

**COUNTY OF JONES**  
Trenton, North Carolina

**FINANCIAL STATEMENTS**

**For The Fiscal Year Ended June 30, 2005**

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Trenton, North Carolina

**FINANCIAL STATEMENTS**

**For The Fiscal Year Ended June 30, 2005**

Prepared By  
**EDWARD L. BARROW AND COMPANY, P.A.**  
Certified Public Accountants  
Kinston, North Carolina

**JONES COUNTY, NORTH CAROLINA**

**BOARD OF COMMISSIONERS**

**Joseph F. Wiggins**  
Chairman

**Charles Battle, Jr.**

**Frank Emory**

**Jessie Eubanks**

**Sondra I. Riggs**

**COUNTY OFFICIALS**

**Larry P. Meadows**  
County Manager

**Wayne Vanderford**  
Tax Supervisor/Collector

**Tammy May**  
Finance Officer

**Gloria Thomas**  
Register of Deeds

**Thelma Simmons**  
Social Services Director

**Tim Morton**  
Sheriff

**FINANCIAL SECTION:**

Independent Auditors' Report ..... 1 - 2

Management's Discussion and Analysis..... 3 - 10

**BASIC FINANCIAL STATEMENTS:**

**EXHIBIT**

***Government-wide Financial Statements:***

1 Statement of Net Assets ..... 11

2 Statement of Activities..... 12 - 13

***Fund Financial Statements:***

3 Balance Sheet – Governmental Funds ..... 14

4 Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds ..... 15

4 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
In Fund Balances of Governmental Funds to the Statement of Activities ..... 16

5 Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – General Fund ..... 17

6 Statement of Net Assets – Proprietary Fund ..... 18

7 Statement of Revenues, Expenses, and Changes in Fund Net Assets –  
Proprietary Fund ..... 19

8 Statement of Cash Flows – Proprietary Fund..... 20

9 Statement of Fiduciary Net Assets – Fiduciary Fund..... 21

Notes to the Financial Statements ..... 22 - 44

**REQUIRED SUPPLEMENTAL FINANCIAL DATA:**

**STATEMENT**

***Law Enforcement Officers' Special Separation Allowance:***

1 Schedule of Funding Progress..... 45

2 Schedule of Employer Contributions and Notes to the Required Statements..... 46

***Combining and Individual Fund Financial Statements and Schedules:***

3 Statement of Revenues, Expenditures and Changes in Fund Balance -  
General Fund – Budget and Actual..... 47- 58

4 Statement of Revenues, Expenditures and Changes in Fund Balance -  
General Fund – Budget and Actual - County Complex Capital Projects Fund ..... 59

5 Combining Balance Sheet – Nonmajor Governmental Funds ..... 60 - 61

6 Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Governmental Funds ..... 62 - 63

**Statements of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual:**

7 Property Revaluation Fund ..... 64

8 Emergency Telephone System Fund..... 65

9 2004 CDBG Scattered Site Fund..... 66

10 Emergency Watershed Fund ..... 67

11 Civic Center Capital Projects Fund ..... 68

12 Industrial Park Infrastructure Capital Projects Fund ..... 69

13 Rural Center Clean Water Bond Construction Fund..... 70

14 Qualified Zone Academy Bond Fund ..... 71

15 County Complex Capital Projects Reserve Fund ..... 72

*Enterprise Fund:*

16 Statement of Revenues and Expenditures-Budget and Actual (Non-GAAP) ..... 73 - 74

17 Statement of Revenues and Expenditures-Budget and Actual (Non-GAAP)  
Water Capital Reserve Fund..... 75

*Agency Funds:*

18 Combining Statement of Changes in Net Assets, Liabilities and Fund Balance ..... 76

**OTHER STATEMENTS:**

19 Statement of Ad Valorem Taxes Receivable ..... 77

20 Analysis of Current Tax Levy ..... 78

21 Ten Largest Taxpayers ..... 79

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**COMPLIANCE SECTION:**

SCHEDULE

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards..... 80

Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act ..... 81 - 82

Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act ..... 83 - 84

1 Schedule of Findings and Questioned Costs..... 85 - 87

2 Corrective Action Plan..... 88

3 Summary Schedule of Prior Year Audit Findings ..... 89

4 Schedule of Expenditures of Federal and State Financial Awards..... 90 - 95

**JONES COUNTY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS INDEX**

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**NOTE**

I	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	22
II	STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY.....	30
III	DETAIL NOTES ON ALL FUNDS .....	30
IV	FUND BALANCES - RESERVED FOR SPECIFIC EXPENDITURES.....	42
V	FUND BALANCES - RESERVED FOR FUTURE PROJECTS.....	42
VI	JOINT VENTURES.....	42
VII	JOINTLY GOVERNED ORGANIZATION.....	43
VIII	BENEFIT PAYMENTS ISSUED BY THE STATE .....	44
IX	SUMMARY OF DISCLOSURE OF SIGNIFICANT CONTINGENCIES.....	44

**FINANCIAL SECTION**



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**INDEPENDENT AUDITORS' REPORT**

The Board of County Commissioners  
Jones County, North Carolina

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 ended June 30, 2005, which collectively comprise Jones County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jones County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. The financial statements of the Jones County ABC Board were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2005 on our consideration of Jones County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions on pages 3 through 10 and pages 45 and 46 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Jones County, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit report, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Barrow, Parise & Company, P.A.*

EDWARD L. BARROW AND COMPANY, P.A.

October 24, 2005

## Management's Discussion and Analysis

As management of Jones County, we offer readers of Jones County's financial statements this narrative overview and analysis of the financial activities of Jones County for the fiscal year ended June 30, 2005. 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 of Jones County exceeded its liabilities at the close of the fiscal year by \$17,976,336 (*net assets*).
- The government's total net assets increased by \$1,250,386, primarily due to increased net assets in the General Fund. This compares to an increase of \$726,302 in 2004.
- As of the close of the current fiscal year, Jones County's governmental funds (which include the general, special revenue and capital projects funds) reported combined ending fund balances of \$6,945,795, an increase of \$717,427 in comparison with the prior year. At June 30, 2005, approximately 55% of expenditures, or \$4,850,527 is available for spending at the government's discretion (unreserved). In 2004, the unreserved fund balance was \$4,542,599, or 48% of expenditures.
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$2,278,183, or 25.62% of total general fund expenditures for the fiscal year. In 2004, unreserved undesignated fund balance in the General Fund was \$2,334,026, or 27.41% of total expenditures.

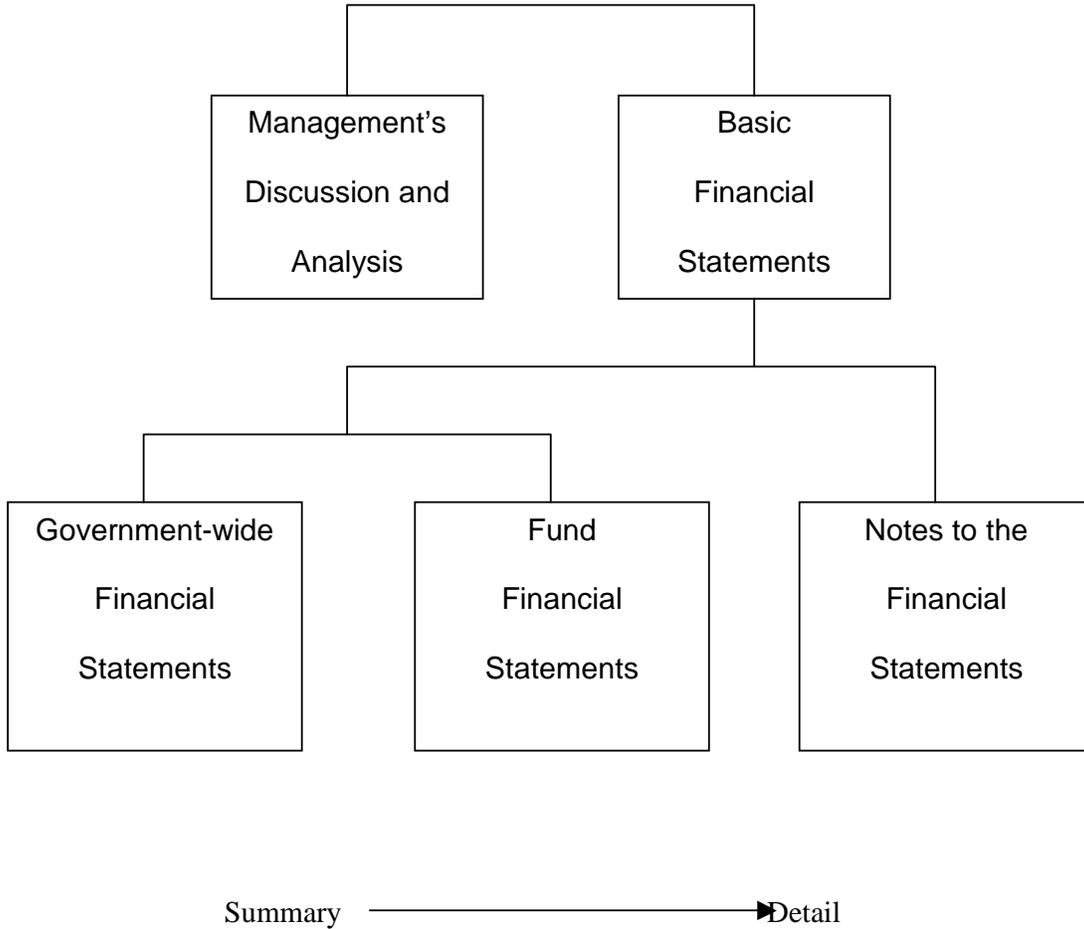
### Overview of the Financial Statements

This discussion and analysis are 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. 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 Jones County.

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Required Components of Annual Financial Report

Table 1



**Basic Financial Statements**

The first two statements (Exhibits 1 and 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 through 9) 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 governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 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 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage 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. These include the water and sewer services offered by Jones County. The final category is the component unit. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the 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 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 General Statutes or the County's budget ordinance. All of the funds of Jones County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**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 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*. This method also has a current financial resources 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 Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Jones 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – Jones 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. Jones County uses enterprise funds to account for its water and sewer activity. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets 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. The notes to the financial statements start on page 22 of this report.

**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. Required supplementary information can be found beginning on page 45 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Jones County exceeded liabilities by \$17,976,336 as of June 30, 2005. As of June 30, 2004, the net assets of Jones County stood at \$16,730,950. The County's net assets increased by \$1,250,386 for the fiscal year ended June 30, 2005, compared to an increase of \$726,302 in 2004. One of the largest portions (50.34%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Jones County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jones 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. An additional portion of Jones County's net assets (<1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,914,030 is unrestricted. In 2004, the amount of net assets invested in capital assets net of related debt was \$8,774,726, with restricted assets standing at \$13,517. The remaining \$7,942,707 was unrestricted net assets for that year.

#### *Jones County's Net Assets:*

**Table 2**

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$8,300,491	\$7,651,762	\$2,225,761	\$2,039,474	\$10,526,252	\$9,691,236
Capital assets	4,438,327	2,519,586	6,172,252	6,336,178	10,610,579	8,855,764
<b>Total assets</b>	<b>\$12,738,818</b>	<b>\$10,171,348</b>	<b>\$8,398,013</b>	<b>\$8,375,652</b>	<b>\$21,136,831</b>	<b>\$18,547,000</b>
Current Liabilities	\$649,627	\$677,135	\$101,815	\$127,081	\$751,442	\$804,216
Long-Term Liabilities	2,395,283	1,000,405	13,770	11,429	2,409,053	1,011,834
<b>Total liabilities</b>	<b>\$3,044,910</b>	<b>\$1,677,540</b>	<b>\$115,585</b>	<b>\$138,510</b>	<b>\$3,160,495</b>	<b>\$1,816,050</b>
Net assets:						
Invested in capital assets, net of related debt	\$2,876,497	\$2,438,548	\$6,172,252	\$6,336,178	\$9,048,749	\$8,774,726
Restricted	13,557	13,517			13,557	13,517
Unrestricted	6,803,854	6,041,743	2,110,176	1,900,964	8,914,030	7,942,707
<b>Total net assets</b>	<b>\$9,693,908</b>	<b>\$8,493,808</b>	<b>\$8,282,428</b>	<b>\$8,237,142</b>	<b>\$17,976,336</b>	<b>\$16,730,950</b>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 93.86%. This represents an increase from fiscal year 2004 when the tax collection percentage for the County was 93.07%.
- Continued attention by the County's department heads and employees to contain and reduce spending where possible.

*Jones County Changes in Net Assets:*

**Table 3**

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$475,956	\$517,117	\$736,222	\$728,532	\$1,212,178	\$1,245,649
Operating grants and contributions	3,700,346	3,200,453			3,700,346	3,200,453
Capital grants and contributions	2,252,293	155,104			2,252,293	155,104
General revenues:						
Property taxes	4,015,773	3,930,297			4,015,773	3,930,297
Other taxes	1,505,441	1,556,771			1,505,441	1,556,771
Grants and contributions not restricted to specific programs	239,947	185,846			239,947	185,846
Other	256,176	144,842	10,951	6,039	267,127	150,881
<b>Total revenues</b>	<b>\$12,445,932</b>	<b>\$9,690,430</b>	<b>\$747,173</b>	<b>\$734,571</b>	<b>\$13,193,105</b>	<b>\$10,425,001</b>
<b>Expenses:</b>						
General government	\$2,830,535	\$1,134,736			\$2,830,535	\$1,134,736
Public safety	1,526,400	1,415,303			1,526,400	1,415,303
Environmental Protection	427,876	436,196			427,876	436,196
Economic and physical development	979,990	329,059			979,990	329,059
Human services	4,098,552	3,977,404			4,098,552	3,977,404
Cultural and recreation	173,612	112,719			173,612	112,719
Education	1,235,944	1,639,895			1,235,944	1,639,895
Interest on long-term debt	3,923	3,296			3,923	3,296
Water			\$665,887	\$650,091	665,887	650,091
<b>Total expenses</b>	<b>\$11,276,832</b>	<b>\$9,048,608</b>	<b>\$665,887</b>	<b>\$650,091</b>	<b>\$11,942,719</b>	<b>\$9,698,699</b>
<b>Increase in net assets before transfers</b>	<b>\$1,169,100</b>	<b>\$641,822</b>	<b>\$81,286</b>	<b>\$84,480</b>	<b>\$1,250,386</b>	<b>\$726,302</b>
Transfers	31,000	30,137	(31,000)	(30,137)		
<b>Increase in net assets</b>	<b>\$1,200,100</b>	<b>\$671,959</b>	<b>\$50,286</b>	<b>\$54,343</b>	<b>\$1,250,386</b>	<b>\$726,302</b>
Net assets, July 1	8,493,808	7,821,849	8,232,142	8,182,799	16,725,950	16,004,648
<b>Net assets, June 30</b>	<b>\$9,693,908</b>	<b>\$8,493,808</b>	<b>\$8,282,428</b>	<b>\$8,237,142</b>	<b>\$17,976,336</b>	<b>\$16,730,950</b>

**Governmental Activities.** Governmental activities increased the County's net assets by \$1,200,100, thereby accounting for 95.97% of the total growth in the net assets of Jones County. This compares to an increase of \$671,959 in 2004, which represented 92.52% of the growth in the County's net assets. Key elements of this increase in 2005 are as follows:

- Solicitation of additional grant revenues for the rehab/repair of homes-tax base
- Solicitation of additional grant revenues for Emergency Management
- Solicitation of additional grant revenues for the Health Department

**Business-type activities:** Business-type activities increased Jones County's net assets by \$50,286, accounting for 4.02% of the total growth in the government's net assets. Net assets increased \$54,343 in 2004, representing 7.48% of the total growth in net assets for that year.

### ***Financial Analysis of the County's Funds***

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

**Governmental Funds.** The focus of Jones County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Jones County's financing requirements. Specifically, unreserved fund balance 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, unreserved fund balance of the General Fund was \$4,850,527, while total fund balance reached \$5,969,210. \$2,572,344 of the unreserved fund balance has been designated for future projects and subsequent year's expenditures, leaving \$2,278,183 unreserved and undesignated. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and unreserved/undesignated total fund balance to total fund expenditures. Unreserved fund balance and unreserved/undesignated fund balance represent 54.55 and 25.62 percent, respectively of total General Fund expenditures, while total fund balance represents 67.13 percent of that same amount.

At June 30, 2005, the governmental funds of Jones County reported a combined fund balance of \$6,945,795, a 11.52% increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

**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. Total amendments to the General Fund increased revenues by \$579,374.

**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 assets of the Water and Sewer Fund at the end of the fiscal year amounted to \$2,110,176. The total growth in net assets was \$50,286. Other factors concerning the finances of this fund has already been addressed in the discussion of Jones County's business-type activities.

### **Capital Asset and Debt Administration**

**Capital assets.** Jones County's capital assets for its governmental and business – type activities as of June 30, 2005, totals \$10,610,579 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, and infrastructure.

Major capital asset transactions during the year include:

- Purchased two vehicles for public safety
- Purchased 50KW diesel generator for water well
- Purchased bioterrorism equipment for health and human services
- Completed purchase and installation of heat and air units for civic center
- Construction work-in-progress for county complex in the amount of \$1,995,447

**Jones County's Capital Assets:**

**Table 4**

Jones County's Capital Assets  
(net of depreciation)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
Land	\$385,899	\$385,899	\$35,708	\$35,708	\$421,607	\$421,607
Buildings and system	1,340,150	1,318,874	6,041,530	6,201,245	7,381,680	7,520,119
Machinery and equipment	284,369	342,306	95,014	94,225	379,383	436,531
Infrastructure	146,033	149,078			146,033	149,078
Construction in Progress	2,281,876	323,429		5,000	2,281,876	328,429
<b>Total</b>	<b>\$4,438,327</b>	<b>\$2,519,586</b>	<b>\$6,172,252</b>	<b>\$6,336,178</b>	<b>\$10,610,579</b>	<b>\$8,855,764</b>

Additional information on the County's capital assets can be found in note 5 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2005, Jones County had Qualified Zone Academy Bonds outstanding of \$733,832.

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 \$41,264,501. At June 30, 2005, Jones County had general obligations and capitalized leases outstanding of \$2,313,843 that are to be considered within the legal debt margin.

Additional information regarding Jones County's long-term debt can be found in note 6 beginning on page 39 of this audited financial report.

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

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

- The County is enjoying a low unemployment rate of 5.4%, lower than the state average of 5.6%.
- The County will be completing the tax revaluation process during the upcoming fiscal year. There appears to be an expected increase in value to both farm and residential property.
- County offices will begin moving into the new governmental office complex. The new complex will house the following departments: Health, Social Services, County Manager, Finance, Water, Economic Development, and Recreation.
- Tax rate to increase from \$.77 to \$.79.
- The County is becoming more aggressive on collections of outstanding debt in the EMS, Water, and Solid Waste departments.
- Lenoir Community College is moving forward with plans to build a new branch facility in Jones County.
- Tourism is getting more attention.

**Budget Highlights for the Fiscal Year Ending June 30, 2006**

**Governmental Activities:** The County's tax base increased 2.39% from the previous year thereby increasing the budgeted tax revenues slightly.

Budgeted expenditures in the General Fund are expected to rise 8.18 percent.

**Business – type Activities:** General operating expenses have been budgeted consistent with the prior year.

### ***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, 389 Hwy 58 South (Post Office Box 266), Trenton, NC 28585.

**BASIC FINANCIAL STATEMENTS**

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
June 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Jones County ABC Board
<b>Assets:</b>				
Cash and Cash Equivalents	\$6,450,260	\$2,078,627	\$8,528,887	\$77,232
Receivables (Net)	670,267	99,461	769,728	
Due From Other Governments	684,875		684,875	
Inventories	2,434	47,673	50,107	95,042
Prepaid Items				6,310
Restricted Cash	285,668		285,668	
Notes Receivable:				
Due Within One Year	17,094		17,094	
Due in More Than One Year	189,893		189,893	
Capital Assets:				
Land, Improvements, and Construction in Progress	2,667,776	35,708	2,703,484	15,073
Other Capital Assets, Net of Depreciation	1,770,551	6,136,544	7,907,095	21,617
Total Capital Assets	<b>\$4,438,327</b>	<b>\$6,172,252</b>	<b>\$10,610,579</b>	<b>\$36,690</b>
<b>Total Assets</b>	<b>\$12,738,818</b>	<b>\$8,398,013</b>	<b>\$21,136,831</b>	<b>\$215,274</b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Expenses	\$395,887	\$28,900	\$424,787	\$62,731
Unearned Revenue	158,338		158,338	
Customer Deposits		72,915	72,915	
Long-term Liabilities:				
Due within one year	95,402		95,402	
Due in more than one year	2,395,283	13,770	2,409,053	
<b>Total Liabilities</b>	<b>\$3,044,910</b>	<b>\$115,585</b>	<b>\$3,160,495</b>	<b>\$62,731</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	\$2,876,497	\$6,172,252	\$9,048,749	\$36,690
Restricted For:				
Register of Deeds	11,123		11,123	
Other Purposes	2,434		2,434	
Unrestricted	6,803,854	2,110,176	8,914,030	115,853
<b>Total Net Assets</b>	<b>\$9,693,908</b>	<b>\$8,282,428</b>	<b>\$17,976,336</b>	<b>\$152,543</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2005

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$2,830,535	\$114,402	\$55,824	\$2,200,000
Public Safety	1,526,400	165,202	145,457	
Environmental Protection	427,876	132,493	116,972	
Economic and Physical Development	979,990		614,423	20,268
Human Services	4,098,552	60,817	2,727,468	
Cultural and Recreation	173,612	3,042		32,025
Education	1,235,944		40,202	
Interest on Long-Term Debt	3,923			
<b>Total Governmental Activities</b>	<b>\$11,276,832</b>	<b>\$475,956</b>	<b>\$3,700,346</b>	<b>\$2,252,293</b>
Business-type Activity:				
Water	\$665,887	\$736,222		
<b>Total Business-type Activities</b>	<b>\$665,887</b>	<b>\$736,222</b>	<b>\$0</b>	<b>\$0</b>
	<b>\$11,942,719</b>	<b>\$1,212,178</b>	<b>\$3,700,346</b>	<b>\$2,252,293</b>
Component Units:				
ABC Board	\$815,294	\$824,970		
<b>Total Component Unit</b>	<b>\$815,294</b>	<b>\$824,970</b>	<b>\$0</b>	<b>\$0</b>

*General Revenues:*

Taxes:

- Property Taxes, Levied for General Purpose
- Local Option Sales Tax
- Other Taxes and Licenses
- Grants and Contributions Not Restricted to Specific Programs
- Investment Earnings, Unrestricted
- Miscellaneous, Unrestricted

Transfers

**Total General Revenues, Special Items, and Transfers**

**Change in Net Assets**

*Net Assets, Beginning*

**NET ASSETS, ENDING**

Net (Expense) Revenue and Changes in Net Assets			Component Unit Jones County ABC Board
Primary Government		Total	
Governmental Activities	Business-type Activities		
(\$460,309)		(\$460,309)	
(1,215,741)		(1,215,741)	
(178,411)		(178,411)	
(345,299)		(345,299)	
(1,310,267)		(1,310,267)	
(138,545)		(138,545)	
(1,195,742)		(1,195,742)	
(3,923)		(3,923)	
<b>(\$4,848,237)</b>	<b>\$0</b>	<b>(\$4,848,237)</b>	
	\$70,335	\$70,335	
<b>\$0</b>	<b>\$70,335</b>	<b>\$70,335</b>	
<b>(\$4,848,237)</b>	<b>\$70,335</b>	<b>(\$4,777,902)</b>	
			\$9,676
			<b>\$9,676</b>
\$4,015,773		\$4,015,773	
1,505,441		1,505,441	
95,527		95,527	
144,420		144,420	
174,491	\$3,256	177,747	\$207
81,685	7,695	89,380	25
31,000	(31,000)		
<b>\$6,048,337</b>	<b>(\$20,049)</b>	<b>\$6,028,288</b>	<b>\$232</b>
<b>\$1,200,100</b>	<b>\$50,286</b>	<b>\$1,250,386</b>	<b>\$9,908</b>
8,493,808	8,232,142	16,725,950	142,635
<b>\$9,693,908</b>	<b>\$8,282,428</b>	<b>\$17,976,336</b>	<b>\$152,543</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2005

	Major		Non-Major	Total Governmental Funds
	General	County Complex Capital Projects Fund	Other Governmental Funds	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$5,563,588	\$391,648	\$495,024	\$6,450,260
Receivables, Net	571,508		14,612	586,120
Due From Other Governments	587,420	21,600	75,855	684,875
Due From Other Funds	54,366			54,366
Current Portion-Notes Receivable	17,094			17,094
Inventories	2,434			2,434
Restricted Cash			285,668	285,668
Notes Receivable	189,893			189,893
<b>TOTAL ASSETS</b>	<b>\$6,986,303</b>	<b>\$413,248</b>	<b>\$871,159</b>	<b>\$8,270,710</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable and Accrued Liabilities	\$203,867	\$157,751	\$34,268	\$395,886
Due to Other Funds			54,366	54,366
Unearned Revenue	96,901			96,901
Deferred Revenue	716,325		61,437	777,762
<b>Total Liabilities</b>	<b>\$1,017,093</b>	<b>\$157,751</b>	<b>\$150,071</b>	<b>\$1,324,915</b>
<i>Fund Balances:</i>				
Reserved for:				
Inventories	\$2,434			\$2,434
State Statute	693,969			693,969
Reserved for Specific Expenditures	411,157			411,157
Register of Deeds	11,123			11,123
Unreserved, Available for Appropriation:				
Designated for Future Projects	2,075,657			2,075,657
Designated for Subsequent Years' Expenditures	496,687	\$255,497		752,184
Undesignated	2,278,183			2,278,183
Unreserved, Reported In Nonmajor:				
Special Revenue Funds			\$181,936	181,936
Capital Projects Fund			539,152	539,152
<b>Total Fund Balances</b>	<b>\$5,969,210</b>	<b>\$255,497</b>	<b>\$721,088</b>	<b>\$6,945,795</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$6,986,303</b>	<b>\$413,248</b>	<b>\$871,159</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$4,438,328
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	84,144
Liabilities for earned but deferred revenues in fund statements.	716,325
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 6).	(2,490,684)
<b>Net Assets of Governmental Activities</b>	<b>\$9,693,908</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Fiscal Year Ended June 30, 2005

	Major		Non-Major	Total Governmental Funds
	General	County Complex Capital Projects Fund	Other Governmental Funds	
<b>REVENUES:</b>				
Ad Valorem Taxes	\$4,042,718			\$4,042,718
Local Option Sales Taxes	1,505,441			1,505,441
Other Taxes and Licenses	67,352		\$92,390	159,742
Unrestricted Intergovernmental	95,527			95,527
Restricted Governmental	3,008,308		768,611	3,776,919
Permits and Fees	165,002			165,002
Sales and Services	220,902			220,902
Investment Earnings	158,393	\$15,881	218	174,492
Miscellaneous	101,299		31,952	133,251
<b>TOTAL REVENUES</b>	<b>\$9,364,942</b>	<b>\$15,881</b>	<b>\$893,171</b>	<b>\$10,273,994</b>
<b>EXPENDITURES:</b>				
<i>Current:</i>				
General Government	\$1,178,728	\$1,973,848	\$67,515	\$3,220,091
Public Safety	1,353,755		137,074	1,490,829
Environmental Protection	424,492			424,492
Economic and Physical Development	291,166		675,459	966,625
Human Services	4,105,988			4,105,988
Cultural and Recreational	177,548		34,670	212,218
Miscellaneous-County	49,268			49,268
Intergovernmental:				
Education	1,279,581		6,775	1,286,356
<i>Debt Service:</i>				
Principal	27,777			27,777
Interest	3,923			3,923
<b>Total Expenditures</b>	<b>\$8,892,226</b>	<b>\$1,973,848</b>	<b>\$921,493</b>	<b>\$11,787,567</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$472,716</b>	<b>(\$1,957,967)</b>	<b>(\$28,322)</b>	<b>(\$1,513,573)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Other Funds	\$31,000		\$32,000	\$63,000
Transfers to Other Funds	(32,000)			(32,000)
Installment Purchase Obligation Issued		\$2,200,000		2,200,000
<b>Total Other Financing Sources (Uses)</b>	<b>(\$1,000)</b>	<b>\$2,200,000</b>	<b>\$32,000</b>	<b>\$2,231,000</b>
<b>Net Change in Fund Balance</b>	<b>\$471,716</b>	<b>\$242,033</b>	<b>\$3,678</b>	<b>\$717,427</b>
<i>Fund Balances, Beginning</i>	5,497,494	13,464	717,410	6,228,368
<b>FUND BALANCES, ENDING</b>	<b>\$5,969,210</b>	<b>\$255,497</b>	<b>\$721,088</b>	<b>\$6,945,795</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For The Fiscal Year Ended June 30, 2005

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

Net changes in fund balances - total governmental funds	\$717,427
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	1,962,190
Loss recognized on disposal of capital assets not recorded in the fund statements	(8,308)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(36,792)
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 assets. 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.	(1,421,811)
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.	<u>(12,606)</u>
<b>Total Changes in Net Assets of Governmental Activities</b>	<b><u><u>\$1,200,100</u></u></b>

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

## JONES COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
GENERAL FUND

For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues:</b>				
Ad Valorem Taxes	\$3,869,979	\$3,869,979	\$4,042,718	\$172,739
Local Option Sales Tax	1,293,000	1,293,000	1,505,441	212,441
Other Taxes and Licenses	25,000	47,000	67,352	20,352
Unrestricted Intergovernmental	59,000	59,000	95,527	36,527
Restricted Intergovernmental	2,812,993	3,105,467	3,008,308	(97,159)
Permits and Fees	222,002	149,396	165,002	15,606
Sales and Services	163,525	236,010	220,902	(15,108)
Investment Earnings	60,000	60,000	158,393	98,393
Miscellaneous	26,293	43,187	101,299	58,112
<b>Total Revenues</b>	<b>\$8,531,792</b>	<b>\$8,863,039</b>	<b>\$9,364,942</b>	<b>\$501,903</b>
<b>Expenditures:</b>				
<i>Current:</i>				
General Government	\$1,221,287	\$1,229,512	\$1,178,728	\$50,784
Public Safety	1,292,483	1,477,710	1,353,755	123,955
Environmental Protection	487,023	472,105	424,492	47,613
Economic and Physical Development	251,130	320,841	291,166	29,675
Human Services	4,097,768	4,411,743	4,105,988	305,755
Cultural and Recreational	172,198	181,450	177,548	3,902
Miscellaneous-County	70,000	54,462	49,268	5,194
<i>Intergovernmental:</i>				
Education	1,361,533	1,384,973	1,279,581	105,392
<i>Debt Service:</i>				
Principal Retirement	77,777	77,777	27,777	50,000
Interest	3,923	3,923	3,923	
<b>Total Expenditures</b>	<b>\$9,035,122</b>	<b>\$9,614,496</b>	<b>\$8,892,226</b>	<b>\$722,270</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$503,330)</b>	<b>(\$751,457)</b>	<b>\$472,716</b>	<b>\$1,224,173</b>
<b>Other Financing Sources (Uses):</b>				
Transfers (To) From Other Funds	(\$1,000)	(\$1,000)	(\$1,000)	
Appropriated Fund Balance	504,330	752,457		(\$752,457)
<b>Total Other Financing Sources (Uses)</b>	<b>\$503,330</b>	<b>\$751,457</b>	<b>(\$1,000)</b>	<b>(\$752,457)</b>
<b>Net Change in Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$471,716</b>	<b>\$471,716</b>
<i>Fund Balances:</i>				
Beginning of Year, July 1			5,497,494	
<b>End of Year, June 30</b>			<b>\$5,969,210</b>	

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
June 30, 2005

	<b>Enterprise Fund</b>
	<b>Major Fund</b>
	<b>Water</b>
<b><u>ASSETS</u></b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$2,078,627
Receivables, Net	99,461
Inventories	47,673
<b>Total Current Assets</b>	<b>\$2,225,761</b>
<i>Noncurrent Assets:</i>	
<i>Capital Assets:</i>	
Land, Improvements, and Construction in Progress	\$35,708
Other Capital Assets, Net of Depreciation	6,136,544
<b>Total Capital Assets</b>	<b>\$6,172,252</b>
<b>TOTAL ASSETS</b>	<b>\$8,398,013</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>	
<i>Liabilities:</i>	
<i>Current Liabilities:</i>	
Accounts Payable	\$28,900
Customer Deposits	72,915
<b>Total Current Liabilities</b>	<b>\$101,815</b>
<i>Noncurrent Liabilities:</i>	
Compensated Absences	\$13,770
<b>Total Noncurrent Liabilities</b>	<b>\$13,770</b>
<b>TOTAL LIABILITIES</b>	<b>\$115,585</b>
<i>Net Assets:</i>	
Invested in Capital Assets, Net of Related Debt	\$6,172,252
Unrestricted	2,110,176
<b>Total Net Assets</b>	<b>\$8,282,428</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2005

	<b>Enterprise Fund</b>
	<b>Major Fund</b>
	<b>Water</b>
<b>OPERATING REVENUES:</b>	
Water Sales	\$705,047
Water Tap Fees	18,700
Reconnect Fees	12,475
Other Operating Revenues	7,695
<b>Total Operating Revenues</b>	<b>\$743,917</b>
<b>OPERATING EXPENSES</b>	
Administration	\$140,144
Raw Water Supply Maintenance	312,848
Depreciation	212,895
<b>Total Operating Expense</b>	<b>\$665,887</b>
<b>Operating Income (Loss)</b>	<b>\$78,030</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and Investment Revenue	\$3,256
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$3,256</b>
Income (Loss) Before Contributions and Transfers	\$81,286
Transfers (To) From Other Funds	(31,000)
<b>Change in Net Assets</b>	<b>\$50,286</b>
Total Net Assets, Beginning	8,232,142
<b>Total Net Assets, Ending</b>	<b>\$8,282,428</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2005

	<b>Major Fund Water</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received From Customers	\$737,374
Cash Paid for Goods and Services	(285,604)
Cash Paid to Employees for Services	(189,129)
Customer Deposits Received	15,400
Customer Deposits Returned	(11,965)
Other Operating Revenues	7,695
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$273,771</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers In (Out)	<b>(\$31,000)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	(\$53,969)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(\$53,969)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	<b>\$3,256</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$192,058</b>
Cash and Cash Equivalents, July 1	1,886,569
<b>Cash and Cash Equivalents, June 30</b>	<b>\$2,078,627</b>
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>	
Operating Income (Loss)	<b>\$78,030</b>
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>	
Depreciation	\$212,895
<i>Changes in Assets and Liabilities:</i>	
Decrease (Increase) in Accounts Receivable	1,151
Decrease (Increase) in Inventory	4,620
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(28,701)
Increase (Decrease) in Customer Deposits	3,435
Increase (Decrease) in Accrued Vacation Payable	2,341
<b>Total Adjustments</b>	<b>\$195,741</b>
<b>Net Cash Provided by (Used by) Operating Activities</b>	<b>\$273,771</b>

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

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
For the Year Ended June 30, 2005

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	<b>Agency Fund</b>
	<u>          </u>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$49,092
Accounts Receivable	5,343
	<u>          </u>
<b>Total Assets</b>	<b><u>\$54,435</u></b>
<b><u>Liabilities and Net Assets</u></b>	
<i>Liabilities:</i>	
Accounts Payable and Accrued Liabilities	\$54,435
	<u>          </u>
<b>Total Liabilities</b>	<b><u>\$54,435</u></b>
<i>Net Assets:</i>	
Assets Held in Trust	<u><u>\$0</u></u>

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

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Jones County and its component unit 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 five-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 unit, a legally separate entity for which the County is financially accountable. Jones County Industrial Facility and Pollution Control Financing Authority (the 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 does not appear in the basic financial statements. The Jones County ABC Board (the 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.

<b>Component Unit</b>	<b>Reporting Method</b>	<b>Criteria for Inclusion</b>	<b>Separate Financial Statements</b>
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 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 assets and the statement of activities display information about the primary government (the County) and its component unit. 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 as a 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.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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

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

The County reports the following major governmental fund:

*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.

*County Complex Capital Projects Fund* – The County uses this fund to account for the construction of a new county complex.

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.

The County reports the following fund types:

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

**Measurement Focus, Basis of Accounting**

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary 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.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Jones County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2004 through February 2005 apply to the fiscal year ended June 30, 2005. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. For motor vehicles that are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on these financial statements. For motor vehicles that are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2005 because they are intended to finance the County's operations during the 2005 fiscal year.

Sales tax and certain intergovernmental revenues, such as the utilities franchise 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. 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 assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

The County has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and related standards. These new standards provide for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**C. 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, Property Revaluation Fund, Emergency Telephone System Fund, and Emergency Watershed Special Revenue Funds, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the 2004 CDBG Scattered Site Fund, the Capital Projects Funds, and the Enterprise Capital Projects Funds, which are 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 functional level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is not authorized to transfer any appropriation within a fund. 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 \$579,374 due to budget amendments. In the Enterprise Fund, revenues and expenditures were increased by \$118,669 due to budget amendments. In the Special Revenue Funds, revenues and expenditures were increased by \$63,871 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.

**D. ASSETS, LIABILITIES, 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 and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

**2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**3. Cash and Cash Equivalents**

The County pools money 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. Jones County 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.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**4. Restricted Cash**

The unexpended Qualified Zone Academy Bonds are classified as restricted cash within the Nonmajor Governmental Funds because their use is completely restricted to the purpose for which the bonds were issued.

**5. 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. The taxes are based on the assessed values as of January 1, 2004. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**6. Allowances 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.

**7. Inventories**

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 General Fund, Enterprise Fund and that of the ABC Board is recorded as an expense as it is consumed or sold.

**8. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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. Agreements between the County and the Board of Education give the Board of 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 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>Years</u>
Buildings	50
Improvements	25
Furniture and Equipment	10
Vehicles	10
Computer Equipment	5

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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

	<u>Years</u>
Buildings	20
Furniture and equipment	10
Vehicles	10

**9. 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 assets.

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

**10. Compensated Absences**

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days 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 the leave is 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 accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component unit.

**11. Net Assets/Fund Balances**

**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets 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, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

*Reserved:*

*Reserved for Inventories* – portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

*Reserved for Specific Expenditures* – portion of fund balance that has been reserved for specific programs or obligations of the County.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

*Reserved by State Statute* – portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

*Reserved for Register of Deeds* – portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the register of deeds office.

*Unreserved:*

*Designated for Future Projects and Expenditures* - portion of total fund balance available for appropriation that has been designated for future projects and expenditures.

*Designated for Subsequent Year's Expenditures* – portion of total fund balance available for appropriation that has been designated for the adopted 2005-2006 budget ordinance.

*Undesignated* – portion of total fund balance available for appropriation that is uncommitted at year-end.

**E. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$2,748,113 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$6,055,055
Less Accumulated Depreciation	<u>(1,616,727)</u>
Net Capital Assets	\$4,438,328
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements.	84,144
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	716,325
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(2,313,842)
Compensated absences	(176,842)
<b>Total Adjustment</b>	<b><u><u>\$2,748,113</u></u></b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

**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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$482,673 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$2,104,865
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.	(142,675)
New debt issued during the year is recorded as a source of funds of the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(1,500,000)
Loss recognized on disposal of capital assets not recorded in the fund statements.	(8,308)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	78,189
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(12,606)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/04	(533,963)
Recording of tax receipts deferred in the fund statements as of 6/30/05	505,508
Increase in accrued taxes receivable for year ended 6/30/05	1,510
Current year collections of receivables recorded as revenue in the fund statements this year but in the government-wide statements in the year they were assessed.	(9,847)
<b>Total Adjustment</b>	<b><u>\$482,673</u></b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. MATERIAL VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

**Noncompliance with North Carolina General Statutes**

There were no instances noted of noncompliance with North Carolina general statutes for the fiscal year ended June 30, 2005.

**Contractual Violations**

There are no material contractual violations for the fiscal year ended June 30, 2005.

**B. DEFICIT FUND BALANCE OR NET ASSETS OF INDIVIDUAL FUNDS**

There are no individual funds with deficit fund balance or deficit net assets at June 30, 2005.

**C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The County's expenditures for Bioterrorism exceeded the authorized appropriation by \$12,152 as a result of an accrual at year end. The County will monitor accruals and properly budget in the future.

**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 agents in the entities' names. 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 undercollateralization, 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 County and the ABC Board do not have policies regarding custodial credit risk for deposits.

At June 30, 2005, the County's deposits had a carrying amount of \$2,375,233 and a bank balance of \$2,754,740. Of the bank balance, \$200,000 was covered by federal depository insurance, \$2,519,740 in interest bearing accounts, and \$35,000 non-interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2005, Jones County had \$1,750 cash on hand.

At June 30, 2005, the carrying amount of deposits for Jones County ABC Board was \$75,733 and the bank balance was \$74,403. All of the bank balance was covered by federal depository insurance.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

**2. Investments**

At June 30, 2005, the County's investment balances were as follows:

	<b>Fair Value</b>
NC Capital Management Trust - Cash Portfolio	\$6,488,414
<b>Total Investments</b>	<b>\$6,488,414</b>

The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2005. The County has no policy on credit risk.

At June 30, 2005, the ABC Board had no investments in the North Carolina Capital Management Trust.

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

In accordance with the general statutes, agriculture, horticulture, and forest land 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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2001	\$230,741	\$75,568	\$306,309
2002	236,500	56,169	292,669
2003	241,683	35,648	277,331
2004	239,946	13,796	253,742
<b>Total</b>	<b>\$948,870</b>	<b>\$181,181</b>	<b>\$1,130,051</b>

**4. Receivables**

Receivables at the government-wide level at June 30, 2005, were as follows:

	<b>Accounts</b>	<b>Taxes and Related Accrued Interest</b>	<b>Due From Other Governments</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$242,300	\$606,155	\$587,420	\$1,435,875
County Complex Capital Projects Fund			21,600	21,600
Other Governmental	14,612		75,855	90,467
<b>Total Receivables</b>	<b>\$256,912</b>	<b>\$606,155</b>	<b>\$684,875</b>	<b>\$1,547,942</b>
Allowance for Doubtful Accounts	(176,300)	(16,500)		(192,800)
<b>Total Governmental Activities</b>	<b>\$80,612</b>	<b>\$589,655</b>	<b>\$684,875</b>	<b>\$1,355,142</b>
<b>Business-type Activities:</b>				
Water and Sewer District	\$115,661			\$115,661
<b>Total Receivables</b>	<b>\$115,661</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,661</b>
Allowance for Doubtful Accounts	(16,200)			(16,200)
<b>Total Business-type Activities</b>	<b>\$99,461</b>	<b>\$0</b>	<b>\$0</b>	<b>\$99,461</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$280,791
Various Human Services Revenues	305,738
Scrap Tire Tax	2,513
Industrial Park Rural Center Grant	16,617
Hazard Mitigation Grant	22,284
NCDENR-White Oak River Project Grant	56,932
	<b>\$684,875</b>

Notes Receivable

The County has five 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 October 18, 1999 to M&W Signs for \$100,000. M&W Signs manufactures and produces various types of signage and has used the proceeds to upgrade and expand its operations within the County. The terms of this loan call for monthly payments of \$740 for fifteen years, including interest at 4% after the first twelve months.

The second loan was made on October 26, 1999 to SRS for \$110,000. SRS manufactures wastewater treatment systems and small boats. The proceeds from the loan have been used to purchase 14 acres and five buildings in order to move the company operations from Lenoir County to Jones County. The terms of this loan call for monthly payments of \$848 for fifteen years including interest at 6%.

The third loan was made on February 5, 2002 to ACT Manufacturing for \$12,500. ACT manufactures and assembles prefabricated wall sections and has used the proceeds to set up operations within the County. The terms of the loan call for monthly payments of \$125 for ten years including interest at 3.75%. (As of the report date, ACT Manufacturing had not made a payment since August 2002). In August 2004, Act Manufacturing was evicted. As of report date collateral had not been sold.

The fourth loan was made on April 5, 2002 to Blue Rock Structures for \$12,500. Blue Rock is an engineering construction firm and has used the proceeds to assist with the construction of an office within the County. The terms of the loan call for monthly payments of \$125 for ten years including interest at 3.75%.

The fifth loan was made on May 31, 2005 to Timeless Customs for \$50,000. Timeless Customs is an auto repair business and has used the proceeds to make repairs and improvements to the shop building. The terms of the loan call for 59 monthly payments of \$370 including interest at 4% with a balloon payment due May 1, 2010.

The following summarizes the expected collection on these notes:

<b>Principle Amounts Due for the Year Ended June 30:</b>	<b>M&amp;W #1</b>	<b>SRS</b>	<b>ACT MANF</b>	<b>BLUE ROCK</b>	<b>TIMELESS CUSTOMS</b>	<b>Total</b>
2006	\$6,241	\$5,982	\$1,188	\$1,182	\$2,500	\$17,093
2007	6,495	6,351	1,233	1,228	2,602	17,909
2008	6,754	6,743	1,280	1,274	2,708	18,759
2009	7,035	7,158	1,352	1,323	2,819	19,687
2010	7,322	7,600	1,380	1,374	33,478	51,154
2011 - 2014	34,959	39,215	5,653	2,558		82,385
	<b>\$68,806</b>	<b>\$73,049</b>	<b>\$12,086</b>	<b>\$8,939</b>	<b>\$44,107</b>	<b>\$206,987</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

**5. Capital Assets**

Primary Government

Capital asset activity for the year ended June 30, 2005, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$385,899			\$385,899
Construction in Progress	323,429	\$1,995,447	\$37,000	2,281,876
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$709,328</b>	<b>\$1,995,447</b>	<b>\$37,000</b>	<b>\$2,667,775</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings	\$2,208,219	\$70,377		\$2,278,596
Infrastructure	152,235			152,235
Equipment	948,839	39,040	\$31,431	956,448
<b>Total Capital Assets Being Depreciated</b>	<b>\$3,309,293</b>	<b>\$109,417</b>	<b>\$31,431</b>	<b>\$3,387,279</b>
<i>Less Accumulated Depreciation for:</i>				
Buildings	\$889,345	\$49,101		\$938,446
Infrastructure	3,157	3,045		6,202
Equipment	606,533	90,529	\$24,983	672,079
<b>Total Accumulated Depreciation</b>	<b>\$1,499,035</b>	<b>\$142,675</b>	<b>\$24,983</b>	<b>\$1,616,727</b>
<i>Total Capital Assets Being Depreciated, Net</i>	<b>\$1,810,258</b>			<b>\$1,770,552</b>
<b>Governmental Activity Capital Assets, Net</b>	<b>\$2,519,586</b>			<b>\$4,438,327</b>

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

General Government	\$22,084
Public Safety	54,392
Environmental Protection	3,839
Economic and Physical Development	13,365
Human Services	16,537
Cultural and Recreational	32,458
<b>Total Depreciation Expense</b>	<b>\$142,675</b>

**Business-type Activity:**

Jones County Water Fund:

**Capital assets not being depreciated:**

Land	\$35,708			\$35,708
Construction in Progress	5,000		\$5,000	
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$40,708</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$35,708</b>

**Capital Assets Being Depreciated:**

Plant and Distribution Systems	\$8,703,456	\$25,076		\$8,728,532
Machinery and Equipment	56,988		\$26,300	30,688
Vehicles and Construction Equipment	348,682	28,893		377,575
<b>Total Assets Being Depreciated</b>	<b>\$9,109,126</b>	<b>\$53,969</b>	<b>\$26,300</b>	<b>\$9,136,795</b>

**Less Accumulated Depreciation for:**

Plant and Distribution Systems	\$2,502,211	\$184,791		\$2,687,002
Machinery and Equipment	50,614	1,984	\$26,300	26,298
Vehicles and Construction Equipment	260,831	26,120		286,951
<b>Total Accumulated Depreciation</b>	<b>\$2,813,656</b>	<b>\$212,895</b>	<b>\$26,300</b>	<b>\$3,000,251</b>

*Total Capital Assets Being Depreciated, Net* 6,295,470 6,136,544

**Business-type Activity Capital Assets, Net** **\$6,336,178** **\$6,172,252**

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

Construction Commitments

The government has active construction projects as of June 30, 2005. The projects include the construction of a new County Complex, Civic Center improvements, Industrial Park construction, and Clean Water Bond construction.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
County Complex	\$2,364,130	\$223,925
Civic Center	262,933	
Industrial Park	235,160	125,815
Clean Water Bond	251,335	29,735
	<b><u>\$3,113,558</u></b>	<b><u>\$379,475</u></b>

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2005 was as follows:

	<u>Balance at July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2005</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	<b>\$15,073</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,073</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	\$81,738			\$81,738
Furniture/Equipment	71,804			71,804
Vehicles	15,602			15,602
Total Capital Assets Being Depreciated	<b>\$169,144</b>	<b>\$0</b>	<b>\$0</b>	<b>\$169,144</b>
<b>Less Accumulated Depreciation For:</b>				
Buildings	\$59,754	\$1,739		\$61,493
Furniture/Equipment	69,552	880		70,432
Vehicles	15,342	260		15,602
Total Capital Accumulated Depreciation	<b>\$144,648</b>	<b>\$2,879</b>	<b>\$0</b>	<b>\$147,527</b>
<i>Total Capital Assets Being Depreciated, Net</i>	<b>\$24,496</b>			<b>\$21,617</b>
<b>Business-type Activity Capital Assets, Net</b>	<b>\$39,569</b>			<b>\$36,690</b>

**B. LIABILITIES**

**1. Payables**

Payables at the government-wide level at June 30, 2005, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General	\$116,960	\$86,908	\$203,868
County Complex Capital Projects Fund	157,751		157,751
Other Governmental	34,268		34,268
<b>Total Governmental Activities</b>	<b>\$308,979</b>	<b>\$86,908</b>	<b>\$395,887</b>
<b>Business-type Activities:</b>			
Water Fund	\$25,775	\$3,125	\$28,900
<b>Total Business-type Activities</b>	<b>\$25,775</b>	<b>\$3,125</b>	<b>\$28,900</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**2. Pension Plan Obligations**

**a. Local Governmental Employee's Retirement System**

*Plan Description.* Jones County and the ABC Board contribute to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. 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.* Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.97% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.61% of annual covered payroll. The contribution requirements of members and of the County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2005, 2004, and 2003 were \$141,872, \$134,666, and \$123,460, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2005, 2004, and 2003 were \$3,867, \$3,958, and \$4,156, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**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. The Separation Allowance is equal to .85% 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 Separation Allowance covers all full-time County law enforcement officers. At December 31, 2004, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	0
Active Plan Members	11
<b>Total</b>	<b>11</b>

**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.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

3. 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. For the current year, the County contributed \$0, or 0% of annual covered payroll. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2004 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.9% to 9.8% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post retirement benefit increases.

*Annual Pension Cost and Net Pension Obligation.* The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual Required Contribution	\$5,534
Interest on Net Pension Obligation	(701)
Adjustment to Annual Required Contribution	542
<b>Annual Pension Cost</b>	<b>\$5,375</b>
 Contributions Made	 0
 <b>Increase (Decrease) in Net Pension Obligation</b>	 <b>\$5,375</b>
 Net Pension Obligation - Beginning of Year	 (9,666)
<b>Net Pension Obligation - End of Year</b>	<b>(\$4,291)</b>

**TREND INFORMATION**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/03	4,003	0%	(15,742)
6/30/04	6,076	0%	(9,666)
6/30/05	5,375	0%	(4,291)

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 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.

*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, 2005 were \$24,652, which consisted of \$10,931 from the County and \$13,721 from the law enforcement officers.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

d. **Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* Jones County also contributes to the Registers of Deeds' Supplemental Pension Fund (the "Fund"), a noncontributory, defined contribution pension plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that 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.

*Funding Policy.* On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2005, the County's required and actual contributions were \$2,311.

e. **Other Post-Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government 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. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. 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. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2005, the County made contributions to the State for death benefits of \$4,999. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .17% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

3. **Deferred/Unearned Revenues**

The balance in deferred or unearned revenues on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	<b>Unearned or Deferred Revenue</b>	<b>Full Accrual Unearned Revenue</b>
Prepaid Property Taxes Not Yet Earned		\$86,912
HAVA Grant		9,989
Taxes Receivable (Net)	\$505,508	
EMS Receivables (Net)	43,739	
Solid Waste Receivables (Net)	4,111	
Other Receivables Not Available at Year End	162,967	
Revenues (Capital Project)		61,437
<b>Total</b>	<b>\$716,325</b>	<b>\$158,338</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**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 \$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.

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, 2005, 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.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

**6. Long-Term Obligations**

a. **Note Payable/Installment Obligation**

1. On May 28, 1999, the County borrowed \$65,000 from the Global TransPark Development Zone from funds generated by the temporary five dollar (\$5.00) motor vehicle registration tax. These tax proceeds were deposited into a revolving loan account to be used for economic development and infrastructure construction projects by counties within the zone.

Jones County donated the proceeds of the \$65,000 loan to the Jones County Committee of 100, who in turn purchased land for an industrial park within the County. On January 9, 2002, the committee of 100 signed the deed for the Industrial Park Land, which had a fair market value of \$105,000.

The County's obligation under this agreement is limited to the amount of its annual budgetary appropriation for the payment of principal and interest. The obligation calls for eight annual payments of \$9,605 beginning on June 1, 2000 and ending on June 1, 2007. The obligation carries an interest rate of 3.875% and the June 30, 2005 balance was \$18,181.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$8,900	\$705	\$9,605
2007	9,281	360	9,641
	<b>\$18,181</b>	<b>\$1,065</b>	<b>\$19,246</b>

2. 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, 2005 balance was \$1,500,000.

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$13,995	\$64,635	\$78,630
2007	15,475	63,155	78,630
2008	16,132	62,498	78,630
2009	16,818	61,812	78,630
2010	17,533	61,097	78,630
2011-2015	99,495	293,655	393,150
2016-2020	122,513	270,637	393,150
2021-2025	150,856	242,294	393,150
2026-2030	185,756	207,394	393,150
2031-2035	228,730	164,420	393,150
2036-2040	281,646	111,504	393,150
2041-2045	351,051	46,344	397,395
	<b>\$1,500,000</b>	<b>\$1,649,445</b>	<b>\$3,149,445</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

b. **Capital Lease**

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 in July of 2001 for the lease of Register of Deeds computer equipment. This lease was modified on May 21, 2003 and some equipment was changed out and updated. Present terms require 5 annual payments of \$3,698 beginning on May 21, 2004. The second agreement was executed on April 14, 2003 for the lease of two public safety vehicles and requires two annual payments of \$21,144 beginning on April 14, 2003. The third agreement was executed on March 5, 2003 for the lease of an ambulance and requires five annual payments of \$18,397 beginning on July 15, 2003.

At June 30, 2005, the County leased equipment valued at:

<b>Classes of Property</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Equipment	\$140,042	\$63,809	\$76,233

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005 were as follows:

<b><u>Year Ending June 30</u></b>	
2006	\$22,095
2007	22,095
2008	22,095
<b>Total minimum lease payments</b>	<b>\$66,285</b>
Less: amount representing interest	4,455
<b>Present value of the minimum lease payments</b>	<b>\$61,830</b>

c. **Operating Lease**

The County entered into a commitment to lease E-911 telephone equipment in February of 2004. This lease is for five years and requires monthly lease payments of \$6,629. The following is a schedule of the future minimum lease payments required under the operating lease:

2006	\$79,548
2007	46,403
	<b>\$125,951</b>

d. **General Obligation Indebtedness**

Qualified Zone Academy bonds (QZAB) issued on August 22, 2002 under Internal Revenue Code Section 1397E; due serially to 2019 with no interest; collateralized by real estate, including a school building.

**\$733,832**

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

e. **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, 2005:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005	Current Portion of Balance
<b>Governmental Activities:</b>					
Capitalized Leases	\$81,038		\$19,209	\$61,829	\$22,095
Global Transpark Development Zone Loan	26,749		8,568	18,181	8,900
USDA Loan		\$1,500,000		1,500,000	13,995
Qualified Zone Academy Bonds	784,245		50,412	733,833	50,412
Compensated Absences	189,448	139,578	152,184	176,842	
<b>Total Governmental Activities</b>	<b>\$1,081,480</b>	<b>\$1,639,578</b>	<b>\$230,373</b>	<b>\$2,490,685</b>	<b>\$95,402</b>
<b>Business-type Activity:</b>					
Compensated Absences	\$11,429	\$8,073	\$5,732	\$13,770	
<b>Total</b>	<b>\$11,429</b>	<b>\$8,073</b>	<b>\$5,732</b>	<b>\$13,770</b>	<b>\$0</b>

Compensated absences 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.

No amount is recorded above for net pension obligation due to the fund being overfunded at June 30, 2005.

**C. INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances as of June 30, 2005 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	<i>Special Revenue Fund:</i> Emergency Watershed Fund	\$54,366
	<b>Total</b>	<b>\$54,366</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

Transfers to/from other funds for the year ended June 30, 2005 are as follows:

<b>Operating Transfers From / To Other Funds</b>	<b>TRANSFERS</b>	
	<b>FROM</b>	<b>TO</b>
<b>General Fund:</b>		
Special Revenue Fund		\$32,000
Enterprise Fund	\$31,000	
<b>Special Revenue Fund:</b>		
General Fund	32,000	
<b>Enterprise Fund:</b>		
General Fund		31,000
<b>Total Operating Transfers</b>	<b>\$63,000</b>	<b>\$63,000</b>

**IV. FUND BALANCES RESERVED FOR SPECIFIC EXPENDITURES IS MADE UP OF THE FOLLOWING:**

<b>General Fund:</b>	
Civic Center	\$33,469
Social Services Long-Term Screening	299,495
Fire District Tax - Township #7	965
Health Department	77,228
<b>Total</b>	<b>\$411,157</b>

**General Fund:**

**V. FUND BALANCES RESERVED FOR FUTURE PROJECTS IS MADE UP OF THE FOLLOWING:**

<b>General Fund:</b>	
School Capital Outlay	\$1,727,709
Community (Economic) Development	275,956
White Goods	8,957
Tires	63,035
<b>Total</b>	<b>\$2,075,657</b>

**VI. 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, 2005. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$99,538 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.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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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 \$75,579 to the community college for operating purposes during the fiscal year ended June 30, 2005. 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, 2005. 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 the Neuse Center for Mental Health. Jones County appoints one member of the seventeen member board. The County has an ongoing financial responsibility for the Center because of the statutory responsibilities to provide funding for the Center's services. The County contributed \$45,505 for the operation of the Center during the fiscal year ended June 30, 2005. 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, 2005. Complete financial statements for the Center can be obtained from the Neuse Center for Mental Health's administrative offices at 405 Middle Street, City of New Bern, NC 28563.

**VII. JOINTLY GOVERNED ORGANIZATION**

Eastern Carolina Housing Authority

The County, in conjunction with 10 other counties, has established the Eastern Carolina Housing 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.

Global TransPark Development Commission

The Global TransPark Development Commission is a corporate body created on November 29, 1993. Its purpose is to allow participating counties, including Jones County, which have the potential to derive direct economic benefits from the North Carolina Global TransPark to create a special economic development district, known as the Global TransPark Development Zone. The Commissions' primary responsibility is to promote and encourage economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone.

The Commission is governed by forty-two voting members, consisting of three members from Jones County and each of the twelve other participating counties, and three members appointed by the Global TransPark Authority. The Board of County Commissioners of the respective counties appoints the voting members from each of the counties.

The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and was collected for a period of five years. The principal balance of the trust funds is nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2005, the portion of the trust available to be loaned exclusively to Jones County was \$733,054.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2005

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**VIII. 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 general purpose financial statements because they are not revenues and expenditures of the County.

	<b>Federal</b>	<b>State</b>
Medicaid	\$8,193,738	\$3,885,797
Food Stamp Program	1,202,755	
Temporary Assistance For Needy Families	128,399	
WIC	107,239	
Supplemental Assistance		126,352
Energy Assistance	28,713	
Foster Care	15,648	4,514
Adoption Assistance	10,144	2,923
Adoption Subsidy		2,424
<b>Total</b>	<b>\$9,686,636</b>	<b>\$4,022,010</b>

**IX. SUMMARY DISCLOSURE OF SIGNIFICANT 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. 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.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

**This section contains additional information required by generally accepted accounting principles.**

- **Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.**
- **Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.**
- **Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.**

**JONES COUNTY, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**SCHEDULE OF FUNDING PROGRESS**  
 June 30, 2005

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Fund Ratio (a / b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) /c)
12/31/97	\$0	\$31,737	\$31,737	0.00%	\$180,636	17.57%
12/31/98	0	23,650	23,650	0.00%	182,652	12.95%
12/31/99	0	23,898	23,898	0.00%	205,011	11.66%
12/31/00	0	20,704	20,704	0.00%	222,168	9.32%
12/31/01	0	20,801	20,801	0.00%	252,460	8.24%
12/31/02	0	42,508	42,508	0.00%	267,671	15.88%
12/31/03	0	32,716	32,716	0.00%	220,844	14.81%
12/31/04	0	28,538	28,538	0.00%	205,482	13.89%

**JONES COUNTY, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 June 30, 2005

<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1998	\$4,824	177%
1999	4,275	200%
2000	3,557	293%
2001	4,166	148%
2002	3,389	69%
2003	4,003	0%
2004	6,076	0%
2005	5,375	0%

***Notes to the Required Schedules:***

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation Date	12/31/04
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
<i>Actuarial Assumptions:</i>	
Investment Rate of Return	7.25%
Projected Salary Increases	5.9% to 9.8%
Includes Inflation At	3.75%
Cost-of-Living Adjustments	N/A

**SUPPLEMENTARY INFORMATION**  
**Combining and Individual Fund Financial Statements and Schedules**

**JONES COUNTY, NORTH CAROLINA**  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$3,834,979	\$3,980,132	\$145,153
Penalties and Interest	35,000	62,586	27,586
<b>Total Ad Valorem Taxes</b>	<b>\$3,869,979</b>	<b>\$4,042,718</b>	<b>\$172,739</b>
<b>Local Option Sales Taxes:</b>			
Articles 39, 40, 42 and 44	<b>\$1,293,000</b>	<b>\$1,505,441</b>	<b>\$212,441</b>
<b>Other Taxes and Licenses:</b>			
Real Estate Transfer Tax	\$37,000	\$53,687	\$16,687
Scrap Tire Disposal Tax	10,000	13,665	3,665
<b>Total Other Taxes and Licenses</b>	<b>\$47,000</b>	<b>\$67,352</b>	<b>\$20,352</b>
<b>Unrestricted Intergovernmental Revenue:</b>			
Payments in Lieu of Taxes	\$28,000	\$57,027	\$29,027
Beer & Wine Tax	30,000	38,500	8,500
Federal Excise Tax	1,000		(1,000)
<b>Total Unrestricted Intergovernmental Revenue</b>	<b>\$59,000</b>	<b>\$95,527</b>	<b>\$36,527</b>
<b>Restricted Intergovernmental Revenue:</b>			
State and Federal Grants	\$2,769,467	\$2,599,270	(\$170,197)
CDBG Loan Repayments		30,368	30,368
Court Facilities Fees	25,000	55,403	30,403
ABC - 5 cent Bottle Tax	2,000	3,613	1,613
ABC - 1 cent Bottle Tax	100	201	101
Correction and Rehab Center Grant	42,123	35,115	(7,008)
Juvenile Justice and Delinquency	92,406	90,653	(1,753)
Veterans Commission	2,000	2,000	
Child Abuse	250	260	10
Domestic Violence	800	1,040	240
Inmate Food Reimbursement	15,000	10,021	(4,979)
National Forest Receipts/Schools	20,000	40,202	20,202
DWI/Safe Roads Act	800	1,049	249
Teen Community Action Program	30,060	28,615	(1,445)
HAVA Grant	10,291	303	(9,988)
HSGP Grant	29,920	17,079	(12,841)
Hazard Mitigation Grant		22,284	22,284
Global TransPark Flex Grant	5,000	5,000	
Emergency Management	5,000	12,449	7,449
Bates Foundation Grant	19,465	19,465	
Soil Conservation	35,785	33,918	(1,867)
<b>Total Restricted Intergovernmental Revenue</b>	<b>\$3,105,467</b>	<b>\$3,008,308</b>	<b>(\$97,159)</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Permits and Fees:</b>			
Beer & Wine	\$500	\$415	(\$85)
Concealed/Handgun Permits	600	940	340
Building and Other Permits and Fees	102,496	107,957	5,461
Register of Deeds	40,000	48,749	8,749
Marriage Licenses	800	1,300	500
Franchise - Cable TV	5,000	5,641	641
<b>Total Permits &amp; Fees</b>	<b>\$149,396</b>	<b>\$165,002</b>	<b>\$15,606</b>
<b>Sales and Services:</b>			
Jail and Officer Fees	\$20,485	\$31,086	\$10,601
EMS Fees	70,000	51,669	(18,331)
Trash Fees	60,000	57,295	(2,705)
Town Tax Billings & Collection	12,225	7,261	(4,964)
Vending Machines	300	698	398
Solid Waste/Recycling	73,000	72,893	(107)
<b>Total Sales &amp; Services</b>	<b>\$236,010</b>	<b>\$220,902</b>	<b>(\$15,108)</b>
<b>Total Investment Earnings</b>	<b>\$60,000</b>	<b>\$158,393</b>	<b>\$98,393</b>
<b>Other Revenues:</b>			
Civic Center Rent	\$10,000	\$20,218	\$10,218
Meherrin Company Rent		36,783	36,783
Probation Office Rent	1,760	1,760	
FSA Rent	4,479	4,479	
Gasoline Tax Refund	7,000	6,353	(647)
Other	19,948	31,706	11,758
<b>Total Other Revenues</b>	<b>\$43,187</b>	<b>\$101,299</b>	<b>\$58,112</b>
<b>TOTAL REVENUES</b>	<b>\$8,863,039</b>	<b>\$9,364,942</b>	<b>\$501,903</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>			
<b>General Government:</b>			
<b>Governing Body:</b>			
Salaries & Employee Benefits	\$53,953	\$53,982	(\$29)
Operating Expenses	28,691	26,190	2,501
Insurance Other Than Property	96,063	95,473	590
<b>Total</b>	<b>\$178,707</b>	<b>\$175,645</b>	<b>\$3,062</b>
<b>Elections:</b>			
Salaries & Employee Benefits	\$58,032	\$59,842	(\$1,810)
Operating Expenses	48,776	44,738	4,038
<b>Total</b>	<b>\$106,808</b>	<b>\$104,580</b>	<b>\$2,228</b>
<b>Finance:</b>			
Salaries & Employee Benefits	\$125,628	\$123,540	\$2,088
Operating Expenses	34,842	32,715	2,127
<b>Total</b>	<b>\$160,470</b>	<b>\$156,255</b>	<b>\$4,215</b>
<b>Taxes:</b>			
Salaries & Employee Benefits	\$184,540	\$179,111	\$5,429
Operating Expenses	35,808	34,360	1,448
<b>Total</b>	<b>\$220,348</b>	<b>\$213,471</b>	<b>\$6,877</b>
<b>Legal:</b>			
Contracted Services	\$16,659	\$14,348	\$2,311
<b>Jury Commission:</b>			
Operating Expenses	\$500	\$500	\$0
<b>Register of Deeds:</b>			
Salaries & Employee Benefits	\$72,840	\$70,965	\$1,875
Operating Expenses	47,903	42,688	5,215
<b>Total</b>	<b>\$120,743</b>	<b>\$113,653</b>	<b>\$7,090</b>
<b>Public Buildings:</b>			
Salaries & Employee Benefits	\$84,169	\$72,208	\$11,961
Operating Expenses	97,261	98,514	(1,253)
Building Improvement	26,735	19,850	6,885
<b>Total</b>	<b>\$208,165</b>	<b>\$190,572</b>	<b>\$17,593</b>
<b>Court Facilities:</b>			
Operating Expenses	\$26,000	\$24,482	\$1,518

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Administration:</b>			
Salaries & Employee Benefits	\$114,001	\$113,463	\$538
Operating Expenses	9,193	8,126	1,067
<b>Total</b>	<b>\$123,194</b>	<b>\$121,589</b>	<b>\$1,605</b>
<b>Computer:</b>			
Salaries & Employee Benefits	\$113		\$113
Operating Expenses	67,805	\$63,633	4,172
<b>Total</b>	<b>\$67,918</b>	<b>\$63,633</b>	<b>\$4,285</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$1,229,512</b>	<b>\$1,178,728</b>	<b>\$50,784</b>
<b>Public Safety:</b>			
<b>Sheriff Department:</b>			
Salaries & Employee Benefits	\$448,854	\$440,896	\$7,958
Operating Expenses	87,159	86,256	903
Capital	13,000	13,000	
<b>Total</b>	<b>\$549,013</b>	<b>\$540,152</b>	<b>\$8,861</b>
<b>County Jail:</b>			
Salaries & Employee Benefits	\$29,165	\$28,561	\$604
Operating Expenses	104,175	103,714	461
<b>Total</b>	<b>\$133,340</b>	<b>\$132,275</b>	<b>\$1,065</b>
<b>Inspections:</b>			
Salaries & Employee Benefits	\$73,826	\$66,953	\$6,873
Operating Expenses	22,804	16,148	6,656
<b>Total</b>	<b>\$96,630</b>	<b>\$83,101</b>	<b>\$13,529</b>
<b>Correction/Rehab Center:</b>			
Operating Expenses	\$42,123	\$33,243	\$8,880
<b>Total</b>			
<b>Emergency Services:</b>			
Salaries & Employee Benefits	\$200,097	\$199,219	\$878
Operating Expenses	204,294	197,385	6,909
Aid to Local Fire Department	43,800	43,800	
Aid to Local Rescue Squads	36,000	36,000	
Capital - Fire and Rescue	7,190	7,190	
<b>Total</b>	<b>\$491,381</b>	<b>\$483,594</b>	<b>\$7,787</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Communication System:</b>			
Operating Expenses	\$16,650	\$12,776	\$3,874
<b>Terrorism/Homeland Security:</b>			
Operating Expense	\$108,923	\$31,734	\$77,189
<b>Medical Examiner:</b>			
Professional Services	\$5,000	\$3,450	\$1,550
<b>Rabies Control:</b>			
Salaries & Employee Benefits	\$26,006	\$25,662	\$344
Operating Expenses	5,105	4,229	876
Capital	3,539	3,539	
<b>Total</b>	<b>\$34,650</b>	<b>\$33,430</b>	<b>\$1,220</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$1,477,710</b>	<b>\$1,353,755</b>	<b>\$123,955</b>
<b>Environmental Protection:</b>			
<b>Sanitation:</b>			
Salaries & Employee Benefits	\$145,295	\$124,956	\$20,339
Operating Expenses	51,621	40,008	11,613
Contracted Services	141,665	137,997	3,668
<b>Total</b>	<b>\$338,581</b>	<b>\$302,961</b>	<b>\$35,620</b>
<b>State Forest Protection</b>	<b>\$56,392</b>	<b>\$45,605</b>	<b>\$10,787</b>
<b>Soil Conservation:</b>			
Salaries & Employee Benefits	\$72,127	\$71,963	\$164
Operating Expenses	5,005	3,963	1,042
<b>Total</b>	<b>\$77,132</b>	<b>\$75,926</b>	<b>\$1,206</b>
<b>TOTAL ENVIRONMENTAL PROTECTION</b>	<b>\$472,105</b>	<b>\$424,492</b>	<b>\$47,613</b>
<b>Economic &amp; Physical Development:</b>			
<b>Agricultural Extension:</b>			
Salaries & Employee Benefits	\$101,470	\$95,413	\$6,057
Operating Expenses	43,519	36,644	6,875
<b>Total</b>	<b>\$144,989</b>	<b>\$132,057</b>	<b>\$12,932</b>
<b>Economic Development:</b>			
Salaries & Employee Benefits	\$9,186	\$5,803	\$3,383
Operating Expenses	133,118	130,328	2,790
<b>Total</b>	<b>\$142,304</b>	<b>\$136,131</b>	<b>\$6,173</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Neuse River Council of Governments:</b>			
Allocation & Expenses	<b>\$3,489</b>	<b>\$2,668</b>	<b>\$821</b>
<b>Teen Community Action:</b>			
Salaries and Employee Benefits	\$23,753	\$14,359	\$9,394
Operating Expenses	6,306	5,951	355
<b>Total</b>	<b>\$30,059</b>	<b>\$20,310</b>	<b>\$9,749</b>
<b>TOTAL ECONOMIC &amp; PHYSICAL DEVELOPMENT</b>	<b>\$320,841</b>	<b>\$291,166</b>	<b>\$29,675</b>
<b>HUMAN SERVICES:</b>			
<b>Health:</b>			
<b>Administration:</b>			
Salaries & Employee Benefits	\$180,186	\$140,788	\$39,398
Operating Expenses	66,588	102,597	(36,009)
<b>Total</b>	<b>\$246,774</b>	<b>\$243,385</b>	<b>\$3,389</b>
<b>Tuberculosis:</b>			
Salaries and Employee Benefits	\$4,501	\$2,932	\$1,569
Operating Expenses	817	1,092	(275)
<b>Total</b>	<b>\$5,318</b>	<b>\$4,024</b>	<b>\$1,294</b>
<b>Craven Evaluation:</b>			
Operating Expenses	<b>\$3,100</b>	<b>\$600</b>	<b>\$2,500</b>
<b>Bioterrorism</b>			
Salaries and Employee Benefits	\$6,399	\$5,143	\$1,256
Operating Expenses	61,899	75,307	(13,408)
	<b>\$68,298</b>	<b>\$80,450</b>	<b>(\$12,152)</b>
<b>Aids</b>	<b>\$500</b>	<b>\$57</b>	<b>\$443</b>
<b>Communicable Disease:</b>			
Salaries & Employee Benefits	\$8,367	\$8,612	(\$245)
Operating Expenses	1,519	1,028	491
<b>Total</b>	<b>\$9,886</b>	<b>\$9,640</b>	<b>\$246</b>
<b>HIV/STD:</b>			
Salaries & Employee Benefits	\$26,410	\$25,446	\$964
Operating Expenses	8,590	8,644	(54)
<b>Total</b>	<b>\$35,000</b>	<b>\$34,090</b>	<b>\$910</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Family Planning:</b>			
Salaries & Employee Benefits	\$53,856	\$54,409	(\$553)
Operating Expenses	18,586	14,887	3,699
<b>Total</b>	<b>\$72,442</b>	<b>\$69,296</b>	<b>\$3,146</b>
<b>Environmental Health:</b>			
Salaries & Employee Benefits	\$15,000	\$14,955	\$45
Operating Expenses	3,500	954	2,546
<b>Total</b>	<b>\$18,500</b>	<b>\$15,909</b>	<b>\$2,591</b>
<b>Food &amp; Lodging:</b>			
Operating Expenses	<b>\$1,656</b>	<b>\$779</b>	<b>\$877</b>
<b>Cancer Prevention:</b>			
Salaries & Employee Benefits	\$3,051	\$1,955	\$1,096
Operating Expenses	4,449	5,427	(978)
<b>Total</b>	<b>\$7,500</b>	<b>\$7,382</b>	<b>\$118</b>
<b>Immunization Action Plan:</b>			
Salaries & Employee Benefits	\$6,311	\$6,280	\$31
Operating Expenses	1,614	1,074	540
<b>Total</b>	<b>\$7,925</b>	<b>\$7,354</b>	<b>\$571</b>
<b>Maternal &amp; Child Health:</b>			
Salaries & Employee Benefits	\$170,925	\$144,361	\$26,564
Operating Expenses	18,906	30,254	(11,348)
<b>Total</b>	<b>\$189,831</b>	<b>\$174,615</b>	<b>\$15,216</b>
<b>Women, Infants &amp; Children Supplement Food:</b>			
Salaries & Employee Benefits	\$44,093	\$43,850	\$243
Operating Expenses	4,426	3,580	846
<b>Total</b>	<b>\$48,519</b>	<b>\$47,430</b>	<b>\$1,089</b>
<b>School Health Education:</b>			
Salaries & Employee Benefits	\$36,465	\$36,454	\$11
Operating Expenses	3,751	3,493	258
<b>Total</b>	<b>\$40,216</b>	<b>\$39,947</b>	<b>\$269</b>
<b>School Health Nurse:</b>			
Salaries & Employee Benefits	\$62,541	\$64,508	(\$1,967)
Operating Expenses	10,643	8,676	1,967
<b>Total</b>	<b>\$73,184</b>	<b>\$73,184</b>	<b>\$0</b>
<b>Health Promotions:</b>			
Salaries & Employee Benefits	\$24,373	\$24,305	\$68
Operating Expenses	1,660	763	897
<b>Total</b>	<b>\$26,033</b>	<b>\$25,068</b>	<b>\$965</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Migrant Outreach:</b>			
Salaries & Employee Benefits	\$32,448	\$5,283	\$27,165
Operating Expenses	17,560	3,008	14,552
<b>Total</b>	<b>\$50,008</b>	<b>\$8,291</b>	<b>\$41,717</b>
<b>Child Services - Coordinator:</b>			
Salaries & Employee Benefits	\$26,154	\$16,219	\$9,935
Operating Expenses	1,442	1,710	(268)
<b>Total</b>	<b>\$27,596</b>	<b>\$17,929</b>	<b>\$9,667</b>
<b>Family Based Counseling:</b>			
Salaries & Employee Benefits	\$25,017	\$24,003	\$1,014
Operating Expenses	28,767	27,825	942
<b>Total</b>	<b>\$53,784</b>	<b>\$51,828</b>	<b>\$1,956</b>
<b>Wellness:</b>			
Salaries & Employee Benefits	\$70,459	\$66,911	\$3,548
Operating Expenses	82,881	57,249	25,632
<b>Total</b>	<b>\$153,340</b>	<b>\$124,160</b>	<b>\$29,180</b>
<b>Healthy Carolinian:</b>			
Salaries & Employee Benefits	\$11,764	\$11,730	\$34
Operating Expenses	6,137	5,707	430
<b>Total</b>	<b>\$17,901</b>	<b>\$17,437</b>	<b>\$464</b>
<b>Mosquito Control:</b>			
Salaries & Employee Benefits	\$985	\$734	\$251
Operating Expenses	4,015	1,477	2,538
<b>Total</b>	<b>\$5,000</b>	<b>\$2,211</b>	<b>\$2,789</b>
<b>Teen Tobacco Prevention:</b>			
Operating Expenses	<b>\$3,491</b>	<b>\$2,401</b>	<b>\$1,090</b>
<b>Total Health</b>	<b>\$1,165,802</b>	<b>\$1,057,467</b>	<b>\$108,335</b>
<b>Mental Health:</b>			
<b>Administration:</b>			
Regional Allocation	\$27,670	\$27,670	
Bottle Tax	4,000	3,814	\$186
Handicapped Transportation	13,835	13,835	
<b>Total</b>	<b>\$45,505</b>	<b>\$45,319</b>	<b>\$186</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries & Employee Benefits	\$979,866	\$941,426	\$38,440
Operating Expenses	388,364	373,667	14,697
<b>Total</b>	<b>\$1,368,230</b>	<b>\$1,315,093</b>	<b>\$53,137</b>
<b>AFDC Program:</b>			
Extra Items	\$4,000	\$2,099	\$1,901
Foster Care	45,000	27,195	17,805
<b>Total</b>	<b>\$49,000</b>	<b>\$29,294</b>	<b>\$19,706</b>
<b>Medicaid Program:</b>			
County Participation Only	<b>\$642,000</b>	<b>\$607,121</b>	<b>\$34,879</b>
<b>Foster Care</b>	<b>\$25,000</b>	<b>\$13,328</b>	<b>\$11,672</b>
<b>General Assistance</b>	<b>\$2,213</b>	<b>\$885</b>	<b>\$1,328</b>
<b>Aid to Blind</b>	<b>\$5,759</b>	<b>\$1,111</b>	<b>\$4,648</b>
<b>Day Care - County Participation</b>	<b>\$493,613</b>	<b>\$493,591</b>	<b>\$22</b>
<b>Food Stamp - EBT</b>	<b>\$8,378</b>	<b>\$6,926</b>	<b>\$1,452</b>
<b>Title III - Homemaker:</b>			
Salaries & Employee Benefits	\$50,121	\$49,575	\$546
Operating Expenses	2,843	2,838	5
<b>Total</b>	<b>\$52,964</b>	<b>\$52,413</b>	<b>\$551</b>
<b>Work First Jobs Program</b>	<b>\$35,000</b>	<b>\$23,897</b>	<b>\$11,103</b>
<b>Work First Family Assistance</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$1,000</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
Supplemental Assistance	\$152,184	\$126,352	\$25,832
Medicaid Transportation Dialysis	\$108,000	\$107,820	\$180
Crisis Intervention	\$16,109	\$11,148	\$4,961
Adoption Assistance	\$4,444	\$2,923	\$1,521
Energy Assistance - CP&L	\$1,893	\$1,563	\$330
Adult & Youth Services	\$34,698	\$31,216	\$3,482
Long-Term Care Screening	\$11,000	\$10,985	\$15
Domestic Violence	\$6,737	\$5,929	\$808
Child Protective Service	\$100	\$0	\$100
<b>Total Social Services</b>	<b>\$3,018,322</b>	<b>\$2,841,595</b>	<b>\$176,727</b>
<b>Veterans Service Officer:</b>			
Salaries & Employee Benefits	\$17,194	\$17,175	\$19
Operating Expenses	10,690	9,692	998
<b>Total Veterans Service Officer</b>	<b>\$27,884</b>	<b>\$26,867</b>	<b>\$1,017</b>
Rural Transportation	\$20,905	\$20,905	\$0

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Tri-County Senior Citizens:</b>			
Salaries & Employee Benefits	\$16,861	\$16,803	\$58
Title V	88,393	69,991	18,402
Transportation	23,416	23,416	
SR Services Outreach	4,655	3,625	1,030
<b>Total Tri-County Senior Citizens</b>	<b>\$133,325</b>	<b>\$113,835</b>	<b>\$19,490</b>
<b>TOTAL HUMAN SERVICES</b>	<b>\$4,411,743</b>	<b>\$4,105,988</b>	<b>\$305,755</b>
<b>Cultural and Recreational:</b>			
<b>Recreational:</b>			
Salaries & Employee Benefits	\$24,968	\$25,179	(\$211)
Operating Expenses	19,597	19,027	570
<b>Total</b>	<b>\$44,565</b>	<b>\$44,206</b>	<b>\$359</b>
<b>Civic Center:</b>			
Salaries & Employee Benefits	\$2,592	\$2,564	\$28
Operating Expenses	27,574	26,812	762
<b>Total</b>	<b>\$30,166</b>	<b>\$29,376</b>	<b>\$790</b>
<b>Interagency Council:</b>			
Operating Expenses	\$5,406	\$4,428	\$978
<b>Arts Council Appropriation</b>	<b>\$1,775</b>	<b>\$0</b>	<b>\$1,775</b>
<b>Libraries Appropriation</b>	<b>\$99,538</b>	<b>\$99,538</b>	<b>\$0</b>
<b>TOTAL CULTURAL AND RECREATIONAL</b>	<b>\$181,450</b>	<b>\$177,548</b>	<b>\$3,902</b>
<b>Education:</b>			
<b>Public Schools:</b>			
Current Expense	\$858,594	\$838,159	\$20,435
Forest Receipts	20,000	40,435	(20,435)
Capital Outlay	430,800	327,867	102,933
<b>Total</b>	<b>\$1,309,394</b>	<b>\$1,206,461</b>	<b>\$102,933</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2005

	Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>Community College:</b>			
Salaries & Employee Benefits	\$22,280	\$19,815	\$2,465
Operating Expenses	53,299	53,305	(6)
<b>Total</b>	<b>\$75,579</b>	<b>\$73,120</b>	<b>\$2,459</b>
<b>TOTAL EDUCATION</b>	<b>\$1,384,973</b>	<b>\$1,279,581</b>	<b>\$105,392</b>
<b>Debt Service:</b>			
Principal Retirement	\$77,777	\$27,777	\$50,000
Interest	3,923	3,923	
	<b>\$81,700</b>	<b>\$31,700</b>	<b>\$50,000</b>
<b>Miscellaneous - County</b>	<b>\$54,462</b>	<b>\$49,268</b>	<b>\$5,194</b>
<b>TOTAL EXPENDITURES</b>	<b>\$9,614,496</b>	<b>\$8,892,226</b>	<b>\$722,270</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$751,457)</b>	<b>\$472,716</b>	<b>\$1,224,173</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers to Other Funds:</i>			
Enterprise Fund	\$31,000	\$31,000	
Special Revenue Fund	(32,000)	(32,000)	
<b>Total</b>	<b>(\$1,000)</b>	<b>(\$1,000)</b>	<b>\$0</b>
Appropriated Fund Balance	<b>\$752,457</b>		<b>(\$752,457)</b>
<b>Total Other Financing Sources (Uses)</b>	<b>\$751,457</b>	<b>(\$1,000)</b>	<b>(\$752,457)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$0</b>	<b>\$471,716</b>	<b>\$471,716</b>
<b>FUND BALANCES:</b>			
Beginning of Year, July 1		5,497,494	
<b>End of Year, June 30</b>		<b>\$5,969,210</b>	

**JONES COUNTY, NORTH CAROLINA**  
**COUNTY COMPLEX CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2005**

	Project Authorization	Actual		Total To Date	Variance Favorable (Unfavorable)
		Prior Year	Current Year		
<b>REVENUES:</b>					
<i>Restricted Revenue:</i>					
USDA Grant	\$700,000		\$700,000	\$700,000	
Interest on Investments			15,881	15,881	\$15,881
	<b>\$700,000</b>	<b>\$0</b>	<b>\$715,881</b>	<b>\$715,881</b>	<b>\$15,881</b>
<b>EXPENDITURES:</b>					
<i>General Government:</i>					
Engineering	\$25,790	\$16,903	\$8,886	\$25,789	\$1
Administration	5,000	677		677	4,323
Advertising	121				121
Architect	180,063	138,613	23,521	162,134	17,929
Electrical	860		859	859	1
Wiring	8,548		8,548	8,548	
Land	88,163	88,163		88,163	
Legal	5,000	3,041	707	3,748	1,252
Survey	3,000	1,690	472	2,162	838
Geotechnical	5,000	4,550		4,550	450
Permits	2,000	350		350	1,650
Construction	2,194,178	132,495	1,874,536	2,007,031	187,147
Interest	56,380	3,800	52,580	56,380	
Loan Closing Costs	3,739		3,739	3,739	
Contingencies	10,213				10,213
<b>TOTAL EXPENDITURES</b>	<b>\$2,588,055</b>	<b>\$390,282</b>	<b>\$1,973,848</b>	<b>\$2,364,130</b>	<b>\$223,925</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(\$1,888,055)</b>	<b>(\$390,282)</b>	<b>(\$1,257,967)</b>	<b>(\$1,648,249)</b>	<b>\$239,806</b>
<b>OTHER FINANCING SOURCES:</b>					
<i>Transfer From:</i>					
General Fund (Local Match)	\$388,055	\$403,746		\$403,746	\$15,691
Installment Purchase Obligation Issued	1,500,000		\$1,500,000	1,500,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$1,888,055</b>	<b>\$403,746</b>	<b>\$1,500,000</b>	<b>\$1,903,746</b>	<b>\$15,691</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>\$0</b>	<b>\$13,464</b>	<b>\$242,033</b>	<b>\$255,497</b>	<b>\$255,497</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			13,464		
<b>End of Year, June 30</b>			<b>\$255,497</b>		

## **COMBINING STATEMENTS FOR NON-MAJOR FUNDS**

### **Special Revenue Funds**

- *Property Revaluation Fund* – The County uses this fund to set aside money each year to pay for the revaluation for tax purposes of real property every eight years.
- *Emergency Telephone System Fund* – This fund accounts for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- *2004 CDBG Scattered Site Fund* – This fund accounts for the receipt of federal grant funds to be used for replacing and repairing homes.
- *Emergency Watershed Fund* – This fund accounts for the receipt of State funds used to clear local streams of debris.

### **Capital Projects Funds**

- *Civic Center Capital Projects Fund* – The County uses this fund to account for the construction /improvement of the Civic Center.
- *Industrial Park Infrastructure Capital Projects Fund* – The County uses this fund to account for the construction of the Industrial Park.
- *Rural Center Clean Water Bond Construction Fund* – The County uses this fund to account for the construction/improvement of sewer lines for the Town of Trenton.
- *Qualified Zone Academy Bond Fund* – The County uses this fund to account for the receipt and disbursement of QZAB funds benefiting the school system.
- *County Complex Capital Project Reserve* – The County uses this fund to account for capital outlay for the construction of the County Complex.

**JONES COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 June 30, 2005

	<b>Special Revenue Funds</b>				<b>Total</b>
	<b>Property Revaluation Fund</b>	<b>Emergency Telephone System Fund</b>	<b>2004 CDBG Scattered Site Fund</b>	<b>Emergency Watershed Fund</b>	<b>Non-major Special Revenue Funds</b>
<b><u>ASSETS</u></b>					
Cash and Investments	\$61,572	\$106,579	\$24,100		\$192,251
Accounts Receivable		14,612			14,612
Due From Other Governments				\$56,932	56,932
Restricted Cash					
<b>TOTAL ASSETS</b>	<b>\$61,572</b>	<b>\$121,191</b>	<b>\$24,100</b>	<b>\$56,932</b>	<b>\$263,795</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts Payable		\$827	\$24,100	\$2,566	\$27,493
Due to General Fund				54,366	54,366
Deferred Revenue					
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$827</b>	<b>\$24,100</b>	<b>\$56,932</b>	<b>\$81,859</b>
<b>Fund Balances:</b>					
Reserved by State Statute Designated for Subsequent Year's Expenditure		\$14,612			\$14,612
	\$61,572	105,752			167,324
<b>Total Fund Balances</b>	<b>\$61,572</b>	<b>\$120,364</b>	<b>\$0</b>	<b>\$0</b>	<b>\$181,936</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$61,572</b>	<b>\$121,191</b>	<b>\$24,100</b>	<b>\$56,932</b>	<b>\$263,795</b>

Capital Projects Funds					Total	
Civic Center Capital Projects Fund	Industrial Park Infrastructure Capital Projects Fund	Rural Center Clean Water Construction Fund	Qualified Zone Academy Bond Fund	County Complex Capital Project Reserve Fund	Non-major Capital Projects Funds	Total Non-major Governmental Funds
\$4,602	\$19,196	\$78,853		\$200,122	\$302,773	\$495,024
2,306	16,617				18,923	14,612
			\$285,668		285,668	75,855
<b>\$6,908</b>	<b>\$35,813</b>	<b>\$78,853</b>	<b>\$285,668</b>	<b>\$200,122</b>	<b>\$607,364</b>	<b>\$871,159</b>
			\$6,775		\$6,775	\$34,268
		\$61,437			61,437	54,366
<b>\$0</b>	<b>\$0</b>	<b>\$61,437</b>	<b>\$6,775</b>	<b>\$0</b>	<b>\$68,212</b>	<b>\$150,071</b>
						\$14,612
\$6,908	\$35,813	\$17,416	\$278,893	\$200,122	\$539,152	706,476
<b>\$6,908</b>	<b>\$35,813</b>	<b>\$17,416</b>	<b>\$278,893</b>	<b>\$200,122</b>	<b>\$539,152</b>	<b>\$721,088</b>
<b>\$6,908</b>	<b>\$35,813</b>	<b>\$78,853</b>	<b>\$285,668</b>	<b>\$200,122</b>	<b>\$607,364</b>	<b>\$871,159</b>

**JONES COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2005**

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Special Revenue Funds</b>
	<b>Property Revaluation Fund</b>	<b>Emergency Telephone System Fund</b>	<b>2004 CDBG Scattered Sites Fund</b>	<b>Emergency Watershed Fund</b>	
<b>REVENUES:</b>					
Other Taxes and Licenses		\$92,390			\$92,390
Restricted Intergovernmental Grants		76,988	\$614,423	\$56,932	748,343
Investment Earnings	\$46	50			96
<b>Total Revenues</b>	<b>\$46</b>	<b>\$169,428</b>	<b>\$614,423</b>	<b>\$56,932</b>	<b>\$840,829</b>
<b>EXPENDITURES:</b>					
General Government	\$67,515				\$67,515
Public Safety		\$137,074			137,074
Economic & Physical Development Cultural and Recreational Education			\$614,423	\$56,932	671,355
<b>Total Expenditures</b>	<b>\$67,515</b>	<b>\$137,074</b>	<b>\$614,423</b>	<b>\$56,932</b>	<b>\$875,944</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$67,469)</b>	<b>\$32,354</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,115)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers From (To) Other Funds	\$32,000				\$32,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$32,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,000</b>
<b>Net Change in Fund Balances</b>	<b>(\$35,469)</b>	<b>\$32,354</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,115)</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1	97,041	88,010			185,051
<b>End of Year, June 30</b>	<b>\$61,572</b>	<b>\$120,364</b>	<b>\$0</b>	<b>\$0</b>	<b>\$181,936</b>

Capital Projects Funds					Total	
Civic Center Capital Projects Fund	Industrial Park Infrastructure Capital Projects Fund	Rural Center Clean Water Bond Construction Fund	Qualified Zone Academy Bond Fund	County Complex Capital Project Reserve Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
						\$92,390
		\$20,268			\$20,268	768,611
\$32,025					32,025	32,025
5				\$117	122	218
<b>\$32,030</b>	<b>\$0</b>	<b>\$20,268</b>	<b>\$0</b>	<b>\$117</b>	<b>\$52,415</b>	<b>\$893,244</b>
						\$67,515
						137,074
	\$1,000	\$3,104			\$4,104	675,459
\$34,670					34,670	34,670
			\$6,775		6,775	6,775
<b>\$34,670</b>	<b>\$1,000</b>	<b>\$3,104</b>	<b>\$6,775</b>	<b>\$0</b>	<b>\$45,549</b>	<b>\$921,493</b>
<b>(\$2,640)</b>	<b>(\$1,000)</b>	<b>\$17,164</b>	<b>(\$6,775)</b>	<b>\$117</b>	<b>\$6,866</b>	<b>(\$28,249)</b>
					\$0	\$32,000
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,000</b>
<b>(\$2,640)</b>	<b>(\$1,000)</b>	<b>\$17,164</b>	<b>(\$6,775)</b>	<b>\$117</b>	<b>\$6,866</b>	<b>\$3,751</b>
9,548	36,813	252	285,668	200,005	532,286	717,337
<b>\$6,908</b>	<b>\$35,813</b>	<b>\$17,416</b>	<b>\$278,893</b>	<b>\$200,122</b>	<b>\$539,152</b>	<b>\$721,088</b>

## JONES COUNTY, NORTH CAROLINA

## PROPERTY REVALUATION FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2005

	Annual Budget	2005 Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Investment Earnings		\$46	\$46
<b>Total Revenues</b>	<b>\$0</b>	<b>\$46</b>	<b>\$46</b>
<b>EXPENDITURES:</b>			
<i>General Government:</i>			
Contract Revaluation	\$107,000	\$67,515	\$39,485
<b>Total Expenditures</b>	<b>\$107,000</b>	<b>\$67,515</b>	<b>\$39,485</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$107,000)</b>	<b>(\$67,469)</b>	<b>\$39,531</b>
<b>OTHER FINANCING SOURCES</b>			
Operating Transfer In	\$32,000	\$32,000	
Appropriated Fund Balance	75,000		(\$75,000)
<b>Total Other Financing Sources</b>	<b>\$107,000</b>	<b>\$32,000</b>	<b>(\$75,000)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$0</b>	<b>(\$35,469)</b>	<b>(\$35,469)</b>
<b>FUND BALANCE:</b>			
Beginning of Year, July 1		97,041	
<b>End of Year, June 30</b>		<b>\$61,572</b>	

**JONES COUNTY, NORTH CAROLINA**  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL**  
**For The Fiscal Year Ended June 30, 2005**

	<b>Annual Budget</b>	<b>2005 Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>			
Other Taxes and Licenses:			
911 System Subscriber Fees	\$77,164	\$92,390	\$15,226
Restricted Intergovernmental:			
Wireless 911 Funds	54,325	76,988	22,663
Investment Earnings	50	50	
	<u>50</u>	<u>50</u>	
<b>Total Revenues</b>	<b>\$131,539</b>	<b>\$169,428</b>	<b>\$37,889</b>
<b>EXPENDITURES:</b>			
<i>Public Safety:</i>			
911	\$77,164	\$74,932	\$2,232
Wireless	64,375	62,142	2,233
	<u>64,375</u>	<u>62,142</u>	
<b>Total Expenditures</b>	<b>\$141,539</b>	<b>\$137,074</b>	<b>\$4,465</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$10,000)</b>	<b>\$32,354</b>	<b>\$42,354</b>
<b>Appropriated Fund Balance</b>	<u>10,000</u>		<u>(10,000)</u>
<b>Revenues and Appropriated Fund Balance Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$32,354</b>	<b>\$32,354</b>
<b>FUND BALANCE:</b>			
<i>Beginning of Year, July 1:</i>			
E-911		\$27,477	
Wireless		60,533	
<b>Beginning of Year Totals</b>		<b>\$88,010</b>	
<i>End of Year, June 30:</i>			
E-911		\$44,954	
Wireless		75,410	
<b>End of Year Totals</b>		<b>\$120,364</b>	

## JONES COUNTY, NORTH CAROLINA

## 2004 CDBG SCATTERED SITE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total To Date	
<b>REVENUES:</b>					
<i>Restricted Intergovernmental:</i>					
2004 Community Development Block Grant	\$400,000		\$400,000	\$400,000	
2004 Neighborhood Revitalization	700,000		214,423	214,423	(\$485,577)
<b>Total Revenues</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>\$614,423</b>	<b>\$614,423</b>	<b>(\$485,577)</b>
<b>EXPENDITURES:</b>					
<i>Current:</i>					
2004 Community Development Block Grant					
Clearance	\$44,830		\$44,830	\$44,830	
Administration	24,725		24,725	24,725	
Relocation	330,445		330,445	330,445	
	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>
2004 Neighborhood Revitalization					
C-1 Acquisition	\$50,000		\$3,550	\$3,550	\$46,450
C-1 Water Improvement	4,800				4,800
Clearance	50,000		8,099	8,099	41,901
Rehabilitation	22,000		3,500	3,500	18,500
Administration	59,000		19,652	19,652	39,348
C-1 Street Improvement	22,000				22,000
Relocation	380,200		74,622	74,622	305,578
C-1 Flood Drainage Improvement	7,000				7,000
L-1 Clearance	4,181		4,181	4,181	
L-1 Relocation	100,337		100,337	100,337	
L-1 Administration	482		482	482	
	<b>\$700,000</b>	<b>\$0</b>	<b>\$214,423</b>	<b>\$214,423</b>	<b>\$485,577</b>
<b>Total Expenditures</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>\$614,423</b>	<b>\$614,423</b>	<b>\$485,577</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Beginning of Year, July 1					
End of Year, June 30			<b>\$0</b>		

## JONES COUNTY, NORTH CAROLINA

## EMERGENCY WATERSHED FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

For The Fiscal Year Ended June 30, 2005

	<u>Annual Budget</u>	<u>2005 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
<i>Restricted Intergovernmental:</i>			
NCDENR - White Oak River Project	\$54,366	\$56,932	(\$2,566)
<b>Total Revenues</b>	<b>\$54,366</b>	<b>\$56,932</b>	<b>(\$2,566)</b>
<b>EXPENDITURES:</b>			
<i>Economic and Physical Development:</i>			
White Oak River Tree Removal	\$54,366	\$56,932	\$2,566
<b>Total Expenditures</b>	<b>\$54,366</b>	<b>\$56,932</b>	<b>\$2,566</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>			
Beginning of Year, July 1			
<b>End of Year, June 30</b>		<b>\$0</b>	

**JONES COUNTY, NORTH CAROLINA**  
**CIVIC CENTER CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET & ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2005**

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total To Date</b>	<b>Variance Favorable (Unfavorable)</b>
		<b>Prior Years</b>	<b>Current Year</b>		
<b>REVENUES:</b>					
<b>Restricted Revenue:</b>					
Legislative Grant	\$150,000	\$150,000		\$150,000	
Bates Foundation Grant	109,000	85,080	\$32,025	117,105	\$8,105
Interest on Investments		2,731	5	2,736	2,736
<b>TOTAL REVENUES</b>	<b>\$259,000</b>	<b>\$237,811</b>	<b>\$32,030</b>	<b>\$269,841</b>	<b>\$10,841</b>
<b>EXPENDITURES:</b>					
Cultural and Recreational	<b>\$259,000</b>	<b>\$228,263</b>	<b>\$34,670</b>	<b>\$262,933</b>	<b>(\$3,933)</b>
<b>REVENUES OVER (UNDER) EXPENDITURE:</b>	<b>\$0</b>	<b>\$9,548</b>	<b>(\$2,640)</b>	<b>\$6,908</b>	<b>\$6,908</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			9,548		
<b>End of Year, June 30</b>			<b>\$6,908</b>		

## JONES COUNTY, NORTH CAROLINA

## INDUSTRIAL PARK INFRASTRUCTURE CAPITAL PROJECTS FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
<i>Restricted Revenues:</i>					
Rural Center Grant	\$137,000	\$132,150		\$132,150	(\$4,850)
Global TransPark Grant	50,000	55,000		55,000	5,000
NC Department of Transportation	44,975	44,975		44,975	
<b>Total Revenues</b>	<b>\$231,975</b>	<b>\$232,125</b>	<b>\$0</b>	<b>\$232,125</b>	<b>\$150</b>
<b>EXPENDITURES:</b>					
<i>Economic and Physical Development:</i>					
Access Road	\$44,975	\$44,975		\$44,975	
Administration	3,000				\$3,000
Contingency	10,660				10,660
Engineering	23,700	19,037		19,037	4,663
Land	105,000				105,000
Sewer Improvements	145,376	152,141	\$1,000	153,141	(7,765)
Water Improvements	26,489	18,007		18,007	8,482
Survey	1,500				1,500
Utilities	275				275
<b>Total Expenditures</b>	<b>\$360,975</b>	<b>\$234,160</b>	<b>\$1,000</b>	<b>\$235,160</b>	<b>\$125,815</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$129,000)</b>	<b>(\$2,035)</b>	<b>(\$1,000)</b>	<b>(\$3,035)</b>	<b>\$125,965</b>
<b>OTHER FINANCING SOURCES:</b>					
<i>Transfer From:</i>					
General Fund (Local Match)	\$129,000	\$38,848		\$38,848	(\$90,152)
<b>Total Other Financing Sources</b>	<b>\$129,000</b>	<b>\$38,848</b>	<b>\$0</b>	<b>\$38,848</b>	<b>(\$90,152)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$36,813</b>	<b>(\$1,000)</b>	<b>\$35,813</b>	<b>\$35,813</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			36,813		
<b>End of Year, June 30</b>			<b>\$35,813</b>		

## JONES COUNTY, NORTH CAROLINA

## RURAL CENTER CLEAN WATER BOND CONSTRUCTION FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
<i>Restricted Revenue:</i>					
Grants	\$259,070	\$226,483	\$20,268	\$246,751	(\$12,319)
<b>TOTAL REVENUES</b>	<b>\$259,070</b>	<b>\$226,483</b>	<b>\$20,268</b>	<b>\$246,751</b>	<b>(\$12,319)</b>
<b>EXPENDITURES:</b>					
Economic and Physical Development	\$281,070	\$248,231	\$3,104	\$251,335	\$29,735
<b>TOTAL EXPENDITURES</b>	<b>\$281,070</b>	<b>\$248,231</b>	<b>\$3,104</b>	<b>\$251,335</b>	<b>\$29,735</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(\$22,000)</b>	<b>(\$21,748)</b>	<b>\$17,164</b>	<b>(\$4,584)</b>	<b>\$17,416</b>
<b>OTHER FINANCING SOURCES:</b>					
<i>Transfer From:</i>					
General Fund (Local Match)	22,000	22,000		22,000	
<b>REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>\$0</b>	<b>\$252</b>	<b>\$17,164</b>	<b>\$17,416</b>	<b>\$17,416</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			252		
<b>End of Year, June 30</b>			<b>\$17,416</b>		

## JONES COUNTY, NORTH CAROLINA

## QUALIFIED ZONE ACADEMY BOND FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Actual		Total To Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
<b>REVENUES:</b>					
<i>Restricted Revenue:</i>	\$0	\$0	\$0	\$0	\$0
<b>EXPENDITURES:</b>					
<i>Education:</i>					
Maysville Renovation	\$416,935	\$210,181		\$210,181	\$206,754
Pollocksville Renovation	417,722	338,808	\$6,775	345,583	72,139
<b>TOTAL EXPENDITURES</b>	<b>\$834,657</b>	<b>\$548,989</b>	<b>\$6,775</b>	<b>\$555,764</b>	<b>\$278,893</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(\$834,657)</b>	<b>(\$548,989)</b>	<b>(\$6,775)</b>	<b>(\$555,764)</b>	<b>\$278,893</b>
<b>OTHER FINANCING SOURCES:</b>					
<i>QZAB Proceeds:</i>					
Maysville QZAB	\$416,935	\$416,935		\$416,935	
Pollocksville QZAB	417,722	417,722		417,722	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$834,657</b>	<b>\$834,657</b>	<b>\$0</b>	<b>\$834,657</b>	<b>\$0</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<b>\$0</b>	<b>\$285,668</b>	<b>(\$6,775)</b>	<b>\$278,893</b>	<b>\$278,893</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			285,668		
<i>End of Year, June 30</i>			<b>\$278,893</b>		

**JONES COUNTY, NORTH CAROLINA**  
COUNTY COMPLEX CAPITAL PROJECT RESERVE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Interest on Investments		\$5	\$117	\$122	\$122
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$5</b>	<b>\$117</b>	<b>\$122</b>	<b>\$122</b>
<b>EXPENDITURES:</b>					
General Government	\$200,000			\$0	\$200,000
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(\$200,000)</b>	<b>\$5</b>	<b>\$117</b>	<b>\$122</b>	<b>\$200,122</b>
<b>Other Financing Sources (Uses):</b>					
<i>Transfer (To) From:</i>					
General Fund (Local Match)	200,000	200,000		200,000	
<b>REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES</b>	<b>\$0</b>	<b>\$200,005</b>	<b>\$117</b>	<b>\$200,122</b>	<b>\$200,122</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			200,005		
<b>End of Year, June 30</b>			<b>\$200,122</b>		

## **ENTERPRISE FUND**

***Water Fund*** – This fund accounts for the activities of the County's Water District, and the associated Capital Reserve Fund.

**JONES COUNTY, NORTH CAROLINA**  
**WATER FUND**

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)  
For The Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>OPERATING REVENUES:</b>			
Water Sales	\$578,814	\$705,047	\$126,233
Water Tap Fees	11,000	18,700	7700
Reconnect Fees	6,000	12,475	6,475
Other Operating Revenues	8,600	7,695	(905)
<b>Total Operating Revenues</b>	<b>\$604,414</b>	<b>\$743,917</b>	<b>\$139,503</b>
<b>NONOPERATING REVENUES:</b>			
Interest Earned on Investment	\$1,500	\$3,121	\$1,621
<b>Total Nonoperating Revenues</b>	<b>\$1,500</b>	<b>\$3,121</b>	<b>\$1,621</b>
<b>Total Revenues</b>	<b>\$605,914</b>	<b>\$747,038</b>	<b>\$141,124</b>
<b>OPERATING EXPENSES:</b>			
<i>Water Administration, Billing &amp; Collection:</i>			
Salaries & Employee Benefits	\$69,768	\$59,674	\$10,094
Professional Services	5,705	5,705	
Insurance	31,614	32,346	(732)
Postage	11,000	10,665	335
Supplies	1,100	730	370
Printing	5,000	4,742	258
Telephone	3,600	2,219	1,381
Other Operating Expenses	23,539	21,723	1,816
<b>Total</b>	<b>\$151,326</b>	<b>\$137,804</b>	<b>\$13,522</b>
<i>Raw Water Supply &amp; Maintenance:</i>			
Salaries & Employee Benefits	\$140,245	\$131,796	\$8,449
Electric Power	60,000	55,907	4,093
Vehicles Operation & Maintenance	20,500	19,312	1,188
Supplies & Materials	9,500	6,586	2,914
Sample Analysis	10,000	8,982	1,018
Other Operating Expenses	81,343	63,671	17,672
Maintenance & Replacement	32,554	26,594	5,960
<b>Total</b>	<b>\$354,142</b>	<b>\$312,848</b>	<b>\$41,294</b>
<b>Total Operating Expenses</b>	<b>\$505,468</b>	<b>\$450,652</b>	<b>\$54,816</b>

**JONES COUNTY, NORTH CAROLINA**  
WATER FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)  
For The Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
<i>Capital Outlay:</i>			
Construction	\$108,893	\$53,969	\$54,924
<b>Total Expenditures</b>	<b>\$614,361</b>	<b>\$504,621</b>	<b>\$109,740</b>
<b>Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<b>(\$8,447)</b>	<b>\$242,417</b>	<b>\$250,864</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Appropriated Fund Balance	\$89,447		(\$89,447)
Transfer to General Fund	(31,000)	(\$31,000)	
Transfer to Water Capital Reserve	(50,000)	(50,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$8,447</b>	<b>(\$81,000)</b>	<b>(\$89,447)</b>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$0</b>	<b>\$161,417</b>	<b>\$161,417</b>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
<b>Revenues and Other Sources Over     Expenditures and Other Uses</b>		<b>\$161,417</b>	
<b>Reconciling Items:</b>			
Capital Outlay		\$53,969	
Vacation Accrual		(2,341)	
Depreciation		(212,895)	
Transfer to Water Capital Reserve		50,000	
Interest Earned on Water Capital Reserve		135	
<b>Total Reconciling Items</b>		<b>(\$111,132)</b>	
<b>Change in Net Assets</b>		<b>\$50,285</b>	

**JONES COUNTY, NORTH CAROLINA**  
**WATER CAPITAL RESERVE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)**  
**For The Fiscal Year Ended June 30, 2005**

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	<b>Budget</b>	<b>2005 Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>			
Interest Earned on Investments		\$135	\$135
<b>EXPENDITURES:</b>			
	\$50,000	\$0	\$50,000
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(\$50,000)	\$135	\$50,135
<b>OTHER FINANCING SOURCES:</b>			
Transfer from Water Fund	\$50,000	\$50,000	\$0
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>\$0</b>	<b>\$50,135</b>	<b>\$50,135</b>
<b>FUND BALANCES:</b>			
Beginning of Year, July 1		200,370	
<b>End of Year, June 30</b>		<b>\$250,505</b>	

## AGENCY FUNDS

**Agency Funds serve primarily as clearing mechanisms for cash resources that are collected by a government unit, held as such for a brief period, and then distributed to authorized recipients.**

*The following comprise the County's Agency Funds:*

***Social Services Fund*** – The Social Services Fund is used to account for funds received by the County by court order on behalf of citizens who are unable to manage their own financial affairs.

***Fines and Forfeitures Fund*** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Jones County Board of Education.

***Ad Valorem Tax Fund*** – This fund accounts for the proceeds of the ad valorem taxes that are collected by the County on behalf of the municipalities and other taxing jurisdictions within the County.

***Agricultural Extension Fund*** – This fund accounts for the monies collected and disbursed by the Cooperative Extension office.

**JONES COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For The Fiscal Year Ended June 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<b>Social Services Fund:</b>				
Assets, Cash and Investments	\$13,869	\$58,893	\$53,629	\$19,133
Liabilities, Accounts Payable	\$13,869	\$58,893	\$53,629	\$19,133
<b>Fines and Forfeitures Fund:</b>				
Assets, Cash and Investments		\$115,913	\$115,913	
Accounts Receivable	\$13,976	5,343	13,976	\$5,343
<b>Total</b>	<b>\$13,976</b>	<b>\$121,256</b>	<b>\$129,889</b>	<b>\$5,343</b>
Liabilities, Intergovernmental Payables	\$13,976	\$121,256	\$129,889	\$5,343
<b>Ad Valorem Tax Fund:</b>				
Assets, Cash and Investments	\$5,643	\$213,296	\$213,215	\$5,724
Liabilities, Intergovernmental Payables	\$5,643	\$213,296	\$213,215	\$5,724
<b>Agricultural Extension Fund:</b>				
Assets, Cash and Investments	\$21,150	\$21,378	\$18,293	\$24,235
Liabilities, Intergovernmental Payables	\$21,150	\$21,378	\$18,293	\$24,235
<b>Totals - All Agency Funds:</b>				
Assets, Cash	\$40,662	\$409,480	\$401,050	\$49,092
Accounts Receivable	13,976	5,343	13,976	5,343
	<b>\$54,638</b>	<b>\$414,823</b>	<b>\$415,026</b>	<b>\$54,435</b>
<b>Liabilities and Payables</b>	<b>\$54,638</b>	<b>\$414,823</b>	<b>\$415,026</b>	<b>\$54,435</b>

## **STATISTICAL SECTION**

**This section includes additional information required on property taxes and transfers.**

- **Statement of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**
- **Ten Largest Taxpayers**

**JONES COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF AD VALOREM TAXES RECEIVABLE**  
June 30, 2005

<b>Fiscal Year Ended June 30,</b>	<b>Uncollected Balance June 30, 2004</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2005</b>
2004-05		\$3,971,708	\$3,727,955	\$243,753
2003-04	\$269,627		218,276	51,351
2002-03	64,219		28,326	35,893
2001-02	40,194		12,091	28,103
2000-01	32,224		6,515	25,709
1999-00	22,146		2,776	19,370
1998-99	14,367		850	13,517
1997-98	13,698		1,028	12,670
1996-97	7,770		718	7,052
1995-96	8,691		606	8,085
1994-95	6,468		421	6,047
1993-94	6,017		6,017	
	<b>\$485,421</b>	<b>\$3,971,708</b>	<b>\$4,005,579</b>	<b>\$451,550</b>
Less: Allowance for Uncollectible Ad Valorem Taxes				(16,500)
<i>Plus: Uncollected 2004-2005 Ad Valorem Taxes Receivable on Annually Registered Vehicles</i>				70,458
<b><i>Ad Valorem Taxes Receivable - Net</i></b>				<b>\$505,508</b>
Reconcilement with Revenue:				
Taxes - Ad Valorem - General Fund				<b>\$4,042,718</b>
<i>Reconciling Items:</i>				
Discounts Allowed				\$11,441
Taxes Written Off				6,017
Penalties and Interest Collected				(62,586)
Prior Year Releases				7,989
<b><i>Total Reconciling Items</i></b>				<b>(\$37,139)</b>
<b><i>Total Collections and Credits</i></b>				<b>\$4,005,579</b>

**JONES COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
For The Fiscal Year Ended June 30, 2005

	County-Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate	Amount of Levy		
<b>Original Levy:</b>					
Property and Motor Vehicles Taxed at Current Year's Rate	<b>\$514,048,701</b>	0.77	<b>\$3,958,175</b>	<b>\$3,437,229</b>	<b>\$520,946</b>
<b>Discoveries:</b>					
Current Year Taxes	\$4,604,834	0.77	\$35,457	\$35,457	
<b>Total</b>	<b>\$4,604,834</b>		<b>\$35,457</b>	<b>\$35,457</b>	<b>\$0</b>
<b>Abatements</b>	<b>(\$2,847,273)</b>		<b>(\$21,924)</b>	<b>(\$10,888)</b>	<b>(\$11,036)</b>
<b>Total Property Valuation</b>	<b>\$515,806,262</b>				
<b>Net Levy</b>			<b>\$3,971,708</b>	<b>\$3,461,798</b>	<b>\$509,910</b>
Uncollected Taxes at June 30, 2005			243,753	153,663	90,090
<b>Current Year's Taxes Collected</b>			<b>\$3,727,955</b>	<b>\$3,308,135</b>	<b>\$419,820</b>
<b>Current Levy Collection Percentage</b>			<b>93.86%</b>	<b>95.56%</b>	<b>82.33%</b>

**JONES COUNTY, NORTH CAROLINA**  
**TEN LARGEST TAXPAYERS**  
For The Fiscal Year Ended June 30, 2005

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<b>Taxpayer</b>	<b>Type of Business</b>	<b>2004 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Jones Onslow EMC	Utility	\$14,252,208	2.76%
Brown's Realty Partnership	Real Estate	\$10,401,169	2.02%
Weyerhaeuser Company	Timber	\$10,323,896	2.00%
Jones County Cotton Gin	Agricultural	\$6,817,532	1.32%
Carolina Telephone & Telegraph Company	Utility	\$4,831,039	0.94%
Carolina Power & Light Company	Utility	\$4,116,104	0.80%
Eastern NC Broadcasting Corporation	Broadcasting	\$2,657,273	0.52%
Charles Blythe Equipment Company, Inc.	Equipment Sales	\$2,654,675	0.51%
Brown's Farms LLC	Agricultural	\$2,310,519	0.45%
Great Eastern Timber Company	Timber	\$1,463,506	0.28%

**COMPLIANCE SECTION**



**EDWARD L. BARROW AND COMPANY, P.A.**  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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To the Board of County Commissioners  
Jones County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of Jones County, North Carolina, as of and for the year ended June 30, 2005, which collectively comprises Jones County's basic financial statements, and have issued our report thereon dated October 24, 2005. 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. The Jones County ABC Board was not audited under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jones County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts caused by error or fraud that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Jones County's financial statements are free of 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 05-1.

This report is intended solely for the information and use of the audit committee, management, members of the County Commissioners and others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Barrow, Parris & Davenport, P.A.*

EDWARD L. BARROW AND COMPANY, P.A.

October 24, 2005



**EDWARD L. BARROW AND COMPANY, P.A.**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

---

To the Board of County Commissioners  
Jones County, North Carolina

Compliance

We have audited the compliance of Jones County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2005. Jones County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jones County's management. Our responsibility is to express an opinion on Jones County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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. Our audit does not provide a legal determination on Jones County's compliance with those requirements.

In our opinion, Jones County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Item 05-2.

Internal Control Over Compliance

The management of Jones County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Jones County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Jones County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations,

contracts and grants. Reportable conditions are described in the accompanying schedules of findings and questioned costs as Item 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 05-2 to be a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Barrow, Rowin & Dawgert, P.A.*

EDWARD L. BARROW AND COMPANY, P.A.

October 24, 2005



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE  
SECTIONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

---

To the Board of County Commissioners  
Jones County, North Carolina

Compliance

We have audited the compliance of Jones County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2005. Jones County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Jones County's management. Our responsibility is to express an opinion on Jones County's compliance based on our audit.

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 OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, 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. Our audit does not provide a legal determination on Jones County's compliance with those requirements.

In our opinion, Jones County complied in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Jones County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Jones County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Barrow, Parise & Dawngard, P.A.*

EDWARD L. BARROW AND COMPANY, P.A.

October 24, 2005

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended June 30, 2005

**I. SUMMARY OF AUDITOR'S RESULTS**

	YES	NO
<b><u>Financial Statements</u></b>		
Type of auditor's report issued: Unqualified		
Internal control over financial reporting:		
• Material weakness(es) identified	_____	_____X
• Reportable condition(s) identified that are not considered to be material weaknesses	_____	_____X
Noncompliance material to financial statements noted	_____	_____X

**Federal Awards**

Internal control over major programs:		
• Material weakness(es) identified	_____X	_____
• Reportable condition(s) identified that are not considered to be material weaknesses	_____	_____X
Type of auditor's report issued on compliance for major federal programs: Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	_____X	_____

Identification of major federal programs:

<b>CFDA Numbers</b>	<b>Name of Federal Programs or Cluster</b>
	<b>Food Stamp Cluster:</b>
10.551	Food Stamp Program - Noncash
10.561	State Administrative Matching Grants for the Food Stamp Program
	<b>Subsidized Child Care Cluster:</b>
93.575	Child Care and Development Fund-Discretionary
93.596	Child Care and Development Fund-Mandatory and Match
93.558	TANF
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program
10.766	USDA Grant – County Complex
14.228	CDBG – Small Cities – Scattered Site & Concentrated Need

Dollar threshold used to distinguish between Type A and Type B Programs	_____	\$375,287
Auditee qualified as low-risk auditee	_____	_____X

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2005

	<u>YES</u>	<u>NO</u>
<b><u>State Awards</u></b>		
Internal control over major State programs:		
• Material weakness(es) identified	_____	_____X
• Reportable condition(s) identified that are not considered to be material weaknesses	_____	_____X
Type of auditor's report issued on compliance for major State programs: Unqualified		
Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act		
	_____	_____X
Identification of major State programs:		

**Program Name**

Medical Assistance Program

**II. FINANCIAL STATEMENT FINDINGS**

**FINDING 05-1**

IMMATERIAL INSTANCE OF NONCOMPLIANCE

<i>Criteria:</i>	In accordance with North Carolina General Statutes 159-8, all monies received or expended by a local government or public authority should be in accordance with an approved budget ordinance.
<i>Condition:</i>	Jones County's expenditures for Bioterrorism exceeded the authorized appropriation by \$12,152 as the result of accruing a payable at year end.
<i>Effect:</i>	Money was spent that had not been appropriated.
<i>Cause:</i>	The County did not adopt all required budget amendments needed to account for expenditures.
<i>Recommendation:</i>	The County should closely monitor year end expenditures and adopt budget amendments as necessary.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	The County agrees with the finding.

JONES COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2005

---

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FINDING 05-2 (Repeat Finding)**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Passed Through the N.C. Department of Health and Human Services:*

PROGRAM NAME: Subsidized Child Care Cluster (Temporary Assistance for Needy Families, Child Care and Development Fund-Discretionary, Social Services Block Grant, Child Care and Development Fund-Mandatory, Child Care and Development Fund-Match)

CFDA #'s: 93.558, 93.667, 93.575, 93.596

MATERIAL WEAKNESS

Special Tests and Provisions

*Criteria:* Parent fees and the portion paid by the County should be determined and recorded accurately at initial application and annual redeterminations.

*Condition:* In our test of 40 participant files, we noted 7 instances where parent fees were recalculated at the time of redetermination, but were not recorded in the system at the time of redetermination.

*Effect:* Parents fees were recorded lower than they should have been. This made the County's portion of the fee higher than it should have been, resulting in overpayments by the County.

*Cause:* Parent fees were not recorded on the system.

*Questioned Costs:* \$7,271. This represents the amount that the County's portion of the fees were overstated.

*Recommendation:* Personnel responsible for fee determination should accurately record fees at redetermination. Supervisory personnel should implement periodic review procedures to ensure accurate recording of correct fees.

*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The County agrees with the finding.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**JONES COUNTY, NORTH CAROLINA**  
**CORRECTIVE ACTION PLAN**  
 For The Fiscal Year Ended June 30, 2005

---

**FINANCIAL STATEMENT FINDINGS**

**FINDING 05-1**

Name of Contact Person: Tammy May, Finance Officer

Corrective Action: Expenditures will be monitored closely and budget amendments will be adopted as needed.

Proposed Completion: Immediately.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING 05-2**

Name of Contact Person: Thelma Simmons, DSS Director

Corrective Action: Training will be provided to responsible personnel and review procedures will be implemented.

Proposed Completion: Immediately.

**JONES COUNTY, NORTH CAROLINA**  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For The Fiscal Year Ended June 30, 2005

---

**FINDING 04-1**

**(Childcare Parent Fees)**

STATUS: Not Corrected. See current year finding 05-1.

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL PROGRAMS</b>				
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>				
<b><u>Food and Nutrition Service:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Social Services:</b>				
<b>Administration:</b>				
<b>Food Stamp Cluster:</b>				
<i>Administered by County Dept. of Social Services:</i>				
Food Stamp Program - Noncash	10.551	\$1,202,755		
State Administrative Matching Grants for the Food Stamp Program	10.561	99,984		\$99,984
<b>Total Food Stamp Cluster</b>		<b>\$1,302,739</b>		<b>\$99,984</b>
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Public Health:</b>				
<b>Administration:</b>				
<i>Administered by County Health Department:</i>				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	\$47,431		
<b>Direct Benefit Payments:</b>				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	107,239		
		<b>\$154,670</b>		
<b>Division of Aging:</b>				
<b>Administration:</b>				
<i>Administered by County Finance Department:</i>				
Nutrition Program for the Elderly-C1	10.570	\$5,493		
Nutrition Program for the Elderly-C2	10.570	4,611		
		<b>\$10,104</b>		
<b>Division of Rural Development:</b>				
USDA Grant - County Complex	10.766	<b>\$700,000</b>		<b>\$1,295,448</b>
<b><u>Department of Social Services:</u></b>				
<b>Food Distribution Division:</b>				
USDA Foods	10.565	<b>\$15,707</b>		
<b>Total U.S. Department of Agriculture</b>		<b>\$2,183,220</b>	<b>\$0</b>	<b>\$1,395,432</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<b><i>Passed Through NC Department of Commerce:</i></b>				
<b>Community Development Block Grant</b>				
Small Cities - Scattered Site	14.228	\$400,000		
Small Cities - Concentrated Need	14.228	214,423		
<b>Total U.S. Department of Housing and Urban Development</b>		<b>\$614,423</b>	<b>\$0</b>	<b>\$0</b>

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>				
<b><i>Passed Through NC Department of Crime Control and Public Safety:</i></b>				
<b>Division of Emergency Management:</b>				
<i>Administered by County Department of Emergency Management:</i>				
Emergency Management Assistance	83.552	\$12,449		\$256,164
Homeland Security	97.067	2,739		
Hazard Mitigation Grant	83.548	19,350		
HRSA Boiterrorism Grant	93.283	11,916		
<b>Total U.S. Department of Homeland Security</b>		<b>\$46,454</b>	<b>\$0</b>	<b>\$256,164</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
<b><u>Administration on Aging:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Aging Cluster:</b>				
<i>Administered by County Finance Department:</i>				
<i>Special Programs for the Elderly-</i>				
Title III C-Nutritional Services (Congregate)	93.045	\$20,000	\$20,341	\$4,482
Title III C-Nutritional Services (Home Delivered Meals)	93.045	18,936	10,346	3,254
In-Home Aide			47,666	5,298
Operation Fan			208	
Health Promotions			1,194	
Senior Center General Purpose Funds			2,687	
<b>NC Health and Wellness Trust Fund:</b>				
Prescription Asst/Med Mgt.			4,010	
<b>Total Aging Cluster</b>		<b>\$38,936</b>	<b>\$86,452</b>	<b>\$13,034</b>
<b><u>Office of the Secretary:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
Family Planning Services Title X	93.217	\$68,700		\$595
Bioterrorism	93.283	80,449		
		<b>\$149,149</b>		<b>\$595</b>
<b><u>Administration for Children and Families:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Social Services:</b>				
<i>Administered by County Dept. of Social Services:</i>				
Work First/Temporary Assistance for Needy Families (TANF)	93.558	\$36,317		\$25,041
Work First Service	93.558	133,843		69,765
Work First/TANF-Direct Benefit Payments	93.558	128,400		
		<b>\$298,560</b>		<b>\$94,806</b>
NC Child Support Enforcement Section	93.563	<b>\$99,585</b>		<b>\$51,301</b>

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: continued</u></b>				
Low Income Home Energy Assistance Block Grant:				
Administration	93.568	\$3,629		
Crisis Intervention Program	93.568	11,148		
Energy Assistance Payments-Direct Benefit Payments	93.568	28,713		
		<b>\$43,490</b>		
Permanency Planning-Families for Kids	93.645	\$2,543	\$848	
Adoption Subsidy-Direct Benefit Payments	93.645		2,424	\$2,424
		<b>\$2,543</b>	<b>\$3,272</b>	<b>\$2,424</b>
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Social Services:</b>				
Foster Care and Adoption Cluster:				
Title IV-E Foster Care-Administration	93.658	\$19,075	\$7,257	\$11,818
Foster Care-Direct Benefit Payments	93.658	15,648	4,514	4,514
Adoption Assistance-Direct Benefit Payments	93.659	10,144	2,923	2,923
<b>Total Foster Care and Adoption Cluster</b>		<b>\$44,867</b>	<b>\$14,694</b>	<b>\$19,255</b>
Social Services Block Grant	93.667	<b>\$73,133</b>	<b>\$70,993</b>	<b>\$127,037</b>
<b>Division of Child Development:</b>				
<b>Subsidized Child Care Cluster:</b>				
<i>Administered by County Department of Social Services:</i>				
Temporary Assistance for Needy Families	93.558	\$174,641		
Child Care and Development Fund-Discretionary	93.575	52,618		
Social Service Block Grant	93.667	11,409		
Child Care and Development Fund-Mandatory	93.596	84,757		
Child Care and Development Fund-Match	93.596	24,545		
State Funding Day Care			\$82,706	
TANF-MOE Daycare			61,932	
<b>Total Subsidized Child Care Cluster</b>		<b>\$347,970</b>	<b>\$144,638</b>	
<i>Passed Through Carteret Community Action:</i>				
Special Program for the Aging-Title IIIB	93.533	<b>\$44,551</b>	<b>\$2,621</b>	<b>\$5,241</b>

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: continued</u></b>				
<b><u>Health Care Financing Administration:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Medical Assistance:</b>				
<i>Administered by County Department of Social Services:</i>				
Medicaid Assistance Program	93.778	\$178,912	\$22,094	\$144,304
Medicaid Reimbursement Projects - Transportation	93.778	61,721	19,790	26,309
Direct Benefit Payments:				
Medical Assistance Program	93.778	8,193,738	3,885,797	
		<b>\$8,434,371</b>	<b>\$3,927,681</b>	<b>\$170,613</b>
<b><u>Health Resources and Services Administration:</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
Immunization Grants	93.268	\$7,354		
Maternal and Child Health Services Block Grant	93.994	53,121		\$212,608
		<b>\$60,475</b>		<b>\$212,608</b>
<b><u>Centers for Disease Control</u></b>				
<b><i>Passed Through NC Department of Health and Human Services:</i></b>				
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
Cooperative Agreements for State Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	\$7,383		
Preventive Health and Health Services Block Grant	93.991		\$15,930	\$223,445
Preventive Health and Health Services Block Grant - Health Promotions	93.991	20,466	4,602	
		<b>\$27,849</b>	<b>\$20,532</b>	<b>\$223,445</b>
<b>Total U.S. Department of Health and Human Services</b>		<b>\$9,665,479</b>	<b>\$4,270,883</b>	<b>\$920,359</b>
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$12,509,576</b>	<b>\$4,270,883</b>	<b>\$2,571,955</b>
<b>STATE PROGRAMS</b>				
<b><u>OFFICE OF THE GOVERNOR:</u></b>				
<b>Division of Veteran Affairs:</b>				
<i>Administered by County Veterans Services:</i>				
Veteran Affairs			\$2,000	\$24,867

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>NC DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
<b>Division of Youth Services:</b>				
<i>Administered by County Finance Department:</i>				
Juvenile Justice and Delinquency			\$86,472	
<b>Division of Social Services:</b>				
<i>Administered by County Department of Social Services:</i>				
Direct Benefit Payments:				
Supplemental Assistance			\$126,352	
<b><u>NC DEPARTMENT OF HEALTH AND HUMAN SERVICES: continued</u></b>				
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
Aid to Counties			\$12,399	
Environmental Services			15,908	
Food and Lodging			779	
Communicable Disease Prevention			9,640	
Kate B. Reynolds			124,160	
Links			200	
Long-Term Care Screening			10,985	
Carolina Power & Light			1,563	
Scrap Tire Disposal			13,665	
Aids			34,147	
Tuberculosis			4,023	
Healthy Carolinians			17,437	
Teen Community Action			20,310	
Migrant Outreach			8,291	
School Health Educator			34,947	\$5,000
Teen Tobacco Prevention			2,401	
			<b>\$310,855</b>	<b>\$5,000</b>
<b>Divison of Natural Resources:</b>				
<i>Administered by County Department of Soil and Water Conservation:</i>				
Soil and Water Conservation			\$33,918	\$42,009
<b>Total NC Department of Health and Human Services</b>			<b>\$557,597</b>	<b>\$47,009</b>
<b><u>NC DEPARTMENT OF CORRECTIONS:</u></b>				
<b><i>Passed through the Criminal Justice Partnership Program:</i></b>				
<i>Administered by County Finance Office:</i>				
Correction and Rehab Center			<b>\$33,243</b>	

**JONES COUNTY, NORTH CAROLINA**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS  
For The Fiscal Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>NC DEPARTMENT OF TRANSPORTATION:</u></b>				
<i>Administered by County Finance Department:</i>				
Elderly/Disabled Transportation Assistance Program (E&DTAP)		\$0	\$58,156	\$0
<b><u>RURAL ECONOMIC DEVELOPMENT:</u></b>				
<i>Passed Through the Rural Center:</i>				
Industrial Park Infrastructure		\$0	\$1,000	\$0
<b><u>NC DEPARTMENT OF ADMINISTRATION:</u></b>				
<i>Passed Through the State Board of Elections:</i>				
Help Americans Vote Act			\$10,193	
Technology Grant			7,370	
		\$0	\$17,563	\$0
<b><u>NC DEPARTMENT OF ENVIRONMENT &amp; NATURAL RESOURCES:</u></b>				
White Oak River Project		\$0	\$56,932	\$0
<b>TOTAL STATE ASSISTANCE</b>		<b>\$0</b>	<b>\$726,491</b>	<b>\$71,876</b>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>		<b>\$12,509,576</b>	<b>\$4,997,374</b>	<b>\$2,643,831</b>

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Jones County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

2. **LOANS OUTSTANDING**

Jones County had the following loan balances outstanding at June 30, 2005. These loan balances outstanding are also included in the federal and local expenditures presented in the schedule.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
USDA Grant - County Complex	10.766	\$1,500,000

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