

REVIEWED

By SLGFD at 3:19 pm, Jan 21, 2022

COUNTY OF JONES
Trenton, North Carolina

FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2021

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

Rachel Shaver
Tax Supervisor/Collector

Kyle Smith
Finance Officer

Susan Gray
Register of Deeds

Wendy Winslow
Interim Social Services Director

Danny Heath
Sheriff

JONES COUNTY
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FINANCIAL SECTION



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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, 2021, 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 financial 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, 2021, 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 11, 2022, 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 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021. 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

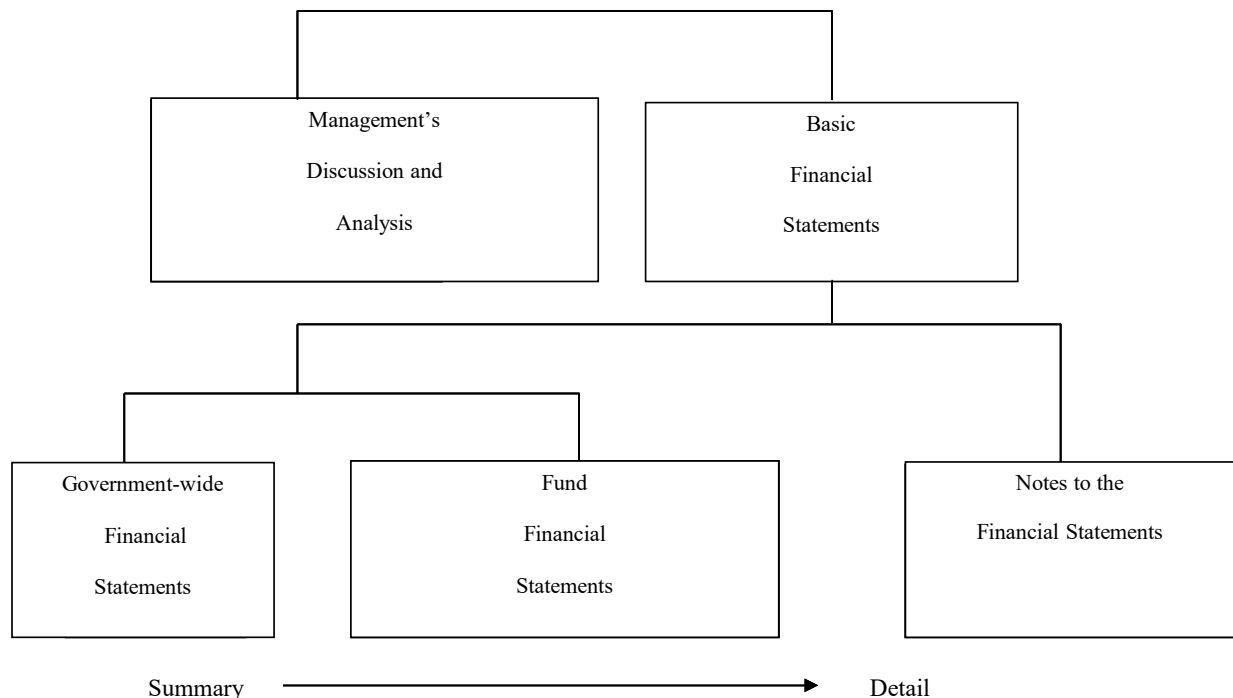
- The assets and deferred outflows of resources of Jones County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,255,745 (net position).
- The government's total net position decreased by \$887,293, primarily due to decreased net position in the governmental 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 \$10,914,409 an increase of \$153,228 in comparison with the prior year. At June 30, 2021, approximately 55% of this total amount or \$5,534,361 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,380,048 or 34% of total general fund expenditures for the 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 56,057,028	\$ 55,108,357	\$ 5,336,486	\$ 11,776,125	\$ 61,393,514	\$ 66,884,482
Capital assets	8,318,056	7,967,700	14,018,275	7,930,436	22,336,331	15,898,136
Total assets	64,375,084	63,076,057	19,354,761	19,706,561	83,729,845	82,782,618
Deferred outflows of resources	1,383,680	1,006,121	98,845	75,372	1,482,525	1,081,493
Long-term liabilities outstanding	17,779,328	15,905,016	9,277,257	9,375,216	27,056,585	25,280,232
Current liabilities	822,490	1,222,786	632,562	1,331,534	1,455,052	2,554,320
Total liabilities	18,601,818	17,127,802	9,909,819	10,706,750	28,511,637	27,834,552
Deferred inflows of resources	1,437,997	149,346	2,991	4,112	1,440,988	153,458
Net Position:						
Net investment						
in capital assets	4,939,434	6,503,593	4,956,046	6,370,882	9,895,480	12,874,475
Restricted	6,049,806	3,059,661	-	-	6,049,806	3,059,661
Unrestricted	34,729,709	37,241,776	4,584,750	2,700,189	39,314,459	39,941,965
Total net position	\$ 45,718,949	\$ 46,805,030	\$ 9,540,796	\$ 9,071,071	\$ 55,259,745	\$ 55,876,101

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 \$55,259,745 as of June 30, 2021. The County's Net Position decreased by \$887,293 for the fiscal year ending June 30, 2021. Net position is reported in three net categories: Net investment in capital assets of \$9,895,480 (18%), restricted assets of \$6,049,806 (11%), and unrestricted net position of \$39,314,459 (71%). 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 96.96%.
- 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for Services	\$ 2,825,904	\$ 2,180,924	\$ 1,628,378	\$ 1,563,168	\$ 4,454,282	\$ 3,744,092
Operating grants and contributions	2,972,601	6,552,823	-	-	2,972,601	6,552,823
Capital grants and contributions	-	238,081	245,165	79,080	245,165	317,161
General revenues:						
Property taxes	6,976,562	7,081,888	-	-	6,976,562	7,081,888
Other taxes	2,575,913	2,252,382	-	-	2,575,913	2,252,382
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	1,290,747	186,077	1,077	19,246	1,291,824	205,323
Total revenues	16,641,727	18,492,175	1,874,620	1,661,494	18,516,347	20,153,669
Expenses:						
General government	3,144,375	2,232,521	-	-	3,144,375	2,232,521
Public Safety	6,674,770	4,929,747	-	-	6,674,770	4,929,747
Environmental protection	783,669	796,181	-	-	783,669	796,181
Economic and physical development	407,431	403,248	-	-	407,431	403,248
Human services	3,112,237	3,233,074	-	-	3,112,237	3,233,074
Cultural and recreation	927,860	838,063	-	-	927,860	838,063
Education	2,601,043	2,494,780	-	-	2,601,043	2,494,780
Miscellaneous	291,676	95,410	-	-	291,676	95,410
Interest on long-term debt	155,684	130,776	-	-	155,684	130,776
Water	-	-	1,304,895	1,321,154	1,304,895	1,321,154
Total expenses	18,098,745	15,153,800	1,304,895	1,321,154	19,403,640	16,474,954
Increase (decrease) in net position before transfers and special items	(1,457,018)	3,338,375	569,725	340,340	(887,293)	3,678,715
Special item - Insurance Recovery	-	-	-	-	-	-
Transfers	100,000	100,000	(100,000)	(100,000)	-	-
Increase (decrease) in net position	(1,357,018)	3,438,375	469,725	240,340	(887,293)	3,678,715
Net Position, beginning as previously reported	46,805,030	43,366,655	9,071,071	8,830,731	55,876,101	52,197,386
Prior period restatement - change in accounting principle	270,937	-	-	-	270,937	-
Net Position, beginning restated	47,075,967	43,366,655	9,071,071	8,830,731	56,147,038	52,197,386
Net position, June 30, ending	\$ 45,718,949	\$ 46,805,030	\$ 9,540,796	\$ 9,071,071	\$ 55,259,745	\$ 55,876,101

Governmental activities: Governmental activities decreased the County's net position by \$1,357,018. Key elements of the decrease in 2021 are as follows:

- Increase in expenses for Public Safety department.
- 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 \$469,725. Key elements of this increase in 2021 are as follows:

- Increase in revenues.

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 \$5,380,048, while total fund balance reached \$12,945,493. Of this fund balance available, \$5,929,870 is restricted, \$805,351 is committed, and \$808,559 is assigned, leaving \$5,380,048 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 34% of total General Fund expenditures, while total fund balance represents 82% 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, 2021, Jones County is above the range established by the Board.

At June 30, 2021, the governmental funds of the County reported a combined fund balance of \$10,914,409, a \$153,228 increase 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 \$4,584,750. The total increase in net position was \$469,725. 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 capital assets for its governmental and business-type activities as of June 30, 2021, totals \$22,336,331 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 989,157	\$ 931,561	\$ 54,808	\$ 54,808	\$ 1,043,965	\$ 986,369
Buildings	5,219,892	5,383,669	5,929,221	6,351,714	11,149,113	11,735,383
Furniture, fixtures and equipment, vehicles	1,490,633	1,471,625	41,257	72,507	1,531,890	1,544,132
Infrastructure	97,316	100,361	-	-	97,316	100,361
Construction in Progress	521,058	80,484	7,992,989	1,451,407	8,514,047	1,531,891
Total	\$ 8,318,056	\$ 7,967,700	\$ 14,018,275	\$ 7,930,436	\$ 22,336,331	\$ 15,898,136

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	
	2021	2020	2021	2020	2021	2020
Capitalized Leases	\$ 24,497	\$ 48,820	\$ -	\$ -	\$ 24,497	\$ 48,820
Installment Purchases	14,723,170	13,627,999	9,062,229	9,210,784	23,785,399	22,838,783
Compensated Absences	373,521	364,119	33,692	36,487	407,213	400,606
Net Pension Liability (LGRS)	2,337,215	1,650,066	181,336	127,945	2,518,551	1,778,011
Net Pension Liability (LEOSSA)	320,925	214,012	-	-	320,925	214,012
Total	\$ 17,779,328	\$ 15,905,016	\$ 9,277,257	\$ 9,375,216	\$ 27,056,585	\$ 25,280,232

Jones County's total liabilities increased by \$1,776,353 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 \$57,210,930. At June 30, 2021, Jones County had general obligations and capitalized leases outstanding of \$23,809,896 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.
- Plans are underway for a Joint Industrial Park with Craven County that will straddle the county line near the new Hwy 17 By-pass
- 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.
- Total Building Permits still remain up over previous years. Total permits issued for FY 21 is 809. Of that total, 30 are new residential homes up 5 from 25 new homes in 2020.
- The 2020 Census had the County Total Population down 981 people or 9.6% to a total of 9,172.

Budget Highlights for the Fiscal Year Ending June 30, 2022

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 plant should be online and operational by early 2022. 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 for more information.

BASIC FINANCIAL STATEMENTS

Jones County, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Jones County ABC Board
ASSETS				
Cash and cash equivalents	\$ 6,589,901	\$ 4,496,957	\$ 11,086,858	\$ 220,899
Receivables, (net)	564,850	208,985	773,835	-
Taxes receivable, net	549,660	-	549,660	-
Due from other governments	1,266,392	-	1,266,392	-
Inventories	21,665	64,730	86,395	127,165
Prepaid items	-	-	-	5,441
Restricted cash and cash equivalents	4,527,607	565,814	5,093,421	-
Total current assets	13,520,075	5,336,486	18,856,561	353,505
Net pension asset	17,961	-	17,961	-
Notes Receivable:				
Due within one year	37,000	-	37,000	-
Due in more than one year	72,000	-	72,000	-
Intangible Asset-Future rights to receive Jones K-12 School	42,409,992	-	42,409,992	-
Capital assets:				
Land, improvements, and construction in progress	1,510,215	8,047,797	9,558,012	15,073
Other capital assets, net of depreciation	6,807,841	5,970,478	12,778,319	61,437
Total assets capital assets	8,318,056	14,018,275	22,336,331	76,510
Total assets	64,375,084	19,354,761	83,729,845	430,015
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferral - LGERS	1,274,005	98,845	1,372,850	20,650
Pension deferral - LEO	107,740	-	107,740	-
Pension deferral - ROD	1,935	-	1,935	-
Total deferred outflows of resources	1,383,680	98,845	1,482,525	20,650
LIABILITIES				
Accounts payable and accrued expenses	822,490	494,962	1,317,452	178,408
Liabilities to be paid from restricted assets	-	137,600	137,600	-
Long-term liabilities				
Due within one year	1,162,735	7,825,661	8,988,396	5,133
Due in more than one year	13,958,453	1,270,260	15,228,713	2,567
Net pension liability - LGERS	2,337,215	181,336	2,518,551	30,731
Total pension liability - LEOSSA	320,925	-	320,925	-
Total long-term liabilities	17,779,328	9,277,257	27,056,585	38,431
Total liabilities	18,601,818	9,909,819	28,511,637	216,839
DEFERRED INFLOWS OF RESOURCES				
Pension deferral - LGERS	38,550	2,991	41,541	1,540
Pension deferral - LEO	40,344	-	40,344	-
Pension deferral - ROD	2,867	-	2,867	-
Deferred revenue	1,356,236	-	1,356,236	-
Total deferred inflows of resources	1,437,997	2,991	1,440,988	1,540
NET POSITION				
Net investment in capital assets	4,939,434	4,956,046	9,895,480	68,810
Restricted for:				
Environmental protection	15,957	-	15,957	-
Education	1,604,940	-	1,604,940	-
Stabilization by state statute	4,337,797	-	4,337,797	-
Human services	9,879	-	9,879	-
Working capital	-	-	-	36,788
USDA loan payments	81,233	-	81,233	-
Unrestricted (deficit)	34,729,709	4,584,750	39,314,459	126,688
Total net position	\$ 45,718,949	\$ 9,540,796	\$ 55,259,745	\$ 232,286

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, 2021

Program Revenues					Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Jones County ABC Board	
Primary government:								
Governmental Activities:								
General government	\$ 3,144,375	\$ 474,478	\$ -	\$ -	\$ (2,669,897)	\$ -	\$ (2,669,897)	
Public safety	6,674,770	1,682,099	-	-	(4,992,671)	-	(4,992,671)	
Environmental protection	783,669	535,643	2,972,601	-	2,724,575	-	2,724,575	
Economic and physical development	407,431	-	-	-	(407,431)	-	(407,431)	
Human services	3,112,237	133,684	-	-	(2,978,553)	-	(2,978,553)	
Cultural and recreational	927,860	-	-	-	(927,860)	-	(927,860)	
Miscellaneous - County	291,676	-	-	-	(291,676)	-	(291,676)	
Education	2,601,043	-	-	-	(2,601,043)	-	(2,601,043)	
Interest and fees on long-term debt	155,684	-	-	-	(155,684)	-	(155,684)	
Total governmental activities	18,098,745	2,825,904	2,972,601	-	(12,300,240)	-	(12,300,240)	
Business-type activities:								
Water	1,304,895	1,628,378	-	245,165	-	568,648	568,648	
Total business-type activities	1,304,895	1,628,378	-	245,165	-	568,648	568,648	
Total primary government	\$ 19,403,640	\$ 4,454,282	\$ 2,972,601	\$ 245,165	(12,300,240)	568,648	(11,731,592)	
Component units:								
ABC Board	\$ 1,232,280	1,272,058	\$ -	\$ -				\$ 39,778
Total component units	\$ 1,232,280	\$ 1,272,058	\$ -	\$ -				39,778
General revenues:								
Taxes:								
Property taxes, levied for general purpose					6,976,562	-	6,976,562	-
Local option sales tax					2,480,038	-	2,480,038	-
Other taxes and licenses					95,875	-	95,875	-
Investment earnings, unrestricted					813,385	1,077	814,462	-
Miscellaneous, unrestricted					477,362	-	477,362	222
Total general revenues excluding transfers and special items					10,843,222	1,077	10,844,299	222
Transfers					100,000	(100,000)	-	-
Total general revenues, special items, and transfers					10,943,222	(98,923)	10,844,299	222
Change in net position					(1,357,018)	469,725	(887,293)	40,000
Net Position, beginning as previously reported					46,805,030	9,071,071	55,876,101	192,286
Prior period restatement - change in accounting principle					270,937	-	270,937	
Net Position, beginning restated					47,075,967	9,071,071	56,147,038	
Net position, ending					\$ 45,718,949	\$ 9,540,796	\$ 55,259,745	\$ 232,286

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

Jones County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	Major		NonMajor	
		School	Other	
	General Fund	Construction Fund	Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,409,029	\$ -	\$ 180,872	\$ 6,589,901
Restricted cash	4,395,387	-	132,220	4,527,607
Taxes receivable, net	535,940	-	13,720	549,660
Receivables, (net)	444,914	-	119,936	564,850
Due from other governments	1,266,392	-	-	1,266,392
Due from other funds	2,397,555	-	-	2,397,555
Note receivable	109,000	-	-	109,000
Inventories	21,665	-	-	21,665
Total assets	15,579,882	-	446,748	16,026,630
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	755,933	-	66,557	822,490
Due to other funds	-	-	2,397,555	2,397,555
Total liabilities	755,933	-	2,464,112	3,220,045
Deferred Inflows of Resources	1,878,456	-	13,720	1,892,176
Fund balances:				
Nonspendable:				
Inventories	21,665	-	-	21,665
Restricted				
Stabilization by state statute	4,217,861	-	119,936	4,337,797
Register of deeds	-	-	-	-
Health department	9,879	-	-	9,879
White goods	15,957	-	-	15,957
School capital	1,604,940	-	-	1,604,940
USDA loan payments	81,233	-	-	81,233
Committed				
Tax revaluation	-	-	132,220	132,220
Cultural and recreational	-	-	(23,862)	(23,862)
Public safety	-	-	(2,191,290)	(2,191,290)
Economic development	805,351	-	(68,088)	737,263
Assigned				
Long-term screening	129,615	-	-	129,615
Soil conservation	10,110	-	-	10,110
Subsequent years' expenditures	668,834	-	-	668,834
Unassigned	5,380,048	-	-	5,380,048
Total fund balances	12,945,493	-	(2,031,084)	10,914,409
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,579,882	\$ -	\$ 446,748	\$ 16,026,630

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

Total Fund Balance, Governmental Funds	\$ 10,914,409
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,318,056
Net pension asset	17,961
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,383,680
Deferred inflows of resources for taxes and special assessments	535,940
Intangible Asset - Future Right to Receive Jones K-12 School	42,409,992
Net pension liability	(2,337,215)
Total pension liability	(320,925)
Pension related deferrals	(81,761)
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.	(15,121,188)
Net position of governmental activities	\$ 45,718,949

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, 2021

	Major		NonMajor	
	General Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 6,784,067	\$ -	\$ 181,900	\$ 6,965,967
Local option sales taxes	2,478,053	-	1,985	2,480,038
Other taxes and licenses	95,875	-	-	95,875
Unrestricted intergovernmental	146,909	-	-	146,909
Restricted intergovernmental	3,922,045	-	1,446,791	5,368,836
Permits and fees	216,820	-	-	216,820
Sales and services	1,514,581	-	-	1,514,581
Investment earnings	808,940	4,445	-	813,385
Miscellaneous	351,872	-	125,490	477,362
Total revenues	<u>16,319,162</u>	<u>4,445</u>	<u>1,756,166</u>	<u>18,079,773</u>
EXPENDITURES				
Current:				
General government	2,281,682	-	44,985	2,326,667
Public safety	4,949,385	-	3,520,752	8,470,137
Environmental protection	773,650	-	-	773,650
Economic and physical development	299,253	-	47,762	347,015
Human services	3,036,708	-	-	3,036,708
Cultural and recreational	304,584	-	528,862	833,446
Miscellaneous - County	216,676	-	-	216,676
Intergovernmental:				
Education	2,936,985	425	-	2,937,410
Debt service				
Principal	929,152	-	-	929,152
Interest	155,684	-	-	155,684
Total expenditures	<u>15,883,759</u>	<u>425</u>	<u>4,142,361</u>	<u>20,026,545</u>
Excess (deficiency) of revenues over expenditures	<u>435,403</u>	<u>4,020</u>	<u>(2,386,195)</u>	<u>(1,946,772)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	190,789	-	57,132	247,921
Transfers to other funds	(66,192)	(81,729)	-	(147,921)
Loan proceeds	2,000,000	-	-	2,000,000
Total other financing sources and uses	<u>2,124,597</u>	<u>(81,729)</u>	<u>57,132</u>	<u>2,100,000</u>
Net change in fund balance	2,560,000	(77,709)	(2,329,063)	153,228
Fund balance, beginning as previously reported	10,385,493	77,709	27,042	10,490,244
Prior period restatement - change in accounting principle	-	-	270,937	270,937
Fund balance, beginning restated	<u>10,385,493</u>	<u>77,709</u>	<u>297,979</u>	<u>10,761,181</u>
Fund balances-ending	<u>\$ 12,945,493</u>	<u>\$ -</u>	<u>\$ (2,031,084)</u>	<u>\$ 10,914,409</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, 2021

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

Net changes in fund balance - total government funds	\$ 153,228
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.	350,356
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	346,469
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	10,595
Some expenses reported in the Fund Statements that are reported as an intangible asset on the government-wide statements.	425
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.	
Debt Proceeds	(2,000,000)
Principal payments	929,152
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.	(1,147,243)
Total changes in net position of governmental activities	<u>\$ (1,357,018)</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, 2021

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 6,765,713	\$ 6,765,713	\$ 6,784,067	\$ 18,354
Local option sales tax	2,312,000	2,367,000	2,478,053	111,053
Other taxes and licenses	100,000	103,600	95,875	(7,725)
Unrestricted intergovernmental	141,000	141,000	146,909	5,909
Restricted intergovernmental	2,559,031	5,525,264	3,922,045	(1,603,219)
Permits and services	728,336	171,585	216,820	45,235
Sales and services	1,252,109	1,363,119	1,514,581	151,462
Investment earnings	886,535	886,535	808,940	(77,595)
Miscellaneous	-	180,341	351,872	171,531
Total revenues	<u>14,744,724</u>	<u>17,504,157</u>	<u>16,319,162</u>	<u>(1,184,995)</u>
Expenditures				
Current:				
General government	2,484,682	2,587,697	2,281,682	306,015
Public safety	4,266,018	5,722,486	4,949,385	773,101
Environmental protection	790,366	808,919	773,650	35,269
Economic and physical development	328,127	416,136	299,253	116,883
Human services	3,494,522	3,981,723	3,036,708	945,015
Cultural and recreational	321,079	375,321	304,584	70,737
Miscellaneous - County	245,000	252,641	216,676	35,965
Intergovernmental:				
Education	3,560,430	3,151,585	2,936,985	214,600
Debt service				
Principal retirement	-	1,458,206	929,152	529,054
Interest	-	200,000	155,684	44,316
Total expenditures	<u>15,490,224</u>	<u>18,954,714</u>	<u>15,883,759</u>	<u>3,070,955</u>
Revenues over (under) expenditures	(745,500)	(1,450,557)	435,403	1,885,960
Other financing sources (Uses)				
Transfers from other funds	100,000	100,000	190,789	90,789
Transfers to other funds	-	(10,472)	(66,192)	(55,720)
Loan proceeds	-	-	2,000,000	(2,000,000)
Total other financing sources and uses	<u>100,000</u>	<u>89,528</u>	<u>2,124,597</u>	<u>(1,964,931)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(645,500)</u>	<u>(1,361,029)</u>	<u>2,560,000</u>	<u>(78,971)</u>
Appropriated fund balance	<u>645,500</u>	<u>(638,971)</u>	<u>-</u>	<u>638,971</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,560,000</u>	<u>\$ 2,560,000</u>
Fund balances - beginning			10,385,493	
Fund Balances - ending			<u>\$ 12,945,493</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, 2021

	Major Water Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 4,496,957
Receivables, (net)	208,985
Inventories	64,730
Total Current Assets	<u>4,770,672</u>
Noncurrent assets:	
Restricted cash and cash equivalents	565,814
Capital assets:	
Land, improvements and construction in progress	8,047,797
Other capital assets, net of depreciation	5,970,478
Total capital assets	<u>14,018,275</u>
Total noncurrent assets	<u>14,584,089</u>
Total Assets	<u>19,354,761</u>
Deferred Outflows of Resources	<u>98,845</u>
Liabilities	
Current Liabilities:	
Accounts payable	494,962
Compensated absences - current	19,751
Installment obligation payable - current	7,805,910
Total Current Liabilities	<u>8,320,623</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	137,600
Compensated absences	13,941
Installment obligation payable	1,256,319
Net pension liability	181,336
Total noncurrent liabilities	<u>1,589,196</u>
Total Liabilities	<u>9,909,819</u>
Deferred Inflows of Resources	<u>2,991</u>
Net Position	
Net investment in capital assets	4,956,046
Unrestricted	4,584,750
Total Net Position	<u><u>\$ 9,540,796</u></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, 2021

	Major Water Fund
Operating revenues:	
Water sales	\$ 1,503,961
Water tap fees	50,237
Reconnect fees	11,790
Other operating revenue	62,390
Total Operating Revenues	<u>1,628,378</u>
Operating expenses:	
Administration	206,364
Raw water supply maintenance	625,966
Depreciation	453,743
Total operating expenses	<u>1,286,073</u>
Operating Income (Loss)	342,305
Nonoperating Revenues (Expenses):	
Interest earned on investment	1,077
Interest on long-term debt	(18,822)
Capital contributions	245,165
Total nonoperating revenues (expenses)	<u>227,420</u>
Income (loss) before contributions and operating transfers	569,725
Transfers in/(out)	<u>(100,000)</u>
Changes in net position	469,725
Net position, beginning	9,071,071
Total net position, ending	<u><u>\$ 9,540,796</u></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, 2021

Exhibit 8

	Major
	Water Fund
Cash flows From operating activities:	
Cash received from customers	\$ 1,641,495
Cash paid for goods and services	(1,246,021)
Cash paid to employees for services	(273,929)
Customer deposits - net	14,650
Net cash provided (used) by operating activities	<u>136,195</u>
Cash flows from noncapital financing activities:	
Transfers in (out)	<u>(100,000)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(6,541,582)
Contributed capital	245,165
Principal paid on indebtednes	(148,555)
Interest paid on indebtednes	(18,822)
Net cash flows provided (used) for capital and related financing activities	<u>(6,463,794)</u>
Cash flows from investing activities	
Interest on investment	<u>1,077</u>
Net cash provided (used) for investing activities	<u>1,077</u>
Net increase (decrease) in cash and cash equivalents	(6,426,522)
Cash and cash equivalents, beginning	11,489,293
Cash and cash equivalents, ending	<u><u>\$ 5,062,771</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ 342,305</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	453,743
Changes in assets and liabilities, and deferred outflows in inflows of resources:	
(Increase) decrease in accounts receivable	3,414
(Increase) decrease in inventory	9,703
(Increase) decrease in deferred outflows of resources for pensions	(23,473)
Increase (decrease) in accounts payable and accrued liabilities	(713,622)
Increase (decrease) in customer deposits	14,650
Increase (decrease) in accrued vacation payable	(2,795)
Increase (decrease) in net pension liability	53,391
Increase (decrease) in deferred inflows of resources for pensions	(1,121)
Total adjustments	<u>(206,110)</u>
Net cash provided (used) by operating activities	<u><u>\$ 136,195</u></u>

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

Jones County, North Carolina
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021

Assets

Cash and cash equivalents	\$ 12,097
Accounts receivable	58,195
Total Assets	<u>70,292</u>

Liabilities

Accounts payable and accrued liabilities	17,569
Deferred revenues	53,730
Total Liabilities	<u>71,299</u>

Net Position

Assets held in trust	<u>\$ (1,007)</u>
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Jones County, North Carolina
Custodial Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Ad Valorem Tax Fund</u>
Additions	
Ad valorem taxes for other governments	<u>\$ 415,630</u>
Total assets	<u>415,630</u>
Deductions	
Tax distributions to other governments	<u>416,304</u>
Total liabilities	
Net increase (decrease) in fiduciary net position	(674)
Net position, beginning as previously reported	-
Prior period restatement - change in accounting principle	<u>(333)</u>
Net position, beginning restated	<u>(333)</u>
Net position, ending	<u><u>\$ (1,007)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

JONES COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 Statements
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 net position (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 of which is 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, Social Services Fund, Fines and Forfeitures Fund, Agricultural Extension Fund, Animal Cruelty Fund, and Miscellaneous Trust 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:

Custodial Funds - Custodial 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 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.

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 Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 non-operating 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 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 \$8,475,728 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, 2020. 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 \$81,233 and \$27,657 at June 30, 2021. 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 \$204,800 at June 30, 2021. Money in the Tax Revaluation Fund in the amount of \$132,220 is classified as restricted cash because its use is restricted per North Carolina General Statute 153A-150.

Money in the Hurricane Florence Recovery Fund in the amount of \$4,246,954 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 \$400,557 is classified as restricted cash because its use is restricted by the terms of the loan. Total restricted cash at June 30, 2021 amounted to \$5,093,421.

Jones County Restricted Cash

Governmental Activities:

General Fund - USDA Admin CD	\$ 81,233
General Fund - Customer Deposits	67,200
Tax Revaluation Fund - Tax Revaluation	132,220
Hurricane Florence Recovery Fund	4,246,954
Total Governmental Activities	\$ 4,527,607

Business-Type Activities:

Utility Fund - Investments USDA Water CD	\$ 27,657
Unspent BAN proceeds	400,557
Utility Fund - Customer Deposits	137,600
Total Business-Type Activities	\$ 565,814
Total Restricted Cash	\$ 5,093,421

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is 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 \$34,804,540 consists of the following elements as follows:

Description	Amount
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)	\$ 14,401,073
Less accumulated depreciation	(6,083,017)
Net capital assets	8,318,056
Net pension asset.	17,961
Intangible Asset - Future Right to Receive Jones K-12 School	42,409,992
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,383,680
Deferred inflows of resources reported in the fund statements but not the government-wide	535,940
Pension related deferrals	(81,761)
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	(14,747,667)
Net pension liability	(2,337,215)
Total pension liability	(320,925)
Compensated absences	(373,521)
Total adjustment	<u>\$ 34,804,540</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 \$(1,510,246) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 901,589
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	(551,233)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(2,000,000)
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	929,152
Expenses reported on the fund statements that are reported as an intangible asset on the government-wide statements	425
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	10595
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	346,469
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.	(1,147,243)
Total adjustment	<u>\$ (1,510,246)</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

For the fiscal year ended June 30, 2021, the expenditures made by the County exceeded the authorized appropriations in the General Fund, Waterway Enhancement - Stream Debris Removal Project, Emergency Watershed Protection Fund and Restore Brooks Mill Pond Capital Project Fund. Management and the Board will more closely review the budget reports to ensure compliance in future years.

III. Detail Notes on All Funds

A. Assets

1. 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, 2021, the County's deposits had a carrying amount of \$1,344,088 and a bank balance of \$1,832,625. Of the bank balance, \$750,000 was covered by federal depository insurance, the remainder was covered by the pooling method.

At June 30, 2021, Jones County had \$1,900 of cash on hand.

At June 30, 2021, the carrying amount of deposits for Jones County ABC Board was \$219,899 and the bank balance was \$217,622. All of these amounts were covered by federal depository insurance. At June 30, 2021, the ABC Board had \$1,000 cash on hand.

2. Investments

At June 30, 2021, the County had the following investments and maturities.

As of June 30, 2021, the County's investments consisted of \$14,838,692 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's.

At June 30, 2021, 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
2017	1,107,323	362,648	\$ 1,469,971
2018	1,078,876	256,233	1,335,109
2019	1,048,361	154,633	1,202,994
2020	1,032,747	59,383	1,092,130
Total	<u>\$ 4,267,307</u>	<u>\$ 832,897</u>	<u>\$ 5,100,204</u>

4. Receivables

Receivables at the government-wide level at June 30, 2021 were as follows:

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 523,514	\$ 554,864	\$ 1,266,392	\$ 2,344,770
Special Revenue Funds	13,720	125,402	-	139,122
Total Receivables	537,234	680,266	1,266,392	2,483,892
Allowance for Doubtful	(78,600)	(18,924)	-	(97,524)
Total Governmental Activities	\$ 458,634	\$ 661,342	\$ 1,266,392	\$ 2,386,368
Business-Type Activities:				
Water/Sewer receivables	\$ 300,185	\$ -	\$ -	\$ 300,185
Allowance for Doubtful Accounts	(91,200)	-	-	(91,200)
Total Business-Type Activities	\$ 208,985	\$ -	\$ -	\$ 208,985

Notes Receivable

The County has two 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 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:

Principal Amounts Due for the Year Ended June 30:	Trenton Volunteer Fire Department	DHI	Total
2022	25,000	9,000	34,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025	25,000	-	25,000
	<u>\$ 100,000</u>	<u>\$ 9,000</u>	<u>\$ 109,000</u>

5. Capital Assets**Primary Government**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 931,561	\$ 57,596	\$ -	\$ 989,157
Construction in Progress	80,484	440,574	-	521,058
Total capital assets not being depreciated	1,012,045	498,170	-	1,510,215
Capital assets being depreciated:				
Buildings	8,663,027	33,400	-	8,696,427
Infrastructure	152,235	-	-	152,235
Equipment	3,834,219	370,019	162,042	4,042,196
Total capital assets being depreciated	12,649,481	403,419	162,042	12,890,858
Less accumulated depreciation for:				
Buildings	3,279,358	197,177	-	3,476,535
Infrastructure	51,874	3,045	-	54,919
Equipment	2,362,594	351,011	162,042	2,551,563
Total accumulated depreciation	5,693,826	\$ 551,233	\$ 162,042	6,083,017
Total capital assets being depreciated, net	6,955,655			6,807,841
Governmental activity capital assets, net	\$ 7,967,700			\$ 8,318,056

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

General government	\$ 137,447
Public Safety	255,956
Environmental Protection	10,019
Economic and Physical Development	91,826
Human Services	21,998
Cultural and Recreational	33,987
Total Depreciation Expense	<u>\$ 551,233</u>

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Business-type Activities				
Water & Sewer District				
Capital assets not being depreciated:				
Land	\$ 54,808	\$ -	\$ -	\$ 54,808
Construction in progress	1,451,407	6,541,582	-	7,992,989
Total capital assets not being depreciated	1,506,215	6,541,582	-	8,047,797
Capital assets being depreciated:				
Plant and distribution systems	12,912,591	-	-	12,912,591
Furniture and equipment	52,375	-	-	52,375
Vehicles and motor equipment	448,880	-	-	448,880
Total capital assets being depreciated	13,413,846	-	-	13,413,846
Less accumulated depreciation for:				
Plant and distribution systems	6,560,877	422,493	-	6,983,370
Furniture and equipment	52,375	-	-	52,375
Vehicles and motor equipment	376,373	31,250	-	407,623
Total accumulated depreciation	6,989,625	\$ 453,743	\$ -	7,443,368
Total capital assets being depreciated, net	6,424,221			5,970,478
Total Water and Sewer Fund District, Net	\$ 7,930,436			\$ 14,018,275

Construction Commitments

The government has three active construction projects as of June 30, 2021. The projects include the School Construction Project, Restore Brock's Mill Pond Project, and the Water Supply Improvements Project. At June 30, 2021, the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
School Construction Project	\$ 42,409,992	\$ -
Restore Brock Mills Pond Project	101,215	-
Water Supply Improvements Project	7,972,140	3,476,606
	<u>\$ 50,483,347</u>	<u>\$ 3,476,606</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	32,884
Equipment	28,553
Capital assets, net of depreciation	<u>\$ 76,510</u>

B. Liabilities**1. Payables**

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities	\$ 600,464	\$ 222,026	\$ 822,490
Business-type Activities	\$ 479,516	\$ 15,446	\$ 494,962

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 (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. 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.

Benefits Provided. LGERS 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.

LGERS 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, 2021, was 10.84% of compensation for law enforcement officers and 10.21% 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 \$469,647 for the year ended June 30, 2021.

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, 2021, the County reported a liability of \$2,518,551 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability 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 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, 2021, the County's proportion was 0.07048%, which was an increase of 0.00541% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$869,608. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 318,049	\$ -
Changes of assumptions	187,430	-
Net difference between projected and actual earnings on pension plan investments	354,419	-
Changes in proportion and differences between County contributions and proportionate share of contributions	43,305	41,541
County contributions subsequent to the measurement date	469,647	-
Total	<u>\$ 1,372,850</u>	<u>\$ 41,541</u>

\$469,647 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2022	241,499
2023	321,688
2024	193,584
2025	104,891
2026	-
Thereafter	-
Total	<u>\$ 861,662</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 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, 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. 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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:

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$5,109,865	\$2,518,551	\$364,986

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, 2020, 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	<u>18</u>

(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, 2020 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	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 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, 2019.

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 2015 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, 2021, the County reported a total pension liability of \$320,925. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$40,063.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	10,109	\$	31,668
Changes of assumptions and other inputs		97,631		8,676
County benefit payments and administrative expenses subsequent to the measurement date.		-		-
	\$	107,740	\$	40,344

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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2022	\$ 11,928
2023	11,928
2024	12,205
2025	6,672
2026	10,800
Thereafter	13,863
	<u>\$ 67,396</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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 362,749	\$ 320,925	\$ 283,419

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

	2021
Beginning balance	\$ 214,012
Service Cost	20,565
Interest on the total pension liability	6,977
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(16,869)
Changes of assumptions or other inputs	96,240
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 320,925</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 to 1.93 percent at June 30, 2020.

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, 2019 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 ACFR 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, 2021 were \$86,416, which consisted of \$35,145 from the County and \$51,271 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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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.

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 \$906 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$17,961 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the County's proportion was 0.078%, which was an increase of 0.00761% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$290. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 366
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,537
Changes in proportion and differences between County contributions and proportionate share of contributions	1,029	964
County contributions subsequent to the measurement date	906	-
Total	\$ 1,935	\$ 2,867

\$906 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2022	\$ (235)
2023	(522)
2024	(694)
2025	(387)
2026	-
Total	<u>\$ (1,838)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 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, 2020 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, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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:

	1 % Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$15,256	\$17,961	\$20,250

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive 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 (assets) for LGERS and ROD was measured as of December 31, 2020, 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, 2021, with an actuarial valuation date of December 31, 2020. 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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 2,518,551	\$ (17,961)	n/a	\$ 2,500,590
Proportion of the Net Pension Liability (Asset)	0.07048%	0.07800%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 320,925	\$ 320,925
Pension Expense	\$ 869,608	\$ 290	\$ 40,063	\$ 909,961

As June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 318,049	\$ -	\$ 10,109	\$ 328,158
Changes of assumptions	187,430	-	97,631	285,061
Net difference between projected and actual earnings on pension plan investments	354,419	-	-	354,419
Changes in proportion and differences between County contributions and proportionate share of contributions	43,305	1,029	-	44,334
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	469,647	906	-	470,553
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 366	\$ 31,668	\$ 32,034
Changes of assumptions	-	-	8,676	8,676
Net difference between projected and actual earnings on pension plan investments	-	1,537	-	1,537
Changes in proportion and differences between County contributions and proportionate share of contributions	41,541	964	-	42,505

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	\$ 328,158	\$ 32,034
Pensions - difference between projected and actual investment earnings	354,419	1,537
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	44,334	42,505
Pensions - change in assumptions	285,061	8,676
Contributions to pension subsequent to measurement date (LGERS, ROD)	470,553	-
Deferred revenues	-	1,342,516
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
Prepaid Property Taxes Not Yet Earned (General)	-	-
Taxes Receivable, Net (General), less penalties	-	535,940
Taxes Receivable, Net (Special Revenue), less penalties	-	-
EMS Receivables, Net	-	-
Other Receivables Not Available at Year End	-	-
Total	<u>\$ 1,482,525</u>	<u>\$ 1,963,208</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, 2021, 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, 2021 balance was \$1,168,072.

During the Year Ending June 30,	Principal	Interest	Total
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	34,208	44,422	78,630
2027-2031	194,122	199,028	393,150
2032-2036	239,031	154,119	393,150
2037-2041	294,330	98,821	393,151
2042-2046	282,940	30,738	313,678
	<u>\$ 1,168,072</u>	<u>\$ 718,207</u>	<u>\$ 1,886,279</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, 2021 balance was \$983,126.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 140,447	\$ -	\$ 140,447
2023	140,447	-	140,447
2024	140,447	-	140,447
2025	140,447	-	140,447
2026	140,447	-	140,447
2027-2030	280,891	-	280,891
	<u>\$ 983,126</u>	<u>\$ -</u>	<u>\$ 983,126</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, 2021 balance was \$100,000.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 25,000	\$ -	\$ 25,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025	25,000	-	25,000
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</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, 2021 balance was \$733,333.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 146,667	\$ -	\$ 146,667
2023	146,667	-	146,667
2024	146,667	-	146,667
2025	146,667	-	146,667
2026	146,665	-	146,665
	<u>\$ 733,333</u>	<u>\$ -</u>	<u>\$ 733,333</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, 2021 balance was \$100,000.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 20,000	\$ -	\$ 20,000
2023	20,000	-	20,000
2024	20,000	-	20,000
2025	20,000	-	20,000
2026	20,000	-	20,000
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</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, 2021 balance was \$7,693,000.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 653,000	\$ -	\$ 653,000
2023	653,000	-	653,000
2024	652,000	-	652,000
2025	652,000	-	652,000
2026	652,000	-	652,000
2027-2031	3,260,000	-	3,260,000
2032-2036	1,171,000	-	1,171,000
	<u>\$ 7,693,000</u>	<u>\$ -</u>	<u>\$ 7,693,000</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, 2021 balance was \$2,742,712.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 124,793	\$ 124,793
2023	-	124,793	124,793
2024	-	124,793	124,793
2025	-	124,793	124,793
2026	-	124,793	124,793
2027-2031	-	499,172	499,172
2032-2036	1,438,188	549,406	1,987,594
2037-2040	1,304,524	59,356	1,363,880
	<u>\$ 2,742,712</u>	<u>\$ 1,731,899</u>	<u>\$ 4,474,611</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, 2021 balance was \$34,493.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 34,493	\$ 1,121	\$ 35,614
	<u>\$ 34,493</u>	<u>\$ 1,121</u>	<u>\$ 35,614</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, 2021 balance was \$2,000,000.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	2,000,000	-	2,000,000
	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

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

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, 2021 balance was \$422,122.

During the Year Ending June 30,	Principal	Interest	Total
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	10,043	16,907	26,950
2027-2031	57,204	77,546	134,750
2032-2036	70,860	63,890	134,750
2037-2041	87,774	46,977	134,751
2042-2046	108,730	26,020	134,750
2047-2051	51,355	3,483	54,838
	<u>\$ 422,103</u>	<u>\$ 306,486</u>	<u>\$ 728,589</u>

On April 30, 2020, the County entered into a temporary agreement with the Truist Bank for the purpose of constructing an expansion of the water system. Upon completion of the project, USDA will assume the loan from Truist. The County borrowed \$7,657,000 and the agreement with Truist Bank calls for 1 annual payment. The agreement carries a 1.86% interest rate. The June 30, 2021 balance was \$7,657,000.

During the Year Ending June 30,	Principal	Interest	Total
2022	\$ 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, 2021, the County leased equipment valued at:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 106,625	\$ 58,644	\$ 47,981

For Jones County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

During the Year Ending June 30,	
2022	24,497
2023	400
Total minimum lease payments	\$ 24,897
Less: amount representing interest	400
Present value of the minimum lease payments	<u>\$ 24,497</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed only \$3,378,622 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, 2021:

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021	Current Portion
Governmental Activities:					
USDA Loan	\$ 1,195,827	\$ -	\$ (27,755)	\$ 1,168,072	\$ 28,961
BB&T Ambulance	67,900	-	(33,407)	34,493	34,493
Direct Placement Installment Purchases	12,212,712	-	(843,667)	11,369,045	844,667
Capitalized Leases	48,820	-	(24,323)	24,497	24,497
NCORR Loans	151,560	2,000,000	-	2,151,560	-
Net pension liability (LGRS)	1,650,066	687,149	-	2,337,215	-
Net pension liability (LEOSSA)	214,012	106,913	-	320,925	-
Compensated absences	364,119	230,117	(220,715)	373,521	230,117
Total governmental activities	\$ 15,905,016	\$ 3,024,179	\$ (1,149,867)	\$ 17,779,328	\$ 1,162,735
	Balance 7/1/2020	Additions	Retirements	Balance 6/30/2021	Current Portion
Business Type Activities:					
USDA Loan	\$ 8,087,211	\$ -	\$ (8,108)	\$ 8,079,103	\$ 7,665,463
NC Drinking Water State Revolving Loan	1,123,573	-	(140,447)	983,126	140,447
Net pension liability (LGRS)	127,945	53,391	-	181,336	-
Compensated Absences	36,487	19,751	(22,546)	33,692	19,751
Total business type activities	\$ 9,375,216	\$ 73,142	\$ (171,101)	\$ 9,277,257	\$ 7,825,661

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, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund		
	<i>Special Revenue Fund:</i>	
	Hazard Mitigation Grant Program	\$ 2,313,875
	Storm Debris Removal Fund	23,862
	CDBG Fund	59,818
		<u>\$ 2,397,555</u>

Transfers to/from other funds for the year ended June 30, 2021 were made to supplement other funding sources and consist of

	Transfers	
	From	To
General Fund:		
Special Revenue Fund		\$ 66,192
School Construction Fund		81,729
Special Revenue Fund:		
General Fund	\$ 57,132	
Enterprise Fund:		
Water Fund		411,833
Water Capital Reserve Fund	311,833	
General Fund	190,789	
Total Operating Transfers	<u>\$ 559,754</u>	<u>\$ 559,754</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:

Total fund balance - General Fund	\$ 10,945,493
Less:	
Inventories	21,665
Stabilization by State Statute	4,217,861
Register of Deeds	-
Health Department	9,879
White Goods	15,957
Schools	1,604,940
Economic Development	805,351
Long-Term Screening	129,615
Soil Conservation	10,110
USDA Loan Payments	81,233
Subsequent Year's Expenditures	668,834
Working Capital/Fund Balance Policy	3,219,077
Remaining Fund Balance	\$ 160,971

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, 2021. 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, 2021. 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, 2021. 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 \$20,612 for the operation of the organization during the fiscal year ended June 30, 2021. 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, 2021. 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 four years as follows:

Budget Year	Current Expense	Capital Outlay	Operating Lease
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>\$ 6,551,257</u>	<u>\$ 313,362</u>	<u>\$ 3,560,000</u>

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, 2021 was \$9,000.

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 affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

VII. Restatements

Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 2017. As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
270,937	(333)
<u>\$ 270,937</u>	<u>\$ (333)</u>

Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.

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

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.07048%	0.06507%	0.07000%	0.07100%	0.06800%	0.06300%	0.0680%	0.0680%
County's proportion of the net pension liability (asset) (\$)	\$ 2,518,551	\$ 1,777,011	\$ 1,666,807	\$ 1,084,226	\$ 1,450,192	\$ 469,977	\$ (400,791)	\$ 814,840
Board'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	\$ 3,655,851
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	56.34%	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	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	120.64%	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 Eight Fiscal Years

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 469,647	\$ 407,610	\$ 367,934	\$ 341,618	\$ 318,418	\$ 256,587	\$ 247,059	\$ 260,858
Contributions in relation to the contractually required contribution	469,647	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>	<u>\$ -</u>
County's covered-employee payroll	\$ 4,556,507	\$ 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	10.31%	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 Eight Fiscal Years*

Registers of Deeds' Supplemental Pension Fund

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.078%	0.071%	0.081%	0.083%	0.083%	0.107%	0.098%	0.088%
County's proportion of the net pension liability (asset) (\$)	\$ (17,961)	\$ (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	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

* 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 Eight Fiscal Years

Registers of Deeds' Supplemental Pension Fund

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 906	\$ 750	\$ 673	\$ 696	\$ 719	\$ 682	\$ 856	\$ 801
Contributions in relation to the contractually required contribution	906	750	673	696	719	682	856	801
Contribution deficiency (excess)	<u>\$ -</u>	<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, 2021

	2021	2020	2019	2018
Beginning balance	214,012	188,427	190,378	126,418
Service Cost	20,565	19,654	21,086	17,292
Interest on the total pension liability	6,977	6,859	6,016	4,880
Differences between expected and actual experience	(16,869)	(10,596)	(16,817)	23,633
Changes of assumptions or other inputs	96,240	9,668	(12,236)	18,155
Benefit payments	-	-	-	-
Ending balance of the total pension liability	<u>\$ 320,925</u>	<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, 2021

	2021	2020	2019	2018
Total pension liability	\$ 320,925	\$ 214,012	\$ 188,427	\$ 190,378
Covered payroll	788,559	799,825	788,528	760,421
Total pension liability as a percentage of covered payroll	40.70%	26.76%	23.90%	25.04%

Notes to the schedules:

Jones 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

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.

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 6,706,713	\$ 6,705,383	(1,330)
Penalties and Interest	59,000	78,684	19,684
Total Ad Valorem Taxes	<u>\$ 6,765,713</u>	<u>6,784,067</u>	<u>\$ 18,354</u>
Local Option Sales Tax:			
Articles 39, 40, 42, 44 and 46	<u>2,367,000</u>	<u>2,478,053</u>	<u>111,053</u>
Other Taxes and Licenses:			
Real estate transfer tax	82,100	74,277	(7,823)
Scrap tire disposal tax	14,000	13,634	(366)
Solid waste disposal tax	7,500	7,964	464
Total Other Taxes and Licenses	<u>103,600</u>	<u>95,875</u>	<u>(7,725)</u>
Unrestricted Intergovernmental Revenues:			
Payment in lieu of taxes	105,000	111,747	6,747
Beer & wine tax	36,000	35,162	(838)
Total Unrestricted Intergovernmental Revenues	<u>141,000</u>	<u>146,909</u>	<u>5,909</u>
Restricted Intergovernmental Revenues:			
State and federal grants	4,655,011	2,972,601	(1,682,410)
Health medicaid cost study	-	25,906	25,906
Court facilities fees	60,000	47,063	(12,937)
ABC - 5 cent bottle tax	3,600	282	(3,318)
ABC - 1 cent bottle tax	375	23	(352)
Juvenile justice and delinquency	98,533	96,337	(2,196)
Veterans commission	2,100	2,084	(16)
National forest receipts/schools	41,310	42,650	1,340
Emergency management	634,524	704,798	70,274
Soil conservation	29,811	30,301	490
Total Restricted Intergovernmental Revenues	<u>5,525,264</u>	<u>3,922,045</u>	<u>(1,603,219)</u>
Permits and Fees:			
Beer & wine	-	315	315
Concealed/handgun permits	29,725	34,650	4,925
Building and other permits and fees	90,930	126,913	35,983
Register of deeds	45,500	46,984	1,484
Marriage licenses	800	3,525	2,725
Franchise - cable tv	4,630	4,433	(197)
Total Permits and Fees	<u>171,585</u>	<u>216,820</u>	<u>45,235</u>
Sales and Services:			
Jail and officer fees	28,500	35,478	6,978
EMS fees	530,000	592,126	62,126
Town tax billings & collections	17,800	18,011	211
Vending machines	-	1,850	1,850
Solid waste/recycling	30,000	27,070	(2,930)
Curbside service	520,100	508,573	(11,527)
Rents	203,668	223,695	20,027
Health services	33,051	107,778	74,727
Total Sales and Services	<u>1,363,119</u>	<u>1,514,581</u>	<u>151,462</u>
Investment Earnings:	<u>886,535</u>	<u>808,940</u>	<u>(77,595)</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Other Revenues:			
GIS funds - Lenoir County	18,000	19,550	1,550
Other	162,341	332,322	169,981
Total Other Revenues	180,341	351,872	171,531
TOTAL REVENUES	17,504,157	16,319,162	(1,184,995)
Expenditures:			
General Government			
Governing body			
Salaries and employee benefits	84,624	84,608	16
Other operating expenditures	63,650	42,021	21,629
Insurance other than property	265,355	231,691	33,664
Total	413,629	358,320	55,309
Elections			
Salaries and employee benefits	131,069	128,803	2,266
Other operating expenditures	94,955	77,590	17,365
Total	226,024	206,393	19,631
Finance			
Salaries and employee benefits	289,594	268,633	20,961
Other operating expenditures	41,800	36,220	5,580
Total	331,394	304,853	26,541
Taxes			
Salaries and employee benefits	200,573	182,345	18,228
Other operating expenditures	212,825	173,999	38,826
Capital outlay	-	-	-
Total	413,398	356,344	57,054
Legal			
Contracted services	93,000	90,661	2,339
Jury Commission			
Salaries and employee benefits	372	-	372
Other operating expenditures	1,974	1,974	-
Total	2,346	1,974	372
Register of Deeds			
Salaries and employee benefits	106,352	105,390	962
Other operating expenditures	72,300	64,243	8,057
Total	178,652	169,633	9,019
Public Buildings			
Salaries and employee benefits	95,019	81,071	13,948
Other operating expenditures	321,029	281,349	39,680
Capital outlay	79,955	68,572	11,383
Total	496,003	430,992	65,011
Court Facilities			
Salaries and employee benefits	43,778	15,798	27,980
Other operating expenditures	27,500	24,049	3,451
Total	71,278	39,847	31,431

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Administration			
Salaries and employee benefits	214,848	212,823	2,025
Other operating expenditures	26,125	19,131	6,994
Capital	-	-	
Total	<u>240,973</u>	<u>231,954</u>	<u>9,019</u>
Computer			
Operating expenses	<u>121,000</u>	<u>90,711</u>	<u>30,289</u>
Total General Government	<u>2,587,697</u>	<u>2,281,682</u>	<u>306,015</u>
Public Safety			
Sheriff			
Salaries and employee benefits	1,108,990	1,086,982	22,008
Other operating expenditures	379,581	310,217	69,364
Capital outlay	74,566	35,903	38,663
Total	<u>1,563,137</u>	<u>1,433,102</u>	<u>130,035</u>
County Jail			
Salaries and employee benefits	513,710	484,789	28,921
Other operating expenditures	418,375	348,498	69,877
Capital outlay	-	-	
Total	<u>932,085</u>	<u>833,287</u>	<u>98,798</u>
Inspections			
Salaries and employee benefits	104,514	102,086	2,428
Other operating expenditures	29,890	27,107	2,783
Total	<u>134,404</u>	<u>129,193</u>	<u>5,211</u>
Emergency Management			
Salaries and employee benefits	51,768	51,515	253
Other operating expenditures	31,680	24,900	6,780
Capital outlay	48,168	48,168	-
Total	<u>131,616</u>	<u>124,583</u>	<u>7,033</u>
Emergency Services			
Salaries and employee benefits	985,422	959,906	25,516
Other operating expenditures	480,089	412,754	67,335
Aid to local fire department	56,295	56,295	-
Aid to local rescue squads	43,450	43,410	40
Capital outlay	183,918	183,840	78
Total	<u>1,749,174</u>	<u>1,656,205</u>	<u>92,969</u>
Florence Recovery			
Contracted services	<u>883,350</u>	<u>461,021</u>	<u>422,329</u>
Total	<u>883,350</u>	<u>461,021</u>	<u>422,329</u>
Communication Sytem			
Operating expenditures	<u>306,420</u>	<u>302,694</u>	<u>3,726</u>
Total	<u>306,420</u>	<u>302,694</u>	<u>3,726</u>
Medical Examiner			
Professional services	<u>14,800</u>	<u>5,500</u>	<u>9,300</u>
Total	<u>14,800</u>	<u>5,500</u>	<u>9,300</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Rabies Control			
Operating expenditures	7,500	3,800	3,700
Total	7,500	3,800	3,700
Total Public Safety	5,722,486	4,949,385	773,101
Environmental Protection			
Sanitation			
Salaries and employee benefits	51,152	48,553	2,599
Other operating expenditures	427,425	419,412	8,013
Contracted services	110,950	108,009	2,941
Total	589,527	575,974	13,553
State Forest Protection	93,845	77,481	16,364
Soil Conservation			
Salaries and employee benefits	118,047	116,726	1,321
Other operating expenditures	7,500	3,469	4,031
Total	125,547	120,195	5,352
Total Environmental Protection	808,919	773,650	35,269
Economic and Physical Development			
Agricultural Extension			
Salaries and employee benefits	171,516	152,778	18,738
Other operating expenditures	79,158	29,484	49,674
Total	250,674	182,262	68,412
Economic Development			
Salaries and employee benefits	66,614	66,521	93
Other operating expenditures	79,158	32,287	46,871
Capital	11,660	11,410	250
Total	157,432	110,218	47,214
Commissions, Committee & Councils Planning			
Salaries and employee benefits	1,130	-	1,130
Other operating expenditures	6,900	6,773	127
Total	8,030	6,773	1,257
Total Economic and Physical Development	416,136	299,253	116,883
Human Services			
Health			
Administration			
Salaries and employee benefits	360,790	286,622	74,168
Other operating expenditures	98,244	88,167	10,077
Contracted services	-	-	-
Total	459,034	374,789	84,245
Tuberculosis			
Salaries and employee benefits	3,180	57	3,123
Other operating expenditures	197	82	115
Total	3,377	139	3,238

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Bioterrorism			
Salaries and employee benefits	24,193	16,014	8,179
Other operating expenditures	6,800	4,555	2,245
Total	<u>30,993</u>	<u>20,569</u>	<u>10,424</u>
Communicable Disease			
Salaries and employee benefits	10,985	5,243	5,742
Other operating expenditures	1,645	893	752
Total	<u>12,630</u>	<u>6,136</u>	<u>6,494</u>
Family Planning			
Salaries and employee benefits	56,220	19,934	36,286
Other operating expenditures	10,228	4,038	6,190
Total	<u>66,448</u>	<u>23,972</u>	<u>42,476</u>
Maternity Care			
Salaries and employee benefits	24,270	17,371	6,899
Other operating expenditures	1,036	159	877
Total	<u>25,306</u>	<u>17,530</u>	<u>7,776</u>
Environmental Health			
Salaries and employee benefits	1,763	4,203	(2,440)
Other operating expenditures	28,917	29,047	(130)
Total	<u>30,680</u>	<u>33,250</u>	<u>(2,570)</u>
Food/Lodging			
Salaries and employee benefits	7,306	4,655	2,651
Other operating expenditures	15,096	13,038	2,058
Total	<u>22,402</u>	<u>17,693</u>	<u>4,709</u>
Cancer Prevention			
Salaries and employee benefits	3,977	5,425	(1,448)
Other operating expenditures	3,748	3,659	89
Total	<u>7,725</u>	<u>9,084</u>	<u>(1,359)</u>
Immunization Action Plan			
Salaries and employee benefits	8,033	9,505	(1,472)
Other operating expenditures	16,043	12,700	3,343
Total	<u>24,076</u>	<u>22,205</u>	<u>1,871</u>
Maternal & Child Health			
Salaries and employee benefits	16,189	6,257	9,932
Other operating expenditures	16,545	1,674	14,871
Total	<u>32,734</u>	<u>7,931</u>	<u>24,803</u>
Women, Infants & Children Health Supplement Food			
Salaries and employee benefits	40,512	46,847	(6,335)
Other operating expenditures	5,523	3,878	1,645
Total	<u>46,035</u>	<u>50,725</u>	<u>(4,690)</u>
School Health Education			
Other operating expenditures	75,000	75,000	-
Total	<u>75,000</u>	<u>75,000</u>	<u>-</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Health Promotions			
Salaries and employee benefits	31,424	7,940	23,484
Other operating expenditures	2,930	1,038	1,892
Total	<u>34,354</u>	<u>8,978</u>	<u>25,376</u>
Child Services - Coordinator			
Salaries and employee benefits	16,721	10,678	6,043
Other operating expenditures	1,240	249	991
Total	<u>17,961</u>	<u>10,927</u>	<u>7,034</u>
Mosquito Control			
Other operating expenditures	10,000	2,472	7,528
Total	<u>10,000</u>	<u>2,472</u>	<u>7,528</u>
Cap Program			
Salaries and employee benefits	23,615	22,301	1,314
Other operating expenditures	5,004	4,638	366
Total	<u>28,619</u>	<u>26,939</u>	<u>1,680</u>
Breast Feeding			
Salaries and employee benefits	13,986	7,403	6,583
Other operating expenditures	1,014	221	793
Total	<u>15,000</u>	<u>7,624</u>	<u>7,376</u>
NC Wisewoman			
Salaries and employee benefits	4,488	2,232	2,256
Other operating expenditures	802	476	326
Total	<u>5,290</u>	<u>2,708</u>	<u>2,582</u>
HIV/STD Grant			
Salaries and employee benefits	-	8,844	(8,844)
Other operating expenditures	1,278	1,091	187
Total	<u>1,278</u>	<u>9,935</u>	<u>(8,657)</u>
Diabetes			
Salaries and employee benefits	12,728	1,937	10,791
Other operating expenditures	1,465	524	941
Total	<u>14,193</u>	<u>2,461</u>	<u>11,732</u>
Ace learning	<u>17,349</u>	<u>5,044</u>	<u>12,305</u>
Emerginig diseases			
Salaries and employee benefits	216,923	96,724	120,199
Other operating expenditures	95,485	19,545	75,940
Capital outlay	38,450	33,400	5,050
Total	<u>350,858</u>	<u>149,669</u>	<u>201,189</u>
Other health services			
Salaries and employee benefits	1,511	7,994	(6,483)
Other operating expenditures	2,239	1,498	741
Total	<u>3,750</u>	<u>9,492</u>	<u>(5,742)</u>
Total Health	<u>1,335,092</u>	<u>895,272</u>	<u>439,820</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Mental Health			
Administration			
Regional allocation	20,306	20,306	-
Bottle tax	3,975	306	3,669
Total Mental Health	24,281	20,612	3,669
Social Services			
Administration			
Salaries and employee benefits	1,519,002	1,408,831	110,171
Other operating expenditures	168,871	120,084	48,787
Total	1,687,873	1,528,915	158,958
AFDC Program			
Extra items	12,393	2,245	10,148
Foster care	60,000	7,472	52,528
Total	72,393	9,717	62,676
Foster Care	45,000	23,915	21,085
General Assistance	7,500	997	6,503
Aid to Blind	898	897	1
Food Stamp - EBT	2,020	1,267	753
Child Support Officer	26,059	14,571	11,488
Work First Job Program	16,000	951	15,049
Supplemental Assistance	69,000	36,466	32,534
Medicaid Transportation	50,000	23,835	26,165
Crisis Intervention	53,902	14,860	39,042
Emergency Assistance	136,339	136,145	194
Adoption Assistance	25,609	7,641	17,968
Energy Assistance	9,528	8,777	751
HCCBG	150,501	132,661	17,840
SSBG	-	-	-
Total Social Services	2,352,622	1,941,615	411,007
Veterans Services			
Salaries and employee benefits	22,137	17,149	4,988
Other operating expenditures	1,650	819	831
Total Veterans Services	23,787	17,968	5,819
Rural Transportation	68,935	42,306	26,629
Tri-County Senior Citizens			
Salaries and employee benefits	70,153	63,919	6,234
Title V	106,853	55,016	51,837
DR services outreach	-	-	-
Total	177,006	118,935	58,071
Total Human Services	3,981,723	3,036,708	945,015

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Cultural and Recreational			
Recreational			
Salaries and employee benefits	46,533	23,487	23,046
Other operating expenditures	21,350	18,051	3,299
Total	67,883	41,538	26,345
Civic Center			
Salaries and employee benefits	28,835	22,866	5,969
Other operating expenditures	75,225	43,440	31,785
Capital	10,000	5,558	4,442
Total	114,060	71,864	42,196
Interagency Council			
Other operating expenditures	97,883	95,687	2,196
Arts Council Appropriation	1,775	1,775	-
Library Appropriation	93,720	93,720	-
Total Cultural and Recreational	375,321	304,584	70,737
Miscellaneous - County			
Other operating expenditures	252,641	216,676	35,965
Total Miscellaneous - County	252,641	216,676	35,965
Education			
Public Schools			
Current expense	2,457,579	2,455,550	2,029
Forest receipts	40,210	40,210	-
Capital outlay	548,938	336,367	212,571
Total	3,046,727	2,832,127	214,600
Community College			
Other operating expenditures	104,858	104,858	-
Total Education	3,151,585	2,936,985	214,600
Debt Service			
Principal retirement	929,152	929,152	
Interest	729,054	155,684	
Total Debt Service	1,658,206	1,084,836	573,370
TOTAL EXPENDITURES	18,954,714	15,883,759	3,070,955
Revenues over (under) expenditures	(1,450,557)	435,403	(4,255,950)

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers from other funds	100,000	190,789	(90,789)
Transfers to other funds	(10,472)	(66,192)	55,720
Insurance Recovery	-	-	-
Sale of Capital Assets	-	-	-
Installment Purchase Obligation Issued	-	-	-
Appropriated Fund Balance	-	-	-
Loan proceeds	2,000,000	2,000,000	-
Total other financing sources (uses)	<u>2,089,528</u>	<u>2,124,597</u>	<u>(35,069)</u>
Revenues and other sources over (under) expenditures and other uses	<u>638,971</u>	<u>2,560,000</u>	<u>(4,291,019)</u>
Appropriated fund balance	<u>(638,971)</u>	-	<u>638,971</u>
Net change in fund balance	<u>\$ -</u>	<u>2,560,000</u>	<u>\$ 2,560,000</u>
Fund balance - beginning		<u>10,385,493</u>	
Fund balance - ending		<u>\$ 12,945,493</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, 2021

		Actual			Variance
	Project				Positive
	Authorization	Prior Years	Current Year	Total to Date	(Negative)
Revenues:					
Restricted intergovernmental:					
State of NC - Grant-In-Aid	\$ 13,957,288	\$ 13,957,288	\$ -	\$ 13,957,288	\$ -
Golden Leaf Grant	1,500,000	1,500,000	-	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	-	288,526	4,445	292,971	292,971
Total Revenues	<u>34,003,341</u>	<u>30,746,564</u>	<u>4,445</u>	<u>30,751,009</u>	<u>(3,252,332)</u>
Expenditures:					
Education:					
Installment Obligations Issued	<u>45,732,288</u>	<u>42,409,567</u>	<u>425</u>	<u>42,409,992</u>	<u>3,322,296</u>
Total Expenditures	<u>45,732,288</u>	<u>42,409,567</u>	<u>425</u>	<u>42,409,992</u>	<u>3,322,296</u>
Revenues over (under) expenditures	(11,728,947)	(11,663,003)	4,020	(11,658,983)	69,964
Other Financing Sources (Uses):					
Installment Purchase Obligation - QZAB	8,992,127	8,998,000	-	8,998,000	5,873
Installment Purchase Obligation - Taxable Loan	2,736,820	2,742,712	-	2,742,712	5,892
Transfer to General Fund	-	-	(81,729)	(81,729)	(81,729)
Total Other Financing Sources (Uses)	<u>11,728,947</u>	<u>11,740,712</u>	<u>(81,729)</u>	<u>11,658,983</u>	<u>(69,964)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 77,709</u>	(77,709)	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			77,709		
Fund Balance, ending			<u>\$ -</u>		

Jones County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds											
	Property Revaluation Fund	Fire District Fund	Stream Debris Removal Fund	Emergency Watershed Protection Fund	Community Development Block Grant	Swift Water Rescue Fund	Social Services Fund	Fines and Forfeitures Fund	Agricultural Extension Fund	Sheriff and Animal Cruelty Fund	Miscellaneous Trust Fund	Total Nonmajor Special Revenue Funds
Assets:												
Cash & cash equivalents	\$ -	\$ 4,011	\$ -	\$ -	\$ -	\$ -	\$ 34,131	\$ 9,654	\$ 48,679	\$ -	\$ 84,397	\$ 180,872
Restricted cash	132,220	-	-	-	-	-	-	-	-	-	-	132,220
Accounts receivable (net)	-	-	4,033	-	-	9,049	-	-	-	106,022	832	119,936
Taxes receivable (net)	-	13,720	-	-	-	-	-	-	-	-	-	13,720
Total Assets	132,220	17,731	4,033	-	-	9,049	34,131	9,654	48,679	106,022	85,229	446,748
Liabilities:												
Accounts payable	-	2,158	-	-	8,270	-	783	9,654	-	-	127	20,992
Due to other funds	-	-	23,862	-	59,818	-	-	-	-	-	-	83,680
Total liabilities	-	2,158	23,862	-	68,088	-	783	9,654	-	-	127	104,672
Deferred Inflows of Resources:												
Taxes receivable	-	13,720	-	-	-	-	-	-	-	-	-	13,720
Total deferred inflow of resources	-	13,720	-	-	-	-	-	-	-	-	-	13,720
Fund Balances:												
Restricted												
Stabilization by state statute	-	-	4,033	-	-	9,049	-	-	-	106,022	832	119,936
Committed												
Tax revaluation	132,220	-	-	-	-	-	-	-	-	-	-	132,220
Cultural and recreational	-	-	(23,862)	-	-	-	-	-	-	-	-	(23,862)
Public Safety	-	1,853	-	-	-	-	33,348	-	48,679	-	84,270	168,150
Economic and physical development	-	-	-	-	(68,088)	-	-	-	-	-	-	(68,088)
Total fund balances	132,220	1,853	(19,829)	-	(68,088)	9,049	33,348	-	48,679	106,022	85,102	328,356
Total liabilities, deferred inflows and of resources, and fund balances	\$ 132,220	\$ 17,731	\$ 4,033	\$ -	\$ -	\$ 9,049	\$ 34,131	\$ 9,654	\$ 48,679	\$ 106,022	\$ 85,229	\$ 446,748

Jones County, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet (continued)
June 30, 2021

	Capital Project Funds			
	Restore Brock Mill Fund	Hazard Mitigation Grant Program Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds Funds
Assets:				
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ 180,872
Restricted cash	-	-	-	132,220
Accounts receivable (net)	-	-	-	119,936
Taxes receivable (net)	-	-	-	13,720
Total Assets	-	-	-	446,748
Liabilities:				
Accounts payable	-	45,565	45,565	66,557
Due to other funds	-	2,313,875	2,313,875	2,397,555
Total liabilities	-	2,359,440	2,359,440	2,464,112
Deferred Inflows of Resources:				
Taxes receivable	-	-	-	13,720
Total deferred inflow of resources	-	-	-	13,720
Fund Balances:				
Restricted				
Stabilization by state statute	-	-	-	119,936
Committed				
Tax revaluation	-	-	-	132,220
Cultural and recreational	-	-	-	(23,862)
Public Safety	-	(2,359,440)	(2,359,440)	(2,191,290)
Economic and physical development	-	-	-	(68,088)
Total fund balances	-	(2,359,440)	(2,359,440)	(2,031,084)
 Total liabilities, deferred inflows and fund balances of resources, and fund balances	 \$ -	 \$ -	 \$ -	 \$ 446,748

Jones County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds											
	Property Revaluation Fund	Fire District Fund	Stream Debris Removal Fund	Emergency Watershed Protection Fund	Community Development Block Grant	Swift Water Rescue Fund	Social Services Fund	Fines and Forfeitures Fund	Agricultural Extension Fund	Animal Cruelty Fund	Miscellaneous Trust Fund	Total Nonmajor Special Revenue Funds
Revenues:												
Ad valorem taxes	\$ -	\$ 181,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,900
Local option sales taxes	-	1,985	-	-	-	-	-	-	-	-	-	1,985
Restricted intergovernmental	-	-	466,575	343,403	-	-	-	-	-	-	-	809,978
Miscellaneous	-	-	-	-	-	-	28,275	78,329	9,201	3,815	5,870	125,490
Total revenues	-	183,885	466,575	343,403	-	-	28,275	78,329	9,201	3,815	5,870	1,119,353
Expenditures:												
Current:												
General government	44,985	-	-	-	-	-	-	-	-	-	-	44,985
Public safety	-	182,032	-	344,070	-	-	28,693	78,329	6,103	7,389	2,762	649,378
Economic and physical development	-	-	-	-	47,762	-	-	-	-	-	-	47,762
Cultural & recreational	-	-	508,131	-	-	-	-	-	-	-	-	508,131
Total Expenditures	44,985	182,032	508,131	344,070	47,762	-	28,693	78,329	6,103	7,389	2,762	1,250,256
Excess (deficiency) of revenues over (under) expenditures	(44,985)	1,853	(41,556)	(667)	(47,762)	-	(418)	-	3,098	(3,574)	3,108	(130,903)
Other Financing Sources (Uses):												
Transfers from (to) other funds	31,250	-	24,667	-	-	-	-	-	-	-	-	55,917
Total other financing sources (uses)	31,250	-	24,667	-	-	-	-	-	-	-	-	55,917
Net change in Fund Balance	(13,735)	1,853	(16,889)	(667)	(47,762)	-	(418)	-	3,098	(3,574)	3,108	(74,986)
Fund balance, beginning as previously reported	145,955	-	(2,940)	667	(20,326)	9,049	-	-	-	-	-	132,405
Prior period restatement - change in accounting principle	-	-	-	-	-	-	33,766	-	45,581	109,596	81,994	270,937
Fund balance, beginning restated	145,955	-	(2,940)	667	(20,326)	9,049	33,766	-	45,581	109,596	81,994	403,342
Fund balance, ending	\$ 132,220	\$ 1,853	\$ (19,829)	\$ -	\$ (68,088)	\$ 9,049	\$ 33,348	\$ -	\$ 48,679	\$ 106,022	\$ 85,102	\$ 328,356

Jones County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2021

	Capital Project Funds			
	Restore Brock Mill Fund	Hazard Mitigation Grant Program Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 181,900
Local option sales taxes	-	-	-	1,985
Restricted intergovernmental	19,516	617,297	636,813	1,446,791
Miscellaneous	-	-	-	125,490
Total revenues	<u>19,516</u>	<u>617,297</u>	<u>636,813</u>	<u>1,756,166</u>
Expenditures:				
Current:				
General government	-	-	-	44,985
Public safety	-	2,871,374	2,871,374	3,520,752
Economic and physical development	-	-	-	47,762
Cultural & recreational	20,731	-	20,731	528,862
Total Expenditures	<u>20,731</u>	<u>2,871,374</u>	<u>2,892,105</u>	<u>4,142,361</u>
Excess (deficiency) of revenues over (under) expenditures	(1,215)	(2,254,077)	(2,255,292)	(2,386,195)
Other Financing Sources (Uses):				
Transfers from (to) other funds	1,215	-	1,215	57,132
Total other financing sources (uses)	<u>1,215</u>	<u>-</u>	<u>1,215</u>	<u>57,132</u>
Net change in Fund Balance	-	(2,254,077)	(2,254,077)	(2,329,063)
Fund balance, beginning as previously reported	-	(105,363)	(105,363)	27,042
Prior period restatement - change in accounting principle	-	-	-	270,937
Fund balance, beginning restated	<u>-</u>	<u>(105,363)</u>	<u>(105,363)</u>	<u>297,979</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ (2,359,440)</u>	<u>\$ (2,359,440)</u>	<u>\$ (2,031,084)</u>

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, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Tax revaluation	\$ 150,100	\$ -	(150,100)
Total revenues	<u>150,100</u>	<u>-</u>	<u>(150,100)</u>
Expenditures			
Current:			
Contract revaluation	\$ 150,100	\$ 44,985	\$ 105,115
Total Expenditures	<u>150,100</u>	<u>44,985</u>	<u>105,115</u>
Other Financing Sources			
Operating transfer from general fund	31,250	31,250	-
Appropriated fund balance	<u>(31,250)</u>	<u>-</u>	<u>31,250</u>
Total other financing sources	<u>-</u>	<u>31,250</u>	<u>31,250</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	<u>\$ -</u>	(13,735)	<u>\$ (13,735)</u>
Fund balance, beginning		145,955	
Fund balance, ending		<u>\$ 132,220</u>	

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, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Ad Valorem taxes - current year	\$ 211,400	\$ 181,900	\$ (29,500)
Local option sales tax	2,750	1,985	(765)
Total Revenues	<u>214,150</u>	<u>183,885</u>	<u>(30,265)</u>
Expenditures			
Current:			
Public safety			
Comfort Fire Tax District	18,750	17,154	1,596
Hargett's Crossroad Fire District	22,650	20,763	1,887
Maysville Fire Tax District	17,000	13,768	3,232
Pollocksville Fire Tax District	55,000	49,130	5,870
Trenton Fire Tax District	60,800	48,888	11,912
Wyse Fork Fire Tax District	22,800	17,891	4,909
Township 7 Fire Tax District	17,150	14,438	2,712
Total Expenditures	<u>214,150</u>	<u>182,032</u>	<u>32,118</u>
Net change in fund balance	<u>\$ -</u>	1,853	<u>\$ 1,853</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 1,853</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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted intergovernmental					
NC Dept. of Agriculture - Soil & Water Division	\$ 1,020,305	\$ 898,731	\$ 466,575	\$ 1,365,306	\$ 345,001
Total Revenues	<u>1,020,305</u>	<u>898,731</u>	<u>466,575</u>	<u>1,365,306</u>	<u>345,001</u>
Expenditures:					
Cultural and Recreation					
Waterway Enhancement - Stream Debris Removal	1,101,305	941,119	508,131	1,449,250	(347,945)
Total Expenditures	<u>1,101,305</u>	<u>941,119</u>	<u>508,131</u>	<u>1,449,250</u>	<u>(347,945)</u>
Revenues Over (Under) Expenditures	<u>(81,000)</u>	<u>(42,388)</u>	<u>(41,556)</u>	<u>(83,944)</u>	<u>(2,944)</u>
Other Financing Sources (Uses):					
Transfers from general fund	81,000	39,448	24,667	64,115	16,885
Total Other Financing Sources (Uses)	<u>81,000</u>	<u>39,448</u>	<u>24,667</u>	<u>64,115</u>	<u>16,885</u>
Revenues and Other Financing Sources Over (Under)					
Expenditures	<u>\$ -</u>	<u>\$ (2,940)</u>	(16,889)	<u>\$ (19,829)</u>	<u>\$ (19,829)</u>
Fund Balance, beginning			(2,940)		
Fund Balance, ending			<u>\$ (19,829)</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, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 48,000	\$ 343,403	\$ 295,403
Total Revenues	<u>48,000</u>	<u>343,403</u>	<u>295,403</u>
Expenditures			
Current:			
Public safety			
Technical assistance	48,000	344,070	(296,070)
Total Expenditures	<u>48,000</u>	<u>344,070</u>	<u>(296,070)</u>
Net change in fund balance	<u>\$ -</u>	(667)	<u>\$ (667)</u>
Fund balance, beginning		667	
Fund balance, ending		<u>\$ -</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, 2021

	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	-	5,431	5,431	669,569
Administration	71,500	16,826	42,331	59,157	12,343
Planning	3,500	3,500	-	3,500	-
Total Expenditures	<u>750,000</u>	<u>20,326</u>	<u>47,762</u>	<u>68,088</u>	<u>681,912</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (20,326)</u>	<u>(47,762)</u>	<u>\$ (68,088)</u>	<u>\$ (68,088)</u>
Fund Balance, beginning			(20,326)		
Fund Balance, ending			<u>\$ (68,088)</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, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Duke Energy Foundation	\$ 20,000	\$ -	\$ (20,000)
Total Revenues	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Expenditures			
Public safety			
Swift water rescue	20,000	-	20,000
Total Expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		9,049	
Fund balance, ending		<u>\$ 9,049</u>	

Jones County, North Carolina
Social Services Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 28,275	\$ 28,275
Total Revenues	-	28,275	28,275
Expenditures			
Public safety	-	28,693	(28,693)
Total Expenditures	-	28,693	(28,693)
Net change in fund balance	\$ -	(418)	\$ (418)
Fund balance, beginning		33,766	
Fund balance, ending		\$ 33,348	

Jones County, North Carolina
Fines and Forfeitures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 78,329	\$ 78,329
Total Revenues	-	78,329	78,329
Expenditures			
Public safety	-	78,329	(78,329)
Total Expenditures	-	78,329	(78,329)
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

Jones County, North Carolina
Agricultural Extension Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 9,201	\$ 9,201
Total Revenues	-	9,201	9,201
Expenditures			
Public safety			
Swift water rescue	-	6,103	(6,103)
Total Expenditures	-	6,103	(6,103)
Net change in fund balance	\$ -	3,098	\$ 3,098
Fund balance, beginning		45,581	
Fund balance, ending		\$ 48,679	

Jones County, North Carolina
Sheriff and Animal Cruelty Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 3,815	\$ 3,815
Total Revenues	-	3,815	3,815
Expenditures			
Public safety	-	7,389	(7,389)
Total Expenditures	-	7,389	(7,389)
Net change in fund balance	\$ -	(3,574)	\$ (3,574)
Fund balance, beginning		109,596	
Fund balance, ending		<u>\$ 106,022</u>	

Jones County, North Carolina
Miscellaneous Trust Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 5,870	\$ 5,870
Total Revenues	-	5,870	5,870
Expenditures			
Public safety	-	2,762	(2,762)
Total Expenditures	-	2,762	(2,762)
Net change in fund balance	\$ -	3,108	\$ 3,108
Fund balance, beginning		81,994	
Fund balance, ending		<u>\$ 85,102</u>	

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, 2021

		Actual			Variance
	Project	Prior Years	Current Year	Total to	Positive
	Authorization			Date	(Negative)
Revenues:					
Restricted Intergovernmental					
NCDCCR - PARTF	\$ 96,100	\$ 80,484	\$ 19,516	\$ 100,000	\$ 3,900
Total Revenues	<u>96,100</u>	<u>80,484</u>	<u>19,516</u>	<u>100,000</u>	<u>3,900</u>
Expenditures:					
Cultural & Recreational					
Restoration of Brock's Mill House & Pond	96,100	80,484	20,731	101,215	(5,115)
Total Expenditures	<u>96,100</u>	<u>80,484</u>	<u>20,731</u>	<u>101,215</u>	<u>(5,115)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	(1,215)	<u>(1,215)</u>	<u>(1,215)</u>
Other Financing Sources (Uses):					
Transfers from general fund	-	-	1,215		
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>1,215</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ -</u>		

PROPRIETARY FUNDS

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.

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, 2021

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues:					
Restricted Intergovernmental					
Hazard Mitigation Grant Program - Acquisition (4285-45)	\$ 610,770	\$ 158,557	\$ 22,060	\$ 180,617	\$ (430,153)
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	-	595,237	595,237	(6,693,697)
Total Revenues	8,041,612	161,716	617,297	779,013	(7,262,599)
Expenditures:					
Public Safety					
Hazard Mitigation Grant Program - Acquisition (4285-45)					
Legal fees - other	10,250	4,675	2,466	7,141	3,109
Survey	7,080	7,080	-	7,080	-
Appraisal	3,920	3,000	-	3,000	920
Acquisition	480,312	199,690	67,823	267,513	212,799
Demolition	80,124	18,340	2,660	21,000	59,124
Administration	29,084	1,108	17,657	18,765	10,319
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	66,920	68,045	38,055
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	38,276	46,019	20,631
Inspection	23,250	-	8,826	8,826	14,424
Survey	37,200	-	48,993	48,993	(11,793)
Appraisal	62,000	7,800	8,400	16,200	45,800
Acquisition	5,993,655	-	2,502,131	2,502,131	3,491,524
Demolition	798,204	-	-	-	798,204
Administration	307,975	-	107,222	107,222	200,753
Total Expenditures	8,041,612	267,079	2,871,374	3,138,453	4,903,159
Net change in fund balance	\$ -	\$ (105,363)	(2,254,077)	\$ (2,359,440)	\$ (2,359,440)
Fund Balance, beginning			(105,363)		
Fund Balance, ending			\$ (2,359,440)		

Jones County, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Operating Revenues:			
Water sales	\$ 1,450,000	\$ 1,503,961	\$ 53,961
Water tap fees	15,000	50,237	35,237
Reconnect fees	10,000	11,790	1,790
Other operating revenue	108,750	62,390	(46,360)
Total Operating Revenues	<u>1,583,750</u>	<u>1,628,378</u>	<u>44,628</u>
Nonoperating Revenues:			
Investment earnings	20,000	405	(19,595)
Total Nonoperating Revenues	<u>20,000</u>	<u>405</u>	<u>(19,595)</u>
Total Revenues	<u>1,603,750</u>	<u>1,628,783</u>	<u>25,033</u>
Operating Expenses:			
Water Administration, Billing & Collection			
Salaries & employee benefits		90,426	
Professional services		15,000	
Insurance		53,500	
Postage		12,320	
Supplies		1,186	
Printing		6,146	
Telephone		1,822	
Other operating expenditures		25,964	
Total	<u>247,460</u>	<u>206,364</u>	<u>41,096</u>
Raw Water Supply & Maintenance			
Salaries & employee benefits		209,505	
Electric power		79,086	
Vehicles operation & maintenance		22,905	
Supplies & materials		17,654	
Sample analysis		14,887	
Other operating expenditures		123,205	
Maintenance & replacement		132,722	
Total	<u>677,060</u>	<u>599,964</u>	<u>77,096</u>
Total Operating Expenses	<u>924,520</u>	<u>806,328</u>	<u>118,192</u>

Jones County, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Debt service:			
Interest, fees and amortization		18,822	
Principal		148,555	
Total Debt Service	167,397	167,377	20
Total Expenditures	1,091,917	973,705	118,212
Revenues Over (Under) Expenditures	511,833	655,078	143,245
Other Financing Sources (Uses):			
Transfer to other funds	(511,833)	(411,833)	100,000
Total Other Financing Sources (Uses)	(511,833)	(411,833)	100,000
Revenues and Other Financing Sources Over (Under)			
Expenditures	\$ -	243,245	\$ 243,245
Reconciliation from budgetary basis (modified accrual)			
to full accrual:			
Revenues over (under) expenditures		243,245	
Reconciling items:			
Debt principal		148,555	
Interest revenues from Capital Project Funds		672	
Capital contributions from Water Supply Improvements Fund		245,165	
Depreciation		(453,743)	
Increase (decrease) in deferred outflows of resources -			
pensions		23,473	
(Increase) decrease in net pension liability		(53,391)	
(Increase) decrease in deferred inflows of resources -			
pensions		1,121	
(Increase) decrease in accrued vacation payable		2,795	
Transfer to water capital reserve capital project fund		311,833	
Change in net position		\$ 469,725	

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, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Nonoperating Revenues:			
Investment earnings	\$ -	\$ 279	\$ 279
Total Nonoperating Revenues	-	279	279
Other Financing Sources			
Transfer from water fund	-	311,833	311,833
Total other financing sources	-	311,833	311,833
Revenues and Other Financing Sources			
Over (Under) Expenditures	\$ -	312,112	\$ 312,112
Fund balance, beginning		1,525,346	
Fund balance, ending		\$ 1,837,458	

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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (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	<u>11,092,000</u>	<u>7,651,102</u>	<u>-</u>	<u>7,651,102</u>	<u>(3,440,898)</u>
Department of Transportation Waterline Relocation Project:					
Restricted intergovernmental					
Department of Transportation	58,877	-	58,057	58,057	(820)
Total DOT Waterline Relocation Project	<u>58,877</u>	<u>-</u>	<u>58,057</u>	<u>58,057</u>	<u>(820)</u>
Waterline Storm Repair Project:					
Other revenue					
DWSRF Loan	127,263	-	-	-	(127,263)
Golden Leaf	79,080	134,565	187,108	321,673	242,593
Total Waterline Storm Repair Project	<u>206,343</u>	<u>134,565</u>	<u>187,108</u>	<u>321,673</u>	<u>115,330</u>
Total Revenues	<u>11,357,220</u>	<u>7,785,667</u>	<u>245,165</u>	<u>8,030,832</u>	<u>(3,326,387)</u>
Expenditures					
Wastewater Treatment Plant Capital Project:					
Construction - water distribution	2,219,726	462,040	1,637,821	2,099,861	119,865
Construction - well improvements	275,360	21,542	235,948	257,490	17,870
Construction - elevated storage tank	889,000	-	780,229	780,229	108,771
Construction - water treatment plant	5,747,284	118,237	3,470,801	3,589,038	2,158,246
Construction - meter replacements	124,789	-	-	-	124,789
Engineering	603,480	606,118	372,586	978,704	(375,224)
Preliminary engineering report	20,000	-	23,347	23,347	(3,347)
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	24,211	-	24,211	1,053
Debt service interest	240,000	-	-	-	240,000
Surveying	10,000	10,000	-	10,000	-
Land easement - negotiation	15,000	15,000	-	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	<u>11,448,746</u>	<u>1,451,408</u>	<u>6,520,732</u>	<u>7,972,140</u>	<u>3,476,606</u>

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, 2021

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>23,132</u>	<u>-</u>	<u>23,132</u>	<u>24,081</u>
Waterline Storm Repair Project:					
Construction and Engineering	48,224	48,041	20,850	68,891	(20,667)
Additional Services	7,724	7,444	-	7,444	280
Total Waterline Storm Repair Project	<u>55,948</u>	<u>55,485</u>	<u>20,850</u>	<u>76,335</u>	<u>(20,387)</u>
Total Expenditures	<u>11,551,907</u>	<u>1,530,025</u>	<u>6,541,582</u>	<u>8,071,607</u>	<u>3,480,300</u>
Revenues over (under) expenditures	(194,687)	6,255,642	(6,296,417)	(40,775)	153,912
Other Financing Sources (Uses):					
Interest income	-	128	393	521	521
Local match	194,688	50,000	-	50,000	(144,688)
Total Other Financing Sources (Uses)	<u>194,688</u>	<u>50,128</u>	<u>393</u>	<u>50,521</u>	<u>(144,167)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 6,305,770</u>	<u>(6,296,024)</u>	<u>\$ 9,746</u>	<u>\$ 9,746</u>
Fund Balance, beginning			6,305,770		
Fund Balance, ending			<u>\$ 9,746</u>		

Jones County, North Carolina
Custodial Funds
Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021

	Ad Valorem Tax Fund
Assets:	
Cash and cash equivalents	\$ 12,097
Accounts receivable	58,195
Total assets	<u>70,292</u>
Liabilities	
Intergovernmental payable	17,569
Deferred revenue	53,730
Total liabilities	<u>71,299</u>
Net Position	<u><u>\$ (1,007)</u></u>

Jones County, North Carolina
Custodial Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021

	Ad Valorem Tax Fund
Additions	
Ad valorem taxes for other governments	\$ 415,630
Total assets	<u>415,630</u>
Deductions	
Tax distributions to other governments	<u>416,304</u>
Total liabilities	
Net increase (decrease) in fiduciary net position	(674)
Net position, beginning as previously reported	-
Prior period restatement - change in accounting principle	<u>(333)</u>
Net position, beginning restated	<u>(333)</u>
Net position, ending	<u><u>\$ (1,007)</u></u>

Jones County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2021	\$ -	\$ 6,926,015	\$ 6,715,150	\$ 210,865
2020	201,384	-	109,877	91,507
2019	118,237	-	37,213	81,024
2018	66,100	-	22,787	43,313
2017	28,301	-	4,958	23,343
2016	33,335	-	4,220	29,115
2015	16,595	-	1,369	15,226
2014	24,417	-	1,821	22,596
2013	23,123	-	1,523	21,600
2012	17,024	-	751	16,273
2011	13,029	-	13,029	-
TOTALS	<u><u>\$ 541,545</u></u>	<u><u>\$ 6,926,015</u></u>	<u><u>\$ 6,912,698</u></u>	554,862
Less: Allowance for uncollectable taxes				<u>(18,922)</u>
Ad valorem taxes - General Fund				<u><u>\$ 535,940</u></u>
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 6,784,067
Reconciling items:				
Penalties and Interest				(78,684)
Releases and Refunds				<u>207,313</u>
Total Reconciling Items				<u>128,629</u>
Total Collections and Credits				<u><u>\$ 6,912,696</u></u>

Jones County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2021

	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	\$ 899,539,091	0.7700%	\$ 6,926,451	\$ 6,058,594	\$ 867,857
Total Original Levy	<u>899,539,091</u>		<u>6,926,451</u>	<u>6,058,594</u>	<u>867,857</u>
Discoveries:					
Current year taxes	5,494,935	0.7700%	42,311	42,311	-
Total Discoveries	<u>5,494,935</u>		<u>42,311</u>	<u>42,311</u>	<u>-</u>
Abatements					
Current Year Taxes	(5,551,558)	0.7700%	(42,747)	(42,747)	-
Total Abatements	<u>(5,551,558)</u>		<u>(42,747)</u>	<u>(42,747)</u>	<u>-</u>
Total for Year	<u>\$ 899,482,468</u>		6,926,015	6,058,158	867,857
Uncollected taxes at June 30, 2021			210,865	210,865	-
Current year's taxes collected			<u>\$ 6,715,150</u>	<u>\$ 5,847,293</u>	<u>\$ 867,857</u>
Current levy collection percentage			<u>96.96%</u>	<u>96.52%</u>	<u>100.00%</u>

Jones County, North Carolina
Schedule of Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2021

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation
Weyerhaeuser Company	Timber	\$ 34,097,873	3.69%
Jones-Onslow EMC	Utility	47,544,475	5.15%
Hofmann Forest Timber Lands, LLC	Timber	16,085,016	1.74%
Duke Energy Progress, Inc.	Utility	11,897,718	1.29%
Murphy Brown, LLC	Agriculture	8,507,293	0.92%
Bell Brothers	Agriculture	7,947,828	0.86%
Jones County Cotton Gin, Inc.	Agriculture	5,231,575	0.57%
Brunswick Timber	Service	4,878,259	0.53%
Randy Riggs	Agriculture	3,478,819	0.38%
Down East Farms, Inc.	Agriculture	3,280,028	0.36%
Total		<u>\$ 142,948,884</u>	<u>15.48%</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 unit, each major fund, and the aggregate remaining fund information of Jones County, as of and for the year ended June 30, 2021, 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 11, 2022. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs 2021-001 that we consider to be significant deficiencies.

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*.

Jones County's Response to Findings

Jones County's responses to the 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 the financial statements and, accordingly, we express no opinion on it.

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 11, 2022



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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, 2021. 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, 2021.

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 2021 – 002. 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 2021 – 002 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 11, 2022



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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, 2021. 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, 2021.

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 11, 2022

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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
TRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 ☒ No

Significant Deficiency(s) identified? ☒ Yes ☐ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? ☐ Yes ☒ No

Significant Deficiency(s) identified? ☒ 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)? ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
93.778	Medical Assistance Program
97.039	Hazard Mitigation Grant

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

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(s) identified that are not considered to be a material weakness? ☐ Yes ☒ 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 ☒ No

Identification of major State programs:

Program Name
NC Office of Recovery and Resiliency - State Revolving Loans for Temporary Cash Assistance

**JONES COUNTY
TRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II. Financial Statement Findings

Significant Deficiency/Noncompliance

Finding: 2021 – 001

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the the transaction for the current fiscal year. appropriation sufficient to pay in the current fiscal year the sums obligated by by the transaction for the current fiscal year.

Condition: The County expended more for the General Fund, Waterway Enhancement - Stream Debris Removal Project, Emergency Watershed Protection Fund and Restore Brocks Mill Pond Capital Project Fund than was appropriated for in the annual budget ordinance.

Effect: Monies were spent that had not been obligated and appropriated.

Cause: The County exceeded budget expenditures in the General Fund, Waterway Enhancement - Stream Debris Removal Project, Emergency Watershed Protection Fund, Restore Brocks Mill Pond Capital Project, Water Fund, and Water Supply Improvements - Enterprise Capital Project Fund while budget amendments were not adopted.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Views of responsible officials and planned corrective actions: The County agrees with this finding. The County will continue to monitor the budgets monthly to ensure compliance.

**JONES COUNTY
TRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III. Federal Award Findings and Questioned Costs

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: 2021 – 002

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 thirty eight (38) 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. The errors were as follows: Twenty-five (25) cases had a failure to complete at least one compliance component, Six (6) cases lacked substantiating documentation and/or inaccurate resource calculations, Six (6) cases did not have accurate budget calculations, One (1) case contained an inaccurate needs unit calculation.

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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-001.

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.

**JONES COUNTY
TRENTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section IV. State Award Findings and Questioned Costs

None Reported.



JONES COUNTY

County of Jones
Finance Office
418 Hwy 58 N, Unit A
Trenton, NC 28585
Telephone: (252) 448-5111
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CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Questioned Costs

2021 - 001 Noncompliance with Budget

Name of contact Person: Kyle Smith, Finance Officer

Corrective Action: When obligations arise that exceed the amount in the approved budget ordinance, amendments to the budget will be created. These amendments will be brought to the Board when they arise for transparency and to ensure compliance.

Proposed Completion Date: Immediately

2021 - 002 Eligibility

Name of contact Person: Afton Harvell, Economic Services Program Manager

Corrective Action: Procedures and controls are being developed for caseworkers to follow. Medicaid caseworkers will receive additional training on Work Number policy and Administrative Letters to remind workers of the procedures and policies that should be followed at time of application and recertification process. Supervisors will review action reports regularly and complete second party reviews to determine that the correction is being taken. Workers will be retrained on child support referrals policy and NC Fast evidence for resources and income, to ensure procedures are being followed for evidence on dashboard to match the supporting documentation used as verifications. Supervisors will review cases to ensure evidence and supporting documentation match and cases show consistency. Workers will review budgeting policies for needs unit calculation and determination. Supervisors will review cases to ensure evidence is inputted correctly and accurate needs units in eligibility are used in determination of benefits.

Proposed Completion Date: Certain controls are currently being created and reviewed. Management will continue to monitor the progress of this issue and modify controls as needed. Implementation has already begun as of July 26, 2021, after initial single audit discussions.

Section IV. State Award Findings and Questioned Costs

None Reported.

**JONES COUNTY
TRENTON, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

Status: 2020-001 Still occurring.

JONES COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipients
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
SNAP Cluster						
State Administrative Matching Grants for the						
Supplemental Nutrition Assistance Program	10.561		\$ 219,519	\$ -	\$ 219,519	\$ -
Total SNAP Cluster			219,519	-	219,519	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
WIC Special Supplemental Nutrition Program for						
Women, Infants, & Children	10.557		56,629	-	-	-
Total WIC Special Supplemental Nutrition Program			56,629	-	-	-
for Women, Infants, and Children						
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management						
Emergency Service Performance Grant	97.042		19,689	19,689	-	-
Homeland Security Grant	97.067		37,722	-	-	-
Disaster Grants - Public Assistance (Presidentially						
Declared Disasters)	97.036		81,223	27,074	-	-
Hazard Mitigation Grant	97.039		439,808	146,603		
Total U. S. Department of Homeland Security			578,442	193,366	-	-
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce:						
COVID 19 - Community Development Block Grant,						
State's Program	14.228		1,808	-	-	-
Total U. S. Department of Housing and Urban Development			1,808	-	-	-
<u>U.S. Dept. of Treasury</u>						
Passed-through the Office of State Budget and Management:						
NC Pandemic Recovery Office						
Coronavirus Relief Fund	21.019		586,053	-	-	146,249
Passed-through NC Dept. of Health and Human Services						
Division of Public Health						
Coronavirus Relief Fund	21.019		39,666	-	-	-
Passed-through the N.C. State Board of Elections:						
CARES Act Supplemental						
Total U.S. Dept. of Treasury	21.019		16,000	-	-	-
			641,719	-	-	146,249
<u>U. S. Department of Elections</u>						
Passed-through N.C. Dept. Administration:						
HAVA CARES Act Grant						
Total U. S. Department of Elections	90.404		73,744	-	-	-
			73,744	-	-	-
<u>U.S. Dept. of Health & 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	93.044		(20,304)	(1,194)	-	-
Special Programs for the Aging - Title III C						
Nutrition Services						
Congregate Meals	93.045		21,541	1,267	-	-
Home Delivered Meals	93.045		60,965	3,586	-	-
Nutrition Services Incentive Program	93.053		14,819	-	-	-
Total Aging Cluster			77,021	3,659	-	-
Division of Social Services:						
TANF - Work First						
TANF - Work First	93.558		140,944	-	5,805	-
Division of Public Health						
TANF - Work First						
TANF - Work First	93.558		1,459	-	-	-
Total Temporary Assistance for Needy Families (TANF)			142,403	-	5,805	-

JONES COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipients
<u>Foster Care and Adoption Cluster (Note 4 and 5)</u>						
Foster Care - Title IV-E	93.658		23,595	13,028	12,108	-
Foster Care	N/A		8,798	-	309	-
Adoption Assistance	93.659		141	-	141	-
Total Foster Care and Adoption Cluster (Note 4 and 5)			<u>32,534</u>	<u>13,028</u>	<u>12,559</u>	<u>-</u>
Child Support Enforcement	93.563		267,545	109	137,717	-
Low-Income Home Energy Assistance:						
Administration	93.568		10,203	-	-	-
Energy Assistance Payments	93.568		72,545	-	-	-
Crisis Intervention Program	93.568		14,365	-	-	-
Low Income Energy Assistance Program COVID	93.568		67,436	-	-	-
Total Low-Income Home Energy Assistance			<u>164,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		2,091	-	697	-
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>2,091</u>	<u>-</u>	<u>697</u>	<u>-</u>
SSBG - Other Service and Training	93.667		93,920	-	31,306	-
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		5,565	-	795	-
SSBG - Adult Protective Care	93.667		19,043	-	-	-
Total State Social Service Block Grant			<u>118,527</u>	<u>-</u>	<u>32,101</u>	<u>-</u>
<u>Division of Child Development and Early Education:</u>						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Mandatory and Match						
Fund-Administration (Note 5)	93.596		76,820	-	-	-
Total Child Care Fund Cluster			<u>76,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subsidized Child Care (Note 5)			<u>76,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Health Benefits:						
Division of Social Services:						
Administration:						
Medicaid Cluster						
Medical Assistance Program (Note 5)	93.778		488,883	74	230,296	-
Total Medicaid Cluster			<u>488,883</u>	<u>74</u>	<u>230,296</u>	<u>-</u>
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		10,288	(207)	2,156	-
Total State Children's Insurance Program - N.C. Health Choice (Note 5)			<u>10,288</u>	<u>(207)</u>	<u>2,156</u>	<u>-</u>

JONES COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipients
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Project Grants and Cooperative Agreements for	93.069		24,355	-	-	-
Tuberculosis Control Program	93.116		50	-	-	-
Family Planning Services	93.217		19,101	-	-	-
Immunization Grants	93.268		44,590	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (EL	93.323		78,486	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		19,793	-	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		1,485			
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		3,275	-	-	-
Preventive Health Services Sexually Transmitted Diseases Control	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		6,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		4,643	1,648	-	-
Passed-through the N.C. Dept. of Insurance:						
Medicare Enrollment Assistance Program						
MIPPA Grant	93.071		2,157	-	-	-
Total Medicare Enrollment Assistance Program			2,157	-	-	-
Total U.S. Dept. of Health and Human Services			1,585,304	18,311	421,332	-
Total federal awards			3,157,166	211,678	640,851	146,249
State Awards:						
<u>N.C. Dept. of Administration</u>						
Division of Veterans Affairs:						
Veterans Services			-	2,084	-	-
Total N.C. Dept. of Administration			-	2,084	-	-
<u>N.C. Dept. of Agriculture</u>						
Administered by County Department of Soil Conservation						
Stream Debris Removal			-	454,491	-	-
Total N.C. Dept. of Agriculture			-	454,491	-	-
<u>N.C. State Board of Elections</u>						
One-Stop Voting Worker Bonus			-	2,230	-	-
Total N.C. State Board of Elections			-	2,230	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,673	-	-
NC Agriculture Cost Share - Technical Assistance			-	25,356	-	-
Total N.C. Dept. Environmental Quality			-	29,029	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
State Appropriation - In-Home Services			-	28,149	-	-
State Appropriation - Home Delivered Meals			-	38,469	-	-
Total Division of Aging and Adult Services			-	66,618	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	8,539	-	-
State Foster Home			-	12,907	11,607	-
Energy Assistance			-	4,377	-	-
CSE Disaster Non Reimbursable			-	-	15,383	-
APS/CPS Care - COVID			-	8,145	-	-
County Funded Programs			-	-	238,919	-
Total Division of Social Service			-	33,968	265,909	-

JONES COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipients
Division of Public Health						
Food and Lodging Fees			-	2,307	-	-
General Aid to Counties			-	78,958	-	-
Public Health Nursing			-	400	-	-
General Communicable Disease Control			-	7,200	-	-
Healthy Communities				3,747		
Child Health			-	689	-	-
HIV/STD STATE			-	500	-	-
STD Drugs			-	54	-	-
Breast and Cervical Cancer Control			-	2,275	-	-
School Nurse Funding Initiative			-	50,000	-	-
Family Planning - State			-	7,412	-	-
Maternal Health			-	1,477	-	-
Women's Health Service Fund			-	836	-	-
Tuberculosis Control			-	290	-	-
Total Division of Public Health			-	156,146	-	-
Total N. C. Department of Health and Human Services			-	256,732	265,909	-
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant			-	4,450	-	-
Total N.C. Dept. of Insurance			-	4,450	-	-
<u>N.C. Dept. of Natural and Cultural Resources</u>						
Parks and Recreation Trust Fund			-	19,516	-	-
Total N.C. Dept. of Natural and Cultural Resources			-	19,516	-	-
<u>N.C. Dept. of Public Safety</u>						
N.C. Office of Recovery & Resiliency						
State Revolving Loans for Temporary Cash Assistance to Local Governments			-	2,000,000	-	-
Total N.C. Office of Recovery & Resiliency			-	2,000,000	-	-
Juvenile Crime Prevention Programs			-	89,849	-	-
Governor's Crime Commission			-	59,500	-	-
Total N. C. Department of Public Safety			-	2,149,349	-	-
Golden Leaf Grant			-	187,108	-	-
<u>N.C. Dept. of Transportation</u>						
NC DOT Cluster ROAP/SMAP						
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	-	-
Total State awards			-	3,224,484	265,909	-
Total federal and State awards			3,157,166	3,436,162	906,760	146,249

JONES COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipients
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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, 2021. 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: Loans Outstanding

Jones County had the following loan balances outstanding at June 30, 2021 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:

	State/Pass- through Grantor's Number	Amount Outstanding
North Carolina Office of Recovery and Resiliency - State Revolving Loans for Temporary Cash Assistance to Local Governments	NCORR- TCALG-028	\$2,000,000

Revolving loan providing interim financing for Hazard Mitigation Grant (CFDA# 97.039) expenditures. Future Hazard Mitigation Grant reimbursements will be committed to payment of revolving loan.

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: 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 expenditures of the County.

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	26,262	-
Supplemental Nutrition Assistance Program	10.551	4,753,314	-
Temporary Assistance for Needy Families	93.558	23,367	-
Adoption Assistance	93.659	42,420	7,632
Family Preservation	93.556	4,040	-
Medical Assistance Program	93.778	15,241,651	6,038,428
Children's Health Insurance Program	93.767	151,016	29,704
Child Welfare Services Adoption	N/A	-	3,804
SAA/SAD HB 1030	N/A	-	20,582
SC/SA Domiciliary Care	N/A	-	37,119