	4,677	-	32,684	32,684	37,361
Due to other funds	-	1,449	-	48,000	20,166	-	69,615	-	72,679	72,679	142,294
Total liabilities	<u>\$ -</u>	<u>\$ 5,966</u>	<u>\$ -</u>	<u>\$ 48,000</u>	<u>\$ 20,326</u>	<u>\$ -</u>	<u>\$ 74,292</u>	<u>\$ -</u>	<u>\$ 105,363</u>	<u>\$ 105,363</u>	<u>\$ 179,655</u>
<b>Deferred Inflows of Resources:</b>											
Grants receivable	-	-	2,940	-	-	-	2,940	-	-	-	2,940
Taxes receivable	<u>\$ -</u>	<u>\$ 10,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,234</u>
Total deferred inflow of resources	-	10,234	2,940	-	-	-	13,174	-	-	-	13,174
<b>Fund Balances:</b>											
Restricted											
Stabilization by state statute	-	3,994	-	48,667	-	-	52,661	-	-	-	52,661
Register of deeds	-	-	-	-	-	-	-	-	-	-	-
Committed											
Tax revaluation	145,955	-	-	-	-	-	145,955	-	-	-	145,955
Cultural and recreational	-	-	(2,940)	-	-	-	(2,940)	-	-	-	(2,940)
Public Safety	-	(3,994)	-	(48,000)	-	9,049	(42,945)	-	(105,363)	(105,363)	(148,308)
Economic and physical development	-	-	-	-	(20,326)	-	(20,326)	-	-	-	(20,326)
Total fund balances	<u>145,955</u>	<u>-</u>	<u>(2,940)</u>	<u>667</u>	<u>(20,326)</u>	<u>9,049</u>	<u>132,405</u>	<u>-</u>	<u>(105,363)</u>	<u>(105,363)</u>	<u>27,042</u>
Total liabilities, deferred inflows and of resources, and fund balances	<u>\$ 145,955</u>	<u>\$ 16,200</u>	<u>\$ -</u>	<u>\$ 48,667</u>	<u>\$ -</u>	<u>\$ 9,049</u>	<u>\$ 219,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,871</u>



**Jones County, North Carolina**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2020**

	Special Revenue Funds							Capital Project Funds			
	Property Revaluation Fund	Fire District Fund	Stream Debris Removal Fund	Emergency Watershed Protection Fund	Community Development Block Grant	Swift Water Rescue Fund	Total Nonmajor Special Revenue Funds	Restore Brock Mill Fund	Hazard Mitigation Grant Program Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds Funds
Revenues:											
Ad valorem taxes	\$ -	\$ 175,594	\$ -	\$ -	\$ -	\$ -	\$ 175,594	\$ -	\$ -	\$ -	\$ 175,594
Local option sales taxes	-	1,514	-	-	-	-	1,514	-	-	-	1,514
Restricted intergovernmental	-	-	450,880	48,667	-	-	499,547	23,689	6,746	30,435	529,982
Miscellaneous	-	-	-	-	-	20,000	20,000	-	-	-	20,000
Total revenues	-	177,108	450,880	48,667	-	20,000	696,655	23,689	6,746	30,435	727,090
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	177,108	-	48,000	-	10,951	236,059	-	112,109	112,109	348,168
Economic and physical development	-	-	-	-	20,326	-	20,326	-	-	-	20,326
Cultural & recreational	-	-	453,820	-	-	-	453,820	23,689	-	23,689	477,509
Total Expenditures	-	177,108	453,820	48,000	20,326	10,951	710,205	23,689	112,109	135,798	846,003
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,940)	667	(20,326)	9,049	(13,550)	-	(105,363)	(105,363)	(118,913)
Other Financing Sources (Uses):											
Transfers from (to) other funds	31,250	-	-	-	-	-	31,250	-	-	-	31,250
Total other financing sources (uses)	31,250	-	-	-	-	-	31,250	-	-	-	31,250
Net change in Fund Balance	31,250	-	(2,940)	667	(20,326)	9,049	17,700	-	(105,363)	(105,363)	(87,663)
Fund balance, beginning	114,705	-	-	-	-	-	114,705	-	-	-	114,705
Fund balance, ending	\$ 145,955	\$ -	\$ (2,940)	\$ 667	\$ (20,326)	\$ 9,049	\$ 132,405	\$ -	\$ (105,363)	\$ (105,363)	\$ 27,042

**Jones County, North Carolina**  
**Property Revaluation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Expenditures			
Current:			
Contract revaluation	\$ -	\$ -	\$ -
Total Expenditures	-	-	-
Other Financing Sources			
Operating transfer from general fund	\$ -	\$ 31,250	\$ 31,250
Appropriated fund balance	-	-	-
Total other financing sources	-	31,250	31,250
Revenues and Other Financing Sources			
Over (Under) Expenditures	\$ -	31,250	\$ 31,250
Fund balance, beginning		114,705	
Fund balance, ending		\$ 145,955	

**Jones County, North Carolina**  
**Fire District Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	2020		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem taxes - current year	\$ 242,651	\$ 175,594	\$ (67,057)
Local option sales tax	1,465	1,514	49
Total Revenues	<u>244,116</u>	<u>177,108</u>	<u>(67,008)</u>
Expenditures			
Current:			
Public safety			
Comfort Fire Tax District	\$ 23,660	\$ 16,775	\$ 6,885
Hargett's Crossroad Fire District	29,441	21,202	8,239
Maysville Fire Tax District	17,700	13,006	4,694
Pollocksville Fire Tax District	63,400	46,535	16,865
Trenton Fire Tax District	64,650	46,868	17,782
Wyse Fork Fire Tax District	26,100	18,730	7,370
Township 7 Fire Tax District	19,165	13,992	5,173
Total Expenditures	<u>244,116</u>	<u>177,108</u>	<u>67,008</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

**Jones County, North Carolina**  
**Waterway Enhancement - Stream Debris Removal Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

	Project	Actual		Total to	Variance Positive
	Authorization	Prior Years	Current Year	Date	(Negative)
Revenues:					
Restricted intergovernmental					
NC Dept. of Agriculture - Soil & Water Division	\$ 1,020,305	\$ 447,851	\$ 450,880	\$ 898,731	\$ (121,574)
Total Revenues	<u>1,020,305</u>	<u>447,851</u>	<u>450,880</u>	<u>898,731</u>	<u>(121,574)</u>
Expenditures:					
Cultural and Recreation					
Waterway Enhancement - Stream Debris Removal	1,101,305	487,299	453,820	941,119	160,186
Total Expenditures	<u>1,101,305</u>	<u>487,299</u>	<u>453,820</u>	<u>941,119</u>	<u>160,186</u>
Revenues Over (Under) Expenditures	<u>(81,000)</u>	<u>(39,448)</u>	<u>(2,940)</u>	<u>(42,388)</u>	<u>38,612</u>
Other Financing Sources (Uses):					
Transfers from general fund	81,000	39,448	-	39,448	41,552
Total Other Financing Sources (Uses)	<u>81,000</u>	<u>39,448</u>	<u>-</u>	<u>39,448</u>	<u>41,552</u>
Revenues and Other Financing Sources Over (Under)					
Expenditures	\$ <u>-</u>	\$ <u>-</u>	(2,940)	\$ <u>(2,940)</u>	\$ <u>(2,940)</u>
Fund Balance, beginning			-		
Fund Balance, ending			\$ <u>(2,940)</u>		

**Jones County, North Carolina**  
**Emergency Watershed Protection Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Restericted intergovernmental	\$ 48,000	\$ 48,667	\$ 667
Total Revenues	<u>48,000</u>	<u>48,667</u>	<u>667</u>
Expenditures			
Current:			
Public safety			
Technical assistance	\$ 48,000	\$ 48,000	\$ -
Total Expenditures	<u>48,000</u>	<u>48,000</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	667	\$ <u>667</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 667</u>	

**Jones County, North Carolina**  
**Community Development Block Grant**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

	Project	Actual		Total to	Variance Positive
	Authorization	Prior Years	Current Year	Date	(Negative)
Revenues:					
Restricted intergovernmental					
NC Department of Commerce - Rural Economic					
Development Division	\$ 750,000	\$ -	\$ -	\$ -	\$ (750,000)
Total Revenues	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>
Expenditures:					
Economic and physical development					
Rehabilitation	675,000	-	-	-	675,000
Administration	71,500	-	16,826	16,826	54,674
Planning	3,500	-	3,500	3,500	-
Total Expenditures	<u>750,000</u>	<u>-</u>	<u>20,326</u>	<u>20,326</u>	<u>729,674</u>
Revenues Over (Under) Expenditures	\$ <u>-</u>	\$ <u>-</u>	(20,326)	\$ <u>(20,326)</u>	\$ <u>(20,326)</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>(20,326)</u>		

**Jones County, North Carolina**  
**Swift Water Rescue**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Duke Energy Foundation	\$ 20,000	\$ 20,000	\$ -
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Expenditures			
Public safety			
Swift water rescue	20,000	10,951	9,049
Total Expenditures	<u>20,000</u>	<u>10,951</u>	<u>9,049</u>
Net change in fund balance	\$ <u>-</u>	9,049	\$ <u>9,049</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 9,049</u>	

## CAPITAL PROJECTS FUNDS

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Capital Projects Funds are used to account for the acquisition and construction

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**Jones County, North Carolina**  
**Restore Brocks Mill Pond Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental					
NCDCR - PARTF	96,100	56,795	23,689	80,484	(15,616)
Total Revenues	\$ 96,100	\$ 56,795	\$ 23,689	\$ 80,484	\$ (15,616)
Expenditures:					
Cultural & Recreational					
Restoration of Brock's Mill House & Pond	96,100	56,795	23,689	80,484	15,616
Total Expenditures	96,100	56,795	23,689	80,484	15,616
Revenues over (under) expenditures	-	-	-	-	-
Fund Balance, beginning			-		
Fund Balance, ending			\$ -		

**Jones County, North Carolina**  
**Hazard Mitigation Grant Program Capital Fund Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted Intergovernmental					
Hazard Mitigation Grant Program - Acquisition (4285-45)	\$ 610,770	\$ 154,970	\$ 3,587	\$ 158,557	\$ (452,213)
Hazard Mitigation Grant Program - Elevation (4285-46)	141,908	-	3,159	3,159	(138,749)
Hazard Mitigation Grant Program - Acquisition (4393-0016)	7,288,934	-	-	-	(7,288,934)
Total Revenues	<u>8,041,612</u>	<u>154,970</u>	<u>6,746</u>	<u>161,716</u>	<u>(7,879,896)</u>
<b>Expenditures:</b>					
Public Safety					
Hazard Mitigation Grant Program - Acquisition (4285-45)					
Legal fees - other	10,250	-	4,675	4,675	5,575
Survey	7,080	-	7,080	7,080	-
Appraisal	3,920	500	2,500	3,000	920
Acquisition	480,312	153,690	46,000	199,690	280,622
Demolition	80,124	-	18,340	18,340	61,784
Administration	29,084	780	328	1,108	27,976
Hazard Mitigation Grant Program - Elevation (4285-46)					
Legal fees - other	550	-	500	500	50
Engineering	14,500	-	12,865	12,865	1,635
Inspection	2,500	-	-	-	2,500
Elevation	106,100	-	1,125	1,125	104,975
Analysis	3,500	-	1,343	1,343	2,157
Administration	10,258	-	1,810	1,810	8,448
Relocation	4,500	-	-	-	4,500
Hazard Mitigation Grant Program - Acquisition (4393-0016)					
Legal fees - other	66,650	-	7,743	7,743	58,907
Inspection	23,250	-	-	-	23,250
Survey	37,200	-	-	-	37,200
Appraisal	62,000	-	7,800	7,800	54,200
Acquisition	5,993,655	-	-	-	5,993,655
Demolition	798,204	-	-	-	798,204
Administration	307,975	-	-	-	307,975
Total Expenditures	<u>8,041,612</u>	<u>154,970</u>	<u>112,109</u>	<u>267,079</u>	<u>7,774,533</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(105,363)	\$ <u>(105,363)</u>	\$ <u>(105,363)</u>
Fund Balance, beginning			-		
Fund Balance, ending			\$ <u>(105,363)</u>		

## PROPRIETARY FUNDS

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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**Jones County, North Carolina**  
**Water Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Operating Revenues:			
Water sales	\$ 1,375,000	\$ 1,416,956	\$ 41,956
Water tap fees	15,000	26,500	11,500
Reconnect fees	15,000	10,740	(4,260)
Other operating revenue	155,280	108,972	(46,308)
Total Operating Revenues	<u>1,560,280</u>	<u>1,563,168</u>	<u>2,888</u>
Nonoperating Revenues:			
Investment earnings	-	11,680	11,680
Total Nonoperating Revenues	<u>-</u>	<u>11,680</u>	<u>11,680</u>
Total Revenues	<u>1,560,280</u>	<u>1,574,848</u>	<u>14,568</u>
Operating Expenses:			
Water Administration, Billing & Collection			
Salaries & employee benefits		88,287	
Professional services		15,000	
Insurance		59,500	
Postage		9,255	
Supplies		2,084	
Printing		5,198	
Telephone		1,380	
Other operating expenditures		16,604	
Total	<u>340,489</u>	<u>197,308</u>	<u>143,181</u>
Raw Water Supply & Maintenance			
Salaries & employee benefits		278,788	
Electric power		85,191	
Vehicles operation & maintenance		28,474	
Supplies & materials		13,323	
Sample analysis		10,366	
Other operating expenditures		82,379	
Maintenance & replacement		29,443	
Total	<u>742,525</u>	<u>527,964</u>	<u>214,561</u>
Total Operating Expenses	<u>1,083,014</u>	<u>725,272</u>	<u>357,742</u>

**Jones County, North Carolina**  
**Water Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Debt service:			
Interest, fees and amortization		19,162	
Principal		148,234	
Total Debt Service	175,000	167,396	7,604
Capital Outlay			
Construction	20,000	19,883	117
Total Expenditures	1,278,014	912,551	365,463
Revenues Over (Under) Expenditures	282,266	662,297	(350,895)
Other Financing Sources (Uses):			
Transfer to general fund	(100,000)	(100,000)	-
Transfer to water capital reserve capital project fund	(182,266)	(182,266)	-
Total Other Financing Sources (Uses)	(282,266)	(282,266)	-
Revenues and Other Financing Sources Over (Under)			
Expenditures	\$ -	380,031	\$ (350,895)
<b>Reconciliation from budgetary basis (modified accrual)</b>			
<b>to full accrual:</b>			
Revenues over (under) expenditures		380,031	
Reconciling items:			
Debt principal		148,234	
Capital outlay		19,883	
Depreciation		(466,630)	
Increase (decrease) in deferred outflows of resources -			
pensions		(46,191)	
(Increase) decrease in net pension liability		(14,280)	
(Increase) decrease in deferred inflows of resources -			
pensions		17,424	
(Increase) decrease in accrued vacation payable		19,603	
Transfer to water capital reserve capital project fund		182,266	
Change in net position	\$	240,340	
		240,340	

**Jones County, North Carolina**  
**Water Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	2020		Variance
	Final Budget	Actual	Positive (Negative)
Nonoperating Revenues:			
Investment earnings	-	7,438	7,438
Total Nonoperating Revenues	-	7,438	7,438
Other Financing Sources			
Transfer from water fund	-	182,266	182,266
Total other financing sources	-	182,266	182,266
Revenues and Other Financing Sources			
Over (Under) Expenditures	\$ -	189,704	\$ 189,704
Fund balance, beginning		1,335,642	
Fund balance, ending		\$ 1,525,346	

**Jones County, North Carolina**  
**Water Supply Improvements - Enterprise Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

		Actual			Variance
	Project		Current		Positive
	Authorization	Prior Years	Year	Total to Date	(Negative)
Revenues:					
Wastewater Treatment Plant Capital Project:					
Restricted intergovernmental					
USDA-Rural Development Loan	\$ 7,657,000	\$ -	\$ 7,651,102	\$ 7,651,102	\$ (5,898)
USDA-Rural Development Grant	3,435,000	-	-	-	(3,435,000)
Total Wastewater Treatment Plant Capital Project	11,092,000	-	7,651,102	7,651,102	(3,440,898)
Department of Transportation Waterline Relocation Project:					
Restricted intergovernmental					
Department of Transportation	58,877	-	-	-	(58,877)
Total DOT Waterline Relocation Project	58,877	-	-	-	(58,877)
Waterline Storm Repair Project:					
Other revenue					
DWSRF Loan	127,263	-	-	-	(127,263)
Golden Leaf	79,080	55,485	79,080	134,565	55,485
Total Waterline Storm Repair Project	206,343	55,485	79,080	134,565	(71,778)
Total Revenues	11,357,220	55,485	7,730,182	7,785,667	(3,571,552)
Expenditures					
Wastewater Treatment Plant Capital Project:					
Construction - water distribution	2,219,726	-	462,040	462,040	1,757,686
Construction - well improvements	275,360	-	21,542	21,542	253,818
Construction - elevated storage tank	889,000	-	-	-	889,000
Construction - water treatment plant	5,747,284	-	118,237	118,237	5,629,047
Construction - meter replacements	124,789	-	-	-	124,789
Engineering	603,480	94,238	511,880	606,118	(2,638)
Preliminary engineering report	20,000	-	-	-	20,000
Environmental report	14,913	-	1,800	1,800	13,113
USDA funding assistance	10,875	-	10,875	10,875	-
Inspection	299,732	-	-	-	299,732
Legal	25,264	4,737	19,474	24,211	1,053
Debt service interest	240,000	-	-	-	240,000
Surveying	10,000	-	10,000	10,000	-
Land easement - negotiation	15,000	5,000	10,000	15,000	-
Advertisement	6,017	-	6,017	6,017	-
Permit fees	6,810	4,350	-	4,350	2,460
Land easement - acquisition	225,000	171,218	-	171,218	53,782
SCADA System	437,327	-	-	-	437,327
Test wells	88,259	-	-	-	88,259
Equipment	-	-	-	-	-
Contingency	189,911	-	-	-	189,911
Total Wastewater Treatment Plant Capital Project	11,448,746	279,543	1,171,865	1,451,408	9,997,338

**Jones County, North Carolina**  
**Water Supply Improvements - Enterprise Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2020**

Department of Transportation Waterline Relocation Project:					
Forest Glen - Engineering	3,500	-	3,500	3,500	-
Forest Glen - Construction	16,392	-	16,392	16,392	-
Forest Glen - Additional Services	3,240	-	3,240	3,240	-
Construction	2,651	-	-	-	2,651
Contingency	17,320	-	-	-	17,320
Additional Services	4,110	-	-	-	4,110
Total DOT Waterline Relocation Project	<u>47,213</u>	<u>-</u>	<u>23,132</u>	<u>23,132</u>	<u>24,081</u>
Waterline Storm Repair Project:					
Construction and Engineering	48,224	48,041	-	48,041	183
Additional Services	7,724	7,444	-	7,444	280
Total Waterline Storm Repair Project	<u>55,948</u>	<u>55,485</u>	<u>-</u>	<u>55,485</u>	<u>463</u>
Total Expenditures	<u>11,551,907</u>	<u>335,028</u>	<u>1,194,997</u>	<u>1,530,025</u>	<u>10,021,882</u>
Revenues over (under) expenditures	(194,687)	(279,543)	6,535,185	6,255,642	6,450,329
Other Financing Sources (Uses):					
Interest income	-	-	128	128	128
Local match	194,688	50,000	-	50,000	(144,688)
Total Other Financing Sources (Uses)	<u>194,688</u>	<u>50,000</u>	<u>128</u>	<u>50,128</u>	<u>(144,560)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>(229,543)</u>	6,535,313	\$ <u>6,305,770</u>	\$ <u>6,305,770</u>
Fund Balance, beginning			(229,543)		
Fund Balance, ending			\$ <u>6,305,770</u>		



## AGENCY FUNDS

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Agency funds are used to account for assets the County holds on behalf of others.

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**Jones County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2020**

	Balance June 30, 2019	Net Change	Balance June 30, 2020
<b>Social Services Fund:</b>			
Assets:			
Cash and cash equivalents	\$ 24,661	\$ 9,105	\$ 33,766
Total	<u>24,661</u>	<u>9,105</u>	<u>33,766</u>
Liabilities:			
Accounts payable	\$ 24,661	\$ 9,105	\$ 33,766
<b>Fines and Forfeitures</b>			
Assets:			
Accounts receivable	\$ 7,992	\$ 520	\$ 8,512
Total	<u>7,992</u>	<u>520</u>	<u>8,512</u>
Liabilities			
Intergovernmental payable - Jones County Board of Education	\$ 7,992	\$ 520	\$ 8,512
<b>Ad Valorem Tax Fund</b>			
Assets:			
Cash and cash equivalents	\$ 2,071	\$ 41,519	\$ 43,590
Accounts receivable	52,136	(38,759)	13,377
Total	<u>54,207</u>	<u>2,760</u>	<u>56,967</u>
Liabilities			
Intergovernmental payable	\$ 54,207	\$ 2,760	\$ 56,967
<b>Agricultural Extension Fund:</b>			
Assets:			
Cash and cash equivalents	\$ 49,407	\$ (3,826)	\$ 45,581
Total	<u>49,407</u>	<u>(3,826)</u>	<u>45,581</u>
Liabilities			
Intergovernmental payable	\$ 49,407	\$ (3,826)	\$ 45,581
<b>Sheriff and Animal Cruelty Fund:</b>			
Assets:			
Cash and cash equivalents	\$ 69,903	\$ 2,113	\$ 72,016
Accounts receivable	36,478	1,102	37,580
Total	<u>106,381</u>	<u>3,215</u>	<u>109,596</u>
Liabilities			
Intergovernmental payable	\$ 106,381	\$ 3,215	\$ 109,596
<b>Miscellaneous Trust Fund</b>			
Assets:			
Cash and cash equivalents	\$ 76,263	\$ 5,100	\$ 81,363
Total	<u>76,263</u>	<u>5,100</u>	<u>81,363</u>
Liabilities			
Intergovernmental payable	\$ 76,263	\$ 5,100	\$ 81,363
<b>Total - All Agency Funds:</b>			
Assets:			
Cash and cash equivalents	\$ 222,305	\$ 54,011	\$ 276,316
Accounts receivable	96,605	(37,136)	59,469
Total	<u>318,910</u>	<u>16,875</u>	<u>335,785</u>
Liabilities			
Miscellaneous liabilities and payables	\$ 318,910	\$ 16,875	\$ 335,785

## OTHER SCHEDULES

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This sections includes additional information on property taxes

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General Fund Schedule of Ad Valorem Taxes Receivable

County-Wide Levy Analysis of Curreny Tax Levy

Jones County, North Carolina  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
June 30, 2020

Exhibit H-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019	\$ -	\$ 6,882,076	\$ 6,680,692	\$ 201,384
2018	240,298	-	122,061	118,237
2017	95,062	-	28,962	66,100
2016	39,212	-	10,911	28,301
2015	37,796	-	4,461	33,335
2014	18,313	-	1,718	16,595
2013	25,366	-	949	24,417
2012	23,915	-	792	23,123
2011	17,291	-	267	17,024
2010	13,040	-	11	13,029
2009	11,232	-	11,232	-
<b>TOTALS</b>	<b>\$ <u>521,525</u></b>	<b>\$ <u>6,882,076</u></b>	<b>\$ <u>6,862,056</u></b>	<b>\$ <u>541,545</u></b>
Less: Allowance for uncollectable taxes				<u>(16,200)</u>
Ad valorem taxes - General Fund				<u>\$ <u>525,345</u></u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 6,949,274
Reconciling items:				
Penalties and Interest				17,980
Releases and Refunds				<u>(64,998)</u>
Total Reconciling Items				<u>(47,018)</u>
Total Collections and Credits				<u>\$ <u>6,902,256.00</u></u>

Jones County, North Carolina  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
For the Fiscal Year Ended June 30, 2020

Exhibit H - 2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 867,223,418	0.7900%	\$ 6,851,065	\$ 6,046,172	\$ 804,893
Total Original Levy	<u>867,223,418</u>		<u>6,851,065</u>	<u>6,046,172</u>	<u>804,893</u>
Discoveries:					
Current year taxes	6,835,063	0.7900%	53,997	53,997	-
Total Discoveries	<u>6,835,063</u>		<u>53,997</u>	<u>53,997</u>	<u>-</u>
Abatements					
Current Year Taxes	(2,909,620)	0.7900%	(22,986)	(22,986)	-
Total Abatements	<u>(2,909,620)</u>		<u>(22,986)</u>	<u>(22,986)</u>	<u>-</u>
Total for Year	\$ <u>871,148,861</u>		6,882,076	6,077,183	804,893
Uncollected taxes at June 30, 2020			<u>201,384</u>	<u>201,384</u>	<u>-</u>
Current year's taxes collected			\$ <u>6,680,692</u>	\$ <u>5,875,799</u>	\$ <u>804,893</u>
Current levy collection percentage			<u>97.07%</u>	<u>96.69%</u>	<u>100.00%</u>

Jones County, North Carolina  
**Schedule of Ten Largest Taxpayers**  
 9For the Fiscal Year Ended June 30, 2020

Exhibit H-3

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2019 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Weyerhaeuser Company	Timber	\$ 34,082,785	3.87 %
Jones - Onslow EMC	Utility	27,384,684	3.11
Hofmann Forest Timber Lands, LLC	Timber	16,085,063	1.82
Duke Energy Progress, Inc.	Utility	10,486,329	1.19
Murphy Brown, LLC	Agriculture	8,510,886	0.96
Jones County Cotton Gin, Inc.	Agriculture	5,289,367	0.60
Brunswick Timber, LLC	Service	4,878,228	0.55
Martin Marietta Materials, Inc.	Manufacturing	3,883,418	0.44
Down East Farms, Inc.	Agriculture	3,490,633	0.39
Randy D. Riggs	Agriculture	3,480,000	0.39
Total		<u>\$ 117,571,392</u>	<u>13.32 %</u>

## COMPLIANCE SECTION



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**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***

**Independent Auditor's Report**

To the Board of County Commissioners  
Jones County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jones County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the Jones County's basic financial statements, and have issued our report thereon dated January 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the Jones County ABC Board, as described in our report on Jones County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Jones County ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Jones County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jones 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 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 limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 Jones County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Thompson, Price, Scott, Adams & Co., PA  
Wilmington, North Carolina  
January 21, 2021



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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Jones County, North Carolina

#### **Report on Compliance for Each Major Federal Program**

We have audited Jones County, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Jones County's major federal programs for the year ended June 30, 2020. Jones 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 and State 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 Jones 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) and the State Single Audit Implementation Act. Those standards, the OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jones County'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 Jones County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Jones 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 June 30, 2020.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020 – 001. Our opinion on each major federal program is not modified with respect to these matters.

Jones County's response to the noncompliance findings identified in our audit is described in the schedule of findings and questioned costs. Jones County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Jones 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 Jones County's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 a 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 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020 – 001 that we consider to be significant deficiencies.

Jones County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Thompson, Price, Scott, Adams & Co., PA*

*Wilmington, North Carolina*

*January 21, 2021*



Thompson, Price, Scott, Adams & Co., P.A.  
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Wilmington, North Carolina 28403  
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**Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Board of County Commissioners  
Jones County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Jones County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Jones County's major state programs for the year ended June 30, 2020. Jones County's major state 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 State Statutes, regulations, and the terms and conditions of its State awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Jones County's major state 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 applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act 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 state program occurred. An audit includes examining, on a test basis, evidence about Jones 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 state program. However, our audit does not provide a legal determination of Jones County's compliance.

## **Opinion on Each Major State Program**

In our opinion, Jones 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 state programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of Jones 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 Jones County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 significant deficiencies or material weaknesses. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., PA*

*Wilmington, North Carolina*

*January 21, 2021*

**JONES COUNTY  
TRENTON, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I. Summary of Auditor's Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:  
Unmodified

Internal control over financial reporting:

Material weaknesses identified?        Yes   X   No

Significant Deficiency(s) identified?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?        Yes   X   No

Significant Deficiency(s) identified?   X   Yes        None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes        No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program
10.760	Water and Waste Disposal Systems for Rural Communities Loan
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B Programs        \$   750,000  

Auditee qualified as low-risk auditee?        Yes   X   No

State Awards

Internal control over major State programs:

- Material Weakness(es) identified?        Yes   X   No
- Significant deficiency(s) identified that are not considered to be a material weakness        Yes   X   None Reported

Type of auditor's report issued on compliance for major State programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act        Yes   X   No

Identification of major State programs:

<u>Program Name</u>
Needs Based Public School Building Capital Fund - Lottery Proceeds
Disaster Grants - Public Assistance
NC Office of Recovery and Resiliency - State Revolving Loans for Temporary Cash Assistance to Local Governments

**JONES COUNTY  
TRENTON, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Section II. Financial Statement Findings

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None reported.



**JONES COUNTY  
TRENTON, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Section III. Federal Award Findings and Questioned Costs

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**Significant Deficiency/Noncompliance**

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

**Finding: 2020 - 001**

**Eligibility**

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, documentation should be present and agree back to the records in the NC FAST system. Any items discovered in the process should be considered resources and explained within the documentation.

Condition: There were twenty two (22) technical errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no affect to eligibility and there were no questioned costs.

Context: We examined 60 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

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Section IV. State Award Findings and Questioned Costs

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None Reported.



# JONES COUNTY

**County of Jones  
Finance Office  
418 Hwy 58 N, Unit A  
Trenton, NC 28585  
Telephone: (252) 448-5111  
Fax: (252) 448-1072**

**CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Section II. Financial Statement Findings

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None Reported.

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### Section III. Federal Award Findings and Questioned Costs

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#### **2020 – 001      Eligibility**

Name of contact Person: Jessica Adams, Interim Director of Social Services

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on the newly created “Documentation Policy” to remind each of the policies and procedures to be followed in the application process. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify the controls as needed.

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### Section IV. State Award Findings and Questioned Costs

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None Reported.

**JONES COUNTY  
TRENTON, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2020

Status:	2019-001	Corrected.
	2019-002	Corrected.
	2019-003	Corrected.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<b>Federal Awards:</b>						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		214,351	-	-	214,351
Passed-through the Office of the NC State Controller: Dept. of Social Services Division of Food Distribution Schools and Roads - Grants to State	10.665		42,782	-	-	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5)	10.557		57,311	-	-	-
Direct Program Water and Waste Disposal Systems for Rural Communities Loan Total U.S. Department of Agriculture	10.760		1,115,917 1,430,361	- -	- -	- 214,351
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce: CDBG - State - Administered Small Cities Program Cluster Community Development Block Grant Small Business Entrepreneurial Assistance Total CDBG - State - Administered Small Cities Program Cluster	14.228	18-C-3061	20,326 20,326	- -	- -	- -
<u>U.S. Dept. of Justice</u>						
Passed-through N.C. Department of Public Safety: Direct Program: Edward Byrne Memorial Justice Assistance Grant Program Total U.S. Dept. of Justice	16.738		24,500 24,500	- -	- -	- -
<u>U.S. Dept. of Interior</u>						
Direct Payment in Lieu of Taxes Total U.S. Dept. of Interior	15.226		112,887 112,887	- -	- -	- -
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety: Emergency Service Performance Grant Hazard Mitigation Grant Program Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total U. S. Department of Homeland Security	97.042 97.039 97.036		19,452 72,424 844,159 936,035	19,452 24,141 281,386 324,980	- - - -	- - - -
<u>U.S. Dept. of Health &amp; Human Services</u>						
Passed-through N.C. Department of Health and Human Services: Division of Aging and Adult Services: <u>Aging Cluster:</u> Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers Special Programs for the Aging - Title III C Nutrition Services Congregate Meals Home Delivered Meals Nutrition Services Incentive Program Social Services Block Grant Total Aging Cluster	93.044 93.045 93.045 93.053 93.667		5,660 47,665 36,811 17,586 2,028 109,751	333 2,804 2,165 - 58 5,360	- - - - - -	666 5,608 4,331 - 232 10,836
Division of Social Services: Temporary Assistance for Needy Families (TANF) Cluster TANF - Work First Division of Public Health TANF - Work First Total TANF Cluster	93.558 93.558		195,329 1,459 196,788	- - -	- - -	32,194 - 32,194
<u>Foster Care and Adoption Cluster (Note 4&amp;5)</u> Foster Care - Title IV-E Foster Care Total Foster Care and Adoption Cluster (Note 4&5)	93.658 N/A		29,675 8,937 38,612	13,067 - 13,067	- - -	22,476 - 22,476
Child Support Enforcement	93.563		94,148	(109)	-	48,609
Low-Income Home Energy Assistance: Administration Energy Assistance Payments Crisis Intervention Program Total Low-Income Home Energy Assistance	93.568 93.568 93.568		9,178 79,374 47,060 135,612	- - - -	- - - -	- - - -
Stephanie Tubbs Jones Child Welfare Services Program: - Permanency Planning - Families for Kids Total Stephanie Tubbs Jones Child Welfare Services Program	93.645		965 965	- -	- -	322 322

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
SSBG - Other Service and Training	93.667		54,220	-	-	18,073
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		6,462	-	-	923
SSBG - Adult Protective Care	93.667		15,352	-	-	-
Total Social Service Block Grant			76,033	-	-	18,996
Division of Child Development and Early Education (Note 5)						
Subsidized Child Care (Note 4)						
Child Care Development Fund Cluster:						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		81,928	-	-	-
Total Subsidized Child Care (Note 4)			81,928	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Health Benefits :						
Division of Social Services:						
Administration:						
Medical Assistance Program (Note 5)	93.778		482,409	663	-	225,782
Total Medical Assistance Program			482,409	663	-	225,782
Division of Social Services:						
Administration:						
Children's Health Insurance Program - N.C. Health Choice (Note 5)	93.767		13,301	387	-	779
Total Children's Health Insurance Program - N.C. Health Choice			13,301	387	-	779
Passed-through the N.C. Dept. of Insurance:						
Medicare Enrollment Assistance Program						
MIPPA Grant	93.071		1,000	-	-	-
Total Medicare Enrollment Assistance Program			1,000	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		30,993	-	-	-
Project Grants and Cooperative Agreements for						
Tuberculosis Control Program	93.116		29	-	-	-
Family Planning Services	93.217		29,416	-	-	-
Immunization Cooperative Agreements	93.268		5,692	-	-	-
COVID-19 Public Health Emergency Response: Cooperative Agreement						
for Emergency Response: Public Health Crisis Response	93.354		34,990	-	-	-
Well-Integrated Screening and Evaluation for Women Across the						
Nation (Wisewomen)	93.436		1,635	-	-	-
Cancer Prevention and Control Programs for State, Territorial						
and Tribal Organizations	93.898		1,950	-	-	-
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		20,119	-	-	-
Maternal and Child Health Services Block Grant	93.994		18,476	7,556	-	-
Total U.S. Dept. of Health and Human Services			1,373,949	26,925	-	359,994
Total federal awards			3,898,057	351,904	-	574,345
<b>State Awards:</b>						
<u>N.C. Dept. of Administration</u>						
Division of Veterans Affairs:						
Veterans Services			-	2,182	-	-
Total N.C. Dept. of Administration			-	2,182	-	-
<u>N.C. Dept. of Cultural and Natural Resources</u>						
Parks and Recreation Trust Fund Grant -BMP			-	23,689	-	-
<u>N.C. Department of Environmental Quality</u>						
Administered by County Department of Soil Conservation						
Soil Conservation State Match			-	3,673	-	-
Agricultural Cost Share Programs - Technical Assistance			-	25,711	-	-
Disaster Recovery 2018			-	3,300	-	-
Stream Debris Removal			-	450,880	-	-
Total Dept. Soil Conservation			-	483,564	-	-
Total Division of Environmental Assessment			-	-	-	-
Total N.C. Dept. Environmental Quality			-	483,564	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
In-Home Services			-	17,845	-	1,983
Home Delivered Meals			-	48,801	-	5,422
Total Division of Aging and Adult Services			-	66,646	-	7,405
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	8,782	-	-
Energy Assistance			-	1,532	-	-
State Foster Home			-	7,474	-	7,474
Non-Allocating Reimbursable			-	-	-	38,236
County Funded Programs			-	-	-	238,794
CSE Disaster Non Reimbursable			-	-	-	27,350
Total Division of Social Services			-	17,788	-	311,853

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Division of Public Health						
Food and Lodging			-	2,412	-	-
General Aid-to-Counties			-	78,958	-	-
General Communicable Disease Control			-	9,778	-	-
Child Health			-	689	-	-
HIV/STD State			-	500	-	-
STD Drugs			-	69	-	-
Breast and Cervical Cancer Control			-	3,365	-	-
School Nursing Funding Initiative			-	50,000	-	-
Healthy Beginnings			-	3,785	-	-
Family Planning - State			-	3,500	-	-
Maternal Health			-	5,330	-	-
Women Health Service Fund			-	4,834	-	-
TB Control			-	1,945	-	-
Total Division of Public Health			-	165,165	-	-
Total N. C. Department of Health and Human Services			-	249,599	-	319,258
<u>NC Dept. of State Budget and Management</u>						
Rebuild Project-Contract #13624-H			-	51,507	-	-
Disaster Recovery Grant #224-D (Courthouse)			-	10,125	-	-
Total N.C. Dept. of State Budget and Management			-	61,632	-	-
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant			-	3,500	-	-
Total N.C. Dept. of Insurance			-	3,500	-	-
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - ADM Proceeds			-	168,667	-	-
Public School Capital Fund - Lottery Proceeds			-	2,787,421	-	-
Total N.C. Dept. of Public Instruction			-	2,956,087	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	91,448	-	-
Total N. C. Department of Public Safety			-	91,448	-	-
Golden Leaf			-	238,081	-	-
<u>N.C. Office of Recovery &amp; Resiliency</u>						
State Grants for Financially Distressed Local Governments - 2019			-	857,548	-	-
State Grants for Financially Distressed Local Governments - 2020			-	45,000	-	-
State Revolving Loans for Temporary Cash Assistance to Local Governments			-	385,034	-	-
Total N.C. Office of Recovery & Resiliency			-	1,287,582	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.9.1	-	59,276	-	-
ROAP Rural General Public Program		36228.22.9.1	-	54,972	-	-
ROAP Work First Transitional - Employment		36236.11.8.1	-	5,248	-	-
Total ROAP Cluster			-	119,496	-	-
Total N.C. Dept. of Transportation			-	119,496	-	-
<u>Administrative Office of the Courts</u>						
Safe Roads Act			-	1,105	-	-
Total State awards			-	5,517,965	-	319,258
Total federal and State awards			\$ 3,898,057	\$ 5,869,869	\$ -	\$ 893,604

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
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Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Jones County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Jones County, it is not intended to and does not present the financial position, changes in net position or cash flows of Jones County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

Jones County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption

**Note 5: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	59,215	-
Supplemental Nutrition Assistance Program	10.551	2,718,427	-
Temporary Assistance for Needy Families	93.558	32,134	-
Adoption Assistance	93.659	40,211	9,076
Family Preservation	93.556	391	-
Medical Assistance Program	93.778	13,218,000	6,177,161
Children's Health Insurance Program	93.767	217,803	15,367
Child Welfare Services Adoption	N/A	-	7,608
SC/SA Domiciliary Care	N/A	-	42,039

**Note 6: Loans Outstanding**

Jones County had the following loan balances outstanding at June 30, 2020 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2020 consist of:

	Federal CFDA Number	Amount Outstanding
Water and Waste Disposal Systems for Rural Communities Loan	10.760	\$ -
The balance is \$0 at June 30, 2020; however, USDA has committed to provide funding to pay off the interim financing.		

**Note 7: Coronavirus Relief Funds**

Jones County received \$403,250 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$182,803 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Jones County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2021.