

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2024

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Beaufort County
Washington, North Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Beaufort County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Beaufort County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Beaufort County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

Members
American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Responsibilities of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Beaufort County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 70 and 71, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 72 and 73, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 74 and 75, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024 on our consideration of Beaufort County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beaufort County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 6, 2024

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Beaufort County, we offer this overview and analysis of the financial activities of Beaufort County for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with the County's financial statements and notes to those financial statements, which follow this narrative.

Financial Highlights

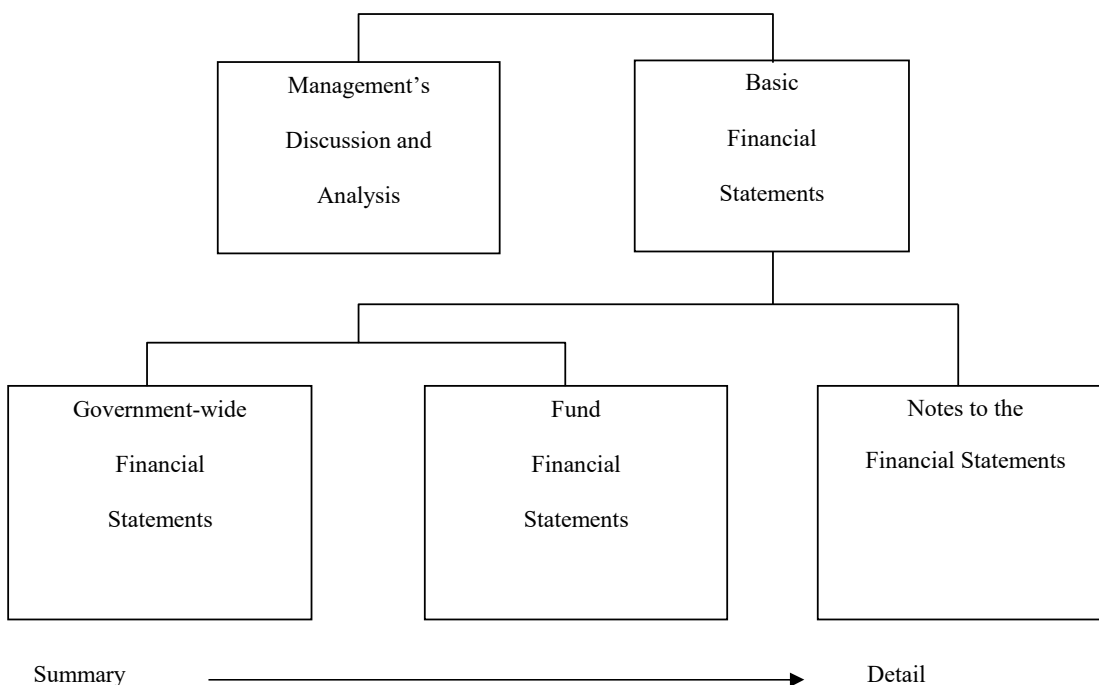
- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$113,510,059 (net position).
- Beaufort County's total net position increased by \$6,294,869, mainly due to a significant increase in net position of both the governmental activities and business-type activities. Additionally, the County recorded a restatement of net position associated with a change in accounting principles for the treatment of the Opioid settlement funds that increased beginning net position by \$5,034,854 for governmental activities.
- As of June 30, 2024, Beaufort County's governmental funds reported combined ending fund balances of \$64,230,948, an increase of \$5,373,480 in comparison with the prior year. Approximately 24.74% of this total amount or \$15,889,492 is restricted or nonspendable. Prior period adjustments were recorded that decreased beginning fund balance in the governmental funds by \$2,130,744 and increased net position in the Water Districts fund by \$19,996.
- Also at June 30, 2024, unassigned fund balance for the General Fund was \$25,877,775, or 36.62% of total general fund expenditures (including transfers to other funds less lease and IT purchase proceeds) of \$70,672,858 for the fiscal year.
- Beaufort County's total debt decreased by \$4,692,592 or 10.67% during the current fiscal year. The key factor in this decrease was the scheduled payments on outstanding debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Beaufort County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two views of the County's activities both from a broad government-wide and from a more focused fund perspective. This report contains supplemental information intended to enhance the understanding of the County's financial condition.

Required Components of Annual Financial Report

Figure 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 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements and include four parts: 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 and internal service 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.

The **notes** to the financial statements follow the Fund Financial Statements, explaining in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's major and non-major governmental funds, with the non-major funds added together in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes also can be found within the supplemental information.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

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. These statements provide short and long-term information about the County's overall financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide and include the water and solid waste services offered by the County. The final category is the County's single component unit, the ABC Board. Although legally separate, the County is financially accountable for the ABC Board through appointment of its members and because the ABC Board is required to distribute a portion of 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 purposes. Beaufort County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the funds of Beaufort 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 Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary Funds – Beaufort 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. Beaufort County uses enterprise funds to account for its water and solid waste operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Beaufort County has three fiduciary funds, all of which are custodial funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 26 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Beaufort County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 70 of this report.

Government-Wide Financial Analysis

BEAUFORT COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 77,962,564	\$ 68,748,108	\$ 16,176,808	\$ 15,894,686	\$ 94,139,372	\$ 84,642,794
Capital assets	25,308,785	25,000,247	56,256,162	58,212,860	81,564,947	83,213,107
Total assets	103,271,349	93,748,355	72,432,970	74,107,546	175,704,319	167,855,901
Total deferred outflows of resources	10,306,278	10,412,889	1,121,992	1,215,051	11,428,270	11,627,940
Current and other liabilities	9,321,098	7,783,950	3,445,720	3,382,355	12,766,818	11,166,305
Long-term liabilities outstanding	27,503,494	28,318,646	30,701,610	32,925,972	58,205,104	61,244,618
Total liabilities	36,824,592	36,102,596	34,147,330	36,308,327	70,971,922	72,410,923
Total deferred inflows of resources	2,382,054	2,527,518	268,554	254,316	2,650,608	2,781,834
Net position:						
Net investment in capital assets	22,994,045	22,300,717	25,694,121	25,277,310	48,688,166	47,578,027
Restricted	13,424,648	12,850,794	-	-	13,424,648	12,850,794
Unrestricted	37,952,288	30,379,619	13,444,957	13,482,644	51,397,245	43,862,263
Total net position	\$ 74,370,981	\$ 65,531,130	\$ 39,139,078	\$ 38,759,954	\$ 113,510,059	\$ 104,291,084

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$113,510,059 as of June 30, 2024. The County's net position increased by \$6,294,869 for the fiscal year ended June 30, 2024. One of the largest portions \$48,688,166 (42.89%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Beaufort County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaufort 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 Beaufort County's net position \$13,424,648 (11.83%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$51,397,245 is unrestricted.

The government's net investment in capital assets increased by \$1,110,139 or (2.33%). This increase is attributable to the purchasing and construction of additional assets.

BEAUFORT COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 5,172,299	\$ 5,231,954	\$ 13,195,533	\$ 12,946,452	\$ 18,367,832	\$ 18,178,406
Operating grants and contributions	13,283,682	13,427,038	-	-	13,283,682	13,427,038
Capital grants and contributions	462,000	474,000	12,097	91,776	474,097	565,776
General revenues:					-	
Property taxes	45,091,069	43,660,154	-	-	45,091,069	43,660,154
Other taxes	14,283,594	14,089,387	-	-	14,283,594	14,089,387
Investment earnings	3,613,829	2,250,613	117,656	211,926	3,731,485	2,462,539
Miscellaneous	915,175	651,583	-	-	915,175	651,583
Total revenues	<u>82,821,648</u>	<u>79,784,729</u>	<u>13,325,286</u>	<u>13,250,154</u>	<u>96,146,934</u>	<u>93,034,883</u>
Expenses:						
General government	8,563,273	8,404,784	-	-	8,563,273	8,404,784
Public safety	23,193,540	20,637,820	-	-	23,193,540	20,637,820
Economic and physical development	2,119,409	2,668,169	-	-	2,119,409	2,668,169
Human services	20,520,708	18,814,944	-	-	20,520,708	18,814,944
Cultural and recreation	528,578	467,775	-	-	528,578	467,775
Education	21,811,402	20,611,354	-	-	21,811,402	20,611,354
Interest and fees on long-term debt	178,997	208,243	-	-	178,997	208,243
Water and Solid Waste	-	-	12,936,158	12,063,542	12,936,158	12,063,542
Total expenses	<u>76,915,907</u>	<u>71,813,089</u>	<u>12,936,158</u>	<u>12,063,542</u>	<u>89,852,065</u>	<u>83,876,631</u>
Increase in net position before transfers and special items	5,905,741	7,971,640	389,128	1,186,612	6,294,869	9,158,252
Transfers and special items	30,000	30,000	(30,000)	(30,000)	-	-
Increase in net position after transfers and special items	5,935,741	8,001,640	359,128	1,156,612	6,294,869	9,158,252
Net position, beginning	65,531,130	57,529,490	38,759,954	37,603,342	104,291,084	95,132,832
Net position, beginning, restated	68,435,240	57,529,490	38,779,950	37,603,342	107,215,190	95,132,832
Net position, ending	<u>\$ 74,370,981</u>	<u>\$ 65,531,130</u>	<u>\$ 39,139,078</u>	<u>\$ 38,759,954</u>	<u>\$ 113,510,059</u>	<u>\$ 104,291,084</u>

Governmental activities. Governmental activities increased the County's net position by \$5,935,741 during the fiscal year. Key elements of this increase include:

- Operating grants and contributions totaling \$13,283,682.
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 5.01% less than budgeted in FY 2023-2024.
- Increase in investment earnings.

Business-type activities. Business-type activities increased Beaufort County's net position by \$359,128. Key elements of this increase include:

- Capital grants and contributions totaling \$12,097.
- Increase in water sales revenue

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Beaufort County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Beaufort County's financing requirements. Specifically, fund balance available for appropriations 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 Beaufort County. At the end of the current fiscal year, Beaufort County's fund balance available in the General Fund was \$38,013,505, while total fund balance reached \$44,104,233. The Beaufort County Board of Commissioners has determined that the County should strive to maintain an available fund balance of 35% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 53.79% of general fund expenditures, while total fund balance represents 62.41% of that same amount.

At June 30, 2024, the governmental funds of Beaufort County reported a combined fund balance of \$64,230,948, a 8.87% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Differences between the original budgeted revenues and final budgeted revenues for the General Fund amounted to a \$1,414,494 increase and are summarized as follows:

- \$313,839 increase in ad valorem tax revenues
- \$960,361 increase in restricted governmental revenues
- \$140,294 in sales and services

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$2,422,872 decrease and are summarized as follows:

- \$43,066 decrease in general government activity
- \$960,801 increase in public safety
- \$48,500 increase in community services
- \$1,145,598 increase in human services
- \$253,839 increase in cultural and recreation

Appropriation of fund balance and budgetary changes in transfers rebalanced the General Fund as follows:

- Fund balance appropriated totaled \$1,572,732
- Additional transfers to other funds \$564,354

During the year, General Fund revenue came in 1.79% lower than budgetary estimates and actual expenditures came in 5.01% lower than appropriations. The original budget did not include an appropriation of fund balance and although the final budget included a fund balance appropriation of \$1,572,732, none was actually needed since ad valorem revenue, sales tax revenue, and interest earnings on idle funds exceeded budgeted amounts and expenditures came in less than budgeted.

Proprietary Funds. Beaufort County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts and the Solid Waste Fund equaled \$13,444,957 at June 30, 2024. There was an increase in net position of \$359,128. The water districts reported a net increase of \$148,071 as a result of an increase in water sales.

Net position in the Solid Waste Fund increased by \$211,057 as a result of operations during the fiscal year. Solid waste revenues increased by \$277,642. Operating expenses increased by 7.82%, or \$303,963, from the previous fiscal year due to processing and hauling costs of the waste collected at the convenience sites.

Capital Asset and Debt Administration

Capital Assets. Beaufort County’s capital assets for its governmental and business – type activities as of June 30, 2024, totals \$81,564,948 (net of accumulated depreciation/amortization). This investment in capital assets includes buildings, land, equipment, vehicles, water utility system, and construction in progress. The total decrease in the County’s investment in capital assets for the current fiscal year was \$1,693,870 a 1.05% increase for governmental activities and a 3.36% decrease for business-type activities.

Major capital asset transactions during the year include:

- Multiple HVAC Unit replacements occurred in various buildings throughout the County
- E-911 consoles were purchased for the County Communications Center
- Viper radios with accessories were purchased for various departments
- A new boat was procured for the Sheriff's Office
- A new ambulance was purchased for Emergency Medical Services
- Vehicles were replaced in various departments
- Interior improvements to the Sheriff's Office were made
- Various water construction projects and solid waste improvement projects continued in the enterprise funds

**BEAUFORT COUNTY'S CAPITAL ASSETS
(net of depreciation/amortization)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,828,604	\$ 6,853,330	\$ 108,157	\$ 108,157	\$ 6,936,761	\$ 6,961,487
Building and system	9,675,167	9,640,360	50,733,226	48,461,405	60,408,393	58,101,765
Machinery and equipment	6,117,410	5,458,489	1,244,913	1,275,338	7,362,323	6,733,827
Construction in progress	2,431,035	2,659,769	4,143,965	8,360,467	6,575,000	11,020,236
Right to use assets	256,569	434,010	25,902	7,493	282,471	441,503
Total	\$ 25,308,785	\$ 25,045,958	\$ 56,256,163	\$ 58,212,860	\$ 81,564,948	\$ 83,258,818

Additional information on the County’s capital assets can be found beginning on page 40 of this audited financial report.

Long-term Debt

As of June 30, 2024, Beaufort County had total debt outstanding of \$31,741,000, of which \$31,741,000 is backed by the full faith and credit of the County. Of this amount, \$5,846,000 is owed in general obligation school bonds and \$25,895,000 is outstanding for the Water District limited obligation bonds. \$7,276,771 is obligated for installment contracts that is collateralized with County assets, and \$249,347 is outstanding for lease and subscription liabilities.

**BEAUFORT COUNTY'S OUTSTANDING DEBT
General Obligation and Installment Debt**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 5,846,000	\$ 7,527,000	\$ -	\$ -	\$ 5,846,000	\$ 7,527,000
Limited Obligation Bonds	-	-	25,895,000	27,740,000	25,895,000	27,740,000
Installment Purchases	2,629,287	3,055,894	4,647,484	5,173,009	7,276,771	8,228,903
Lease Liabilities	229,790	434,550	18,268	-	248,058	434,550
Subscription Liabilities	-	26,713	1,289	2,544	1,289	29,257
Total	\$ 8,705,077	\$ 11,044,157	\$ 30,562,041	\$ 32,915,553	\$ 39,267,118	\$ 43,959,710

The County maintained an Aa3 bond rating from Moody’s Investor Service and a AA- bond rating from Standard and Poor’s. This bond rating is a clear indication of the sound financial condition of Beaufort County, and a primary factor in keeping interest costs low on the County’s outstanding debt and future borrowings.

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 Beaufort County is \$511,590,181.

Additional information regarding Beaufort County’s long-term debt can be found beginning on page 56 of this audited financial report.

Economic Factors and Next Year’s Budgets and Rates

The original General Fund budget for fiscal year 2024-2025 totals \$75,445,645, a \$3,369,562 increase when compared to the FY 2023-2024 original budget of \$72,076,083. The reason for the increase is rising operational costs due to inflation, a cost of living adjustment for County employees, additional funding to the schools, and increased costs associated with converting an EMS Quick Response Vehicle on the South side of the river to a fully staffed ambulance. When compared to the prior year's budget, original appropriations decreased in general government and administration operations by \$316,482, human services increased by \$858,662, mainly in Department of Social Services and the Health Department, community services increased by \$153,436, education increased by \$755,616, public safety increased by \$2,061,008 debt payments decreased by \$57,058, while transfers to other funds and contingency decreased by \$85,620.

There is \$25,000 in General Fund contingency budgeted for FY 2024-2025 and adequate fund balance is available for appropriation at the Board’s discretion should emergency items arise during the year.

The consolidated water system FY 2024-2025 operational budget increased by \$469,950 when compared to the fiscal year 2023-2024 original budget. This is due to a overall increased operational costs.

The annual fee for Solid Waste increased by \$8, from \$180 to \$188 in the FY 24/25 budget. This increase was necessary to cover the cost of processing the County’s waste due to inflation and the volume of solid waste tonnage. The County continues to explore ways to improve its solid waste operations and control the increasing solid waste processing costs.

Budget Highlights for Fiscal Year Ending June 30, 2025

The following factors were also considered when preparing the County's budget for fiscal year 2024-2025:

- Sales tax revenues flattened in FY 23/24 after 3 years of unprecedented growth following the pandemic.
- The unemployment rate for Beaufort County decreased slightly from 3.8% in June 2023, to 3.5% in May 2024. This compares similarly to a State unemployment rate of 3.6% and compares favorable to the national unemployment rate of 4.1% in June 2024.
- Global inflation has slowed in recent months.
- Overall budgeted expenditures increased in the general fund by \$3,369,562, compared to the prior year.
- The property tax rate remained unchanged at \$.625/\$100 assessed valuation.
- Ad valorem tax revenue is expected to increase slightly due to housing prices.

The County received a total of \$9,128,034 in American Rescue Plan funds. One half of the distribution, totaling \$4,564,017, was received in FY 2020-2021 and the remaining 50% was received in June 2022. Because the County received less than \$10 million dollars in total, the County is allowed to report ARPA funds as revenue replacement funds. The County has reported the full \$9,128,034 as revenue replacement and shown \$5,128,034 of the replacement revenue covering public safety salary and benefits. The remaining \$4,000,000 replacement revenue is intended to be used as grant matching funds to expand broadband throughout Beaufort County.

Since \$5,128,034 of ARPA funding was used to cover public safety salaries and benefits in previous fiscal years, that created a \$5,128,034 surplus in General Fund dollars to spent on other priorities. The Board has tentatively designated those funds to be spent as follows: \$1,500,000 for a multi-purpose distribution building, \$49,500 on jail architect fees, \$1,609,000 on various water system improvements, and \$100,000 of funding to BHM Library. The Board is currently prioritizing projects for the remaining \$1,869,534.

Requests for Information

This report is designed to provide an overview of the County's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Beaufort County Government
Finance Officer
121 West Third Street
Washington, North Carolina 27889

BASIC
FINANCIAL STATEMENTS

Beaufort County, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit Beaufort County ABC Board
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash investments	\$ 60,070,768	\$ 13,859,475	\$ 73,930,243	\$ 1,653,286
Taxes receivable (net)	1,563,911	-	1,563,911	-
Accounts receivables (net)	6,196,358	1,975,297	8,171,655	-
Lease and notes receivable	202,277	-	202,277	-
Inventories	-	-	-	996,319
Prepaid items	32	1,636	1,668	-
Restricted cash and cash equivalents	5,466,684	340,400	5,807,084	-
Restricted opioid receivables, net	400,000	-	400,000	-
Total current assets	<u>73,900,030</u>	<u>16,176,808</u>	<u>90,076,838</u>	<u>2,649,605</u>
Non-current Assets				
Lease and notes receivable	511,588	-	511,588	-
Net pension asset	53,932	-	53,932	-
Restricted opioid receivables, net	3,497,014	-	3,497,014	-
Capital assets:				
Land, improvements, and construction in progress	9,259,639	4,252,122	13,511,761	338,834
Other capital assets, net of depreciation	15,792,577	51,978,138	67,770,715	997,869
Right to use assets, net of amortization	256,569	25,902	282,471	-
Total capital assets	<u>25,308,785</u>	<u>56,256,162</u>	<u>81,564,947</u>	<u>1,336,703</u>
Total non-current assets	<u>29,371,319</u>	<u>56,256,162</u>	<u>85,627,481</u>	<u>1,336,703</u>
Total assets	<u>\$ 103,271,349</u>	<u>\$ 72,432,970</u>	<u>\$ 175,704,319</u>	<u>\$ 3,986,308</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,306,278</u>	<u>\$ 1,121,992</u>	<u>\$ 11,428,270</u>	<u>\$ 290,382</u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 2,542,666	\$ 732,508	\$ 3,275,174	\$ 426,602
Accrued interest payable	15,469	49,182	64,651	-
Customer deposits	-	340,400	340,400	-
Unearned revenues	4,000,000	-	4,000,000	-
Long-term liabilities - less than one year	2,762,963	2,323,630	5,086,593	-
Total current liabilities	<u>9,321,098</u>	<u>3,445,720</u>	<u>12,766,818</u>	<u>426,602</u>
Long-term liabilities:				
Due in more than one year	27,503,494	30,701,610	58,205,104	484,543
Total long-term liabilities	<u>27,503,494</u>	<u>30,701,610</u>	<u>58,205,104</u>	<u>484,543</u>
Total liabilities	<u>\$ 36,824,592</u>	<u>\$ 34,147,330</u>	<u>\$ 70,971,922</u>	<u>\$ 911,145</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,382,054</u>	<u>\$ 268,554</u>	<u>\$ 2,650,608</u>	<u>\$ 48,576</u>
NET POSITION				
Net investment in capital assets	\$ 22,994,045	\$ 25,694,121	\$ 48,688,166	\$ 1,336,703
Restricted for:				
State Statute	6,118,698	-	6,118,698	-
General Government	66,519	-	66,519	-
Economic Development	1,594,412	-	1,594,412	-
Human Services	3,641,917	-	3,641,917	-
Public Safety	1,177,332	-	1,177,332	-
Education	259,956	-	259,956	-
Cultural and recreational	511,882	-	511,882	-
Register of deeds pension plan	53,932	-	53,932	-
Working capital	-	-	-	253,755
Unrestricted (deficit)	<u>37,952,288</u>	<u>13,444,957</u>	<u>51,397,245</u>	<u>1,726,511</u>
Total net position	<u>\$ 74,370,981</u>	<u>\$ 39,139,078</u>	<u>\$ 113,510,059</u>	<u>\$ 3,316,969</u>

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

Beaufort County, North Carolina
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Beaufort County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental Activities:								
General government	\$ 8,563,273	\$ 1,145,112	\$ 20,112	\$ -	\$ (7,398,049)	\$ -	\$ (7,398,049)	\$ -
Public safety	23,193,540	3,294,739	1,842,006	-	(18,056,795)	-	(18,056,795)	-
Economic and physical development	2,119,409	128,072	404,177	-	(1,587,160)	-	(1,587,160)	-
Human services	20,520,708	604,376	10,937,537	-	(8,978,795)	-	(8,978,795)	-
Environmental Protection	-	-	29,850	-	29,850	-	29,850	-
Cultural and recreation	528,578	-	50,000	-	(478,578)	-	(478,578)	-
Education	21,811,402	-	-	462,000	(21,349,402)	-	(21,349,402)	-
Interest on long-term debt	178,997	-	-	-	(178,997)	-	(178,997)	-
Total governmental activities	76,915,907	5,172,299	13,283,682	462,000	(57,997,926)	-	(57,997,926)	-
Business-type activities:								
Solid Waste	4,192,824	4,371,594	-	-	-	178,770	178,770	-
Water Districts	8,743,334	8,823,939	-	12,097	-	92,702	92,702	-
Total business-type activities	12,936,158	13,195,533	-	12,097	-	271,472	271,472	-
Total primary government	89,852,065	18,367,832	13,283,682	474,097	(57,997,926)	271,472	(57,726,454)	-
Component Units:								
Beaufort County ABC Board	6,356,341	6,597,639	-	-	-	-	-	241,298
Total component units	\$ 6,356,341	\$ 6,597,639	\$ -	\$ -	-	-	-	241,298
General revenues:								
Taxes:								
Property taxes, levied for general purpose					45,091,069	-	45,091,069	-
Local option sales tax					13,991,824	-	13,991,824	-
Other taxes and licenses					291,770	-	291,770	-
Investment earnings, unrestricted					3,613,829	117,656	3,731,485	5,987
Miscellaneous, unrestricted					915,175	-	915,175	-
Transfers					30,000	(30,000)	-	-
Total general revenues, special items, and transfers					63,933,667	87,656	64,021,323	5,987
Change in net position					5,935,741	359,128	6,294,869	247,285
Net position, beginning					65,531,130	38,759,954	104,291,084	3,069,684
Prior period adjustment (see Note IX)					(2,130,744)	19,996	(2,110,748)	-
Prior period restatement (see Note IX)					5,034,854	-	5,034,854	-
Net position, beginning, as restated					68,435,240	38,779,950	107,215,190	3,069,684
Net position-ending					\$ 74,370,981	\$ 39,139,078	\$ 113,510,059	\$ 3,316,969

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

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>ARP Grant</u>	<u>Opioid</u>	<u>Other</u>	
		<u>Fund</u>	<u>Settlement</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 40,937,000	\$ -	\$ -	\$ 18,223,489	\$ 59,160,489
Taxes Receivable, net	1,167,077	-	-	180,663	1,347,740
Accounts Receivable, net	5,924,743	-	-	271,615	6,196,358
Due from other funds	4,577	-	-	1,391,376	1,395,953
Cash and cash equivalents-Restricted	324,871	4,008,047	1,133,766	-	5,466,684
Restricted opioid receivables, net	-	-	3,897,014	-	3,897,014
Lease and notes receivable	457,881	-	-	255,984	713,865
Prepaid Expenses	32	-	-	-	32
Total assets	<u>\$ 48,816,181</u>	<u>\$ 4,008,047</u>	<u>\$ 5,030,780</u>	<u>\$ 20,323,127</u>	<u>\$ 78,178,135</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,631,176	\$ -	\$ 10,246	\$ 886,887	\$ 2,528,309
Due to other funds	1,391,376	-	-	4,577	1,395,953
Unearned Revenues	-	4,000,000	-	-	4,000,000
Total liabilities	<u>3,022,552</u>	<u>4,000,000</u>	<u>10,246</u>	<u>891,464</u>	<u>7,924,262</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes Receivable	1,167,078	-	-	180,663	1,347,741
Prepaid Taxes	68,271	-	-	-	68,271
Leases and Notes Receivable	454,047	-	-	255,866	709,913
Opioid Settlement	-	-	3,897,000	-	3,897,000
Total deferred inflows of resources	<u>1,689,396</u>	<u>-</u>	<u>3,897,000</u>	<u>436,529</u>	<u>6,022,925</u>
Fund balances:					
Nonspendable:					
Advance to General Fund	-	-	-	1,391,376	1,391,376
Prepaid Expenses	32	-	-	-	32
Leases	3,834	-	-	-	3,834
Restricted:					
State Statute	6,086,862	-	-	31,836	6,118,698
General Government	39,935	-	-	26,584	66,519
Economic Development	-	8,047	-	1,586,365	1,594,412
Human Services	53,362	-	-	3,588,555	3,641,917
Opioid Settlement	-	-	1,123,534	-	1,123,534
Public Safety	28,831	-	-	1,148,501	1,177,332
Education	259,956	-	-	-	259,956
Cultural and recreational	-	-	-	511,882	511,882
Committed:					
Tax Revaluation	324,870	-	-	-	324,870
Education	10,000,000	-	-	-	10,000,000
Other Purposes	-	-	-	10,715,262	10,715,262
Broadband projects	500,000	-	-	-	500,000
Assigned:					
Subsequent year's expenditures	928,776	-	-	-	928,776
Unassigned:	25,877,775	-	-	(5,227)	25,872,548
Total fund balances	<u>44,104,233</u>	<u>8,047</u>	<u>1,123,534</u>	<u>18,995,134</u>	<u>64,230,948</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,816,181</u>	<u>\$ 4,008,047</u>	<u>\$ 5,030,780</u>	<u>\$ 20,323,127</u>	<u>\$ 78,178,135</u>

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

Beaufort County, North Carolina
Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position
June 30, 2024

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

Total Fund Balance - Governmental Funds	\$ 64,230,948
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,308,785
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	216,171
Net Pension Asset	53,932
Deferred outflows of resources:	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	2,562,478
ROD	3,602
Pension related deferrals	
LGERS	6,159,800
ROD	27,395
LEOSSA	528,454
OPEB related deferrals	767,498
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,923
Benefit payments for the OPEB plan paid subsequent to the measurement date	150,791
Deferred charges on refunding reported in governmental activities are not required in the funds	74,337
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	
Taxes Receivable	1,347,741
Opioid Settlement	3,897,000
Pension Related Deferrals	
LGERS	(484,579)
ROD	(9,652)
LEOSSA	(533,950)
OPEB related deferrals	(575,689)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	895,922
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	(8,705,077)
Compensated absences	(1,657,281)
Net OPEB Liability	(3,522,799)
Net Pension Liability	(14,601,095)
Total Pension Liability	(1,780,205)
Accrued interest payable	(15,469)
Net position of governmental activities	<u>\$ 74,370,981</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	Major		Non-Major		Total Governmental Funds
	General Fund	ARP Grant Fund	Opioid Settlement Fund	Other Governmental Funds	
REVENUES					
Ad valorem taxes	\$ 40,736,040	\$ -	\$ -	\$ 4,213,719	\$ 44,949,759
Local option sales tax	13,991,824	-	-	-	13,991,824
Other taxes and licenses	291,770	-	-	-	291,770
Unrestricted intergovernmental	200,836	-	-	-	200,836
Restricted intergovernmental	11,900,805	-	844,844	2,136,995	14,882,644
Permits and fees	404,767	-	-	-	404,767
Sales and services	3,443,718	-	-	1,123,934	4,567,652
Investment earnings	3,536,909	7,419	2,890	63,342	3,610,560
Miscellaneous	302,400	-	-	235,214	537,614
Total revenues	<u>74,809,069</u>	<u>7,419</u>	<u>847,734</u>	<u>7,773,204</u>	<u>83,437,426</u>
EXPENDITURES					
Current:					
General government	7,693,647	-	-	439,503	8,133,150
Public safety	16,690,262	-	-	6,196,444	22,886,706
Economic and physical development	1,216,322	-	-	1,148,688	2,365,010
Human services	19,056,557	-	101,694	720,494	19,878,745
Cultural and recreational	499,339	-	-	29,239	528,578
Education	21,811,402	-	-	-	21,811,402
Debt service:					
Principal	2,107,607	-	-	-	2,107,607
Interest and other charges	161,055	-	-	-	161,055
Total expenditures	<u>69,236,191</u>	<u>-</u>	<u>101,694</u>	<u>8,534,368</u>	<u>77,872,253</u>
Excess (deficiency) of revenues over expenditures	<u>5,572,878</u>	<u>7,419</u>	<u>746,040</u>	<u>(761,164)</u>	<u>5,565,173</u>
OTHER FINANCING SOURCES (USES)					
Lease liabilities issued	8,307	-	-	-	8,307
Transfers in	2,477	-	-	1,242,497	1,244,974
Transfers (out)	(1,444,974)	-	-	-	(1,444,974)
Total other financing sources and uses	<u>(1,434,190)</u>	<u>-</u>	<u>-</u>	<u>1,242,497</u>	<u>(191,693)</u>
Net change in fund balance	4,138,688	7,419	746,040	481,333	5,373,480
Fund balances, beginning	39,965,545	628	-	20,644,267	60,610,440
Prior period adjustment (see Note X)	-	-	-	(2,130,466)	(2,130,466)
Prior period restatement (see Note X)	-	-	377,494	-	377,494
Fund balances, beginning, as restated	<u>39,965,545</u>	<u>628</u>	<u>377,494</u>	<u>18,513,801</u>	<u>58,857,468</u>
Fund balances-ending	<u>\$ 44,104,233</u>	<u>\$ 8,047</u>	<u>\$ 1,123,534</u>	<u>\$ 18,995,134</u>	<u>\$ 64,230,948</u>

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

Beaufort County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds	\$ 5,373,480
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays and right to use leased assets exceeded depreciation and amortization in the current period.	
Capital outlay expenditures	2,061,580
Depreciation expense for governmental assets	(1,583,600)
Basis of assets disposed	(37,712)
Right to use assets - leased assets	8,307
Amortization expense for leased assets	(185,748)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,566,080
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	31,923
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	150,791
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position.	(8,307)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again effect only the statement of net position in the government-wide statements.	2,347,387
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	4,359
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	123,474
County's portion of collective pension expense	(4,070,905)
OPEB Expense	(390,938)
Landfill postclosure cost	14,563
Amortization of deferred charges on refunding	(22,301)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.	172,355
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred revenue	130,767
Increase (decrease) in accrued taxes receivable	10,546
Increase (decrease) in opioid settlement receivable	(760,360)
Total changes in net position of governmental activities.	<u>\$ 5,935,741</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2024

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 40,271,547	\$ 40,585,386	\$ 40,736,040	\$ 150,654
Local option sales tax	14,690,275	14,690,275	13,991,824	(698,451)
Other taxes and licenses	333,400	333,400	291,770	(41,630)
Unrestricted intergovernmental	181,300	181,300	200,836	19,536
Restricted intergovernmental	11,524,133	12,484,494	11,900,805	(583,689)
Permits and fees	404,745	404,745	404,767	22
Sales and services	3,346,148	3,486,442	3,443,718	(42,724)
Investment earnings	1,200,000	1,200,000	3,535,902	2,335,902
Miscellaneous	124,535	124,535	302,400	177,865
Total revenues	<u>72,076,083</u>	<u>73,490,577</u>	<u>74,808,062</u>	<u>1,317,485</u>
Expenditures				
General government	8,116,245	8,073,179	7,693,647	379,532
Public safety	16,951,778	17,912,579	16,690,262	1,222,317
Economic and physical development	1,210,723	1,259,223	1,216,322	42,901
Human services	19,497,854	20,643,452	19,056,557	1,586,895
Cultural and recreational	254,500	508,339	499,339	9,000
Education	21,811,402	21,868,602	21,811,402	57,200
Debt service:				
Principal retirement	2,460,202	2,460,201	2,107,607	352,594
Interest and other charges	161,054	161,055	161,055	-
Total expenditures	<u>70,463,758</u>	<u>72,886,630</u>	<u>69,236,191</u>	<u>3,650,439</u>
Revenues over (under) expenditures	<u>1,612,325</u>	<u>603,947</u>	<u>5,571,871</u>	<u>4,967,924</u>
Other financing sources (uses):				
Lease liabilities issued	-	-	8,307	8,307
Transfers Out	(1,512,325)	(2,076,679)	(1,606,733)	469,946
Transfer - In	-	-	2,477	2,477
Fund balance appropriated	-	1,572,732	-	(1,572,732)
Contingency	(100,000)	(100,000)	-	100,000
Total other financing sources (uses)	<u>(1,612,325)</u>	<u>(603,947)</u>	<u>(1,595,949)</u>	<u>(992,002)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,975,922</u>	<u>\$ 3,975,922</u>
Fund balances:				
Beginning of year, July 1			<u>39,803,441</u>	
End of year, June 30			<u>\$ 43,779,363</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			1,007	
Transfer from General Fund			161,759	
Fund balance, beginning of year			<u>162,104</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 44,104,233</u>	

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

Beaufort County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2024

	NON-MAJOR Solid Waste	MAJOR Water Districts	Totals	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,157,947	\$ 12,701,528	\$ 13,859,475	\$ 910,279
Accounts receivable (net)	718,451	1,256,846	1,975,297	-
Prepaid expenses	-	1,636	1,636	-
Total current assets	<u>1,876,398</u>	<u>13,960,010</u>	<u>15,836,408</u>	<u>910,279</u>
Noncurrent assets:				
Restricted - cash and cash equivalents	-	340,400	340,400	-
Capital assets:				
Land and Improvements	2,368	105,789	108,157	-
Construction in process	400,417	3,743,548	4,143,965	-
Buildings, Improvements, and Equipment	236,428	85,996,632	86,233,060	-
Less accumulated depreciation	(233,536)	(34,021,386)	(34,254,922)	-
Right to use assets, net of amortization	<u>23,889</u>	<u>2,013</u>	<u>25,902</u>	<u>-</u>
Total capital assets	<u>429,566</u>	<u>55,826,596</u>	<u>56,256,162</u>	<u>-</u>
Total noncurrent assets	<u>429,566</u>	<u>56,166,996</u>	<u>56,596,562</u>	<u>-</u>
Total assets	<u>2,305,964</u>	<u>70,127,006</u>	<u>72,432,970</u>	<u>910,279</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	-	259,937	259,937	-
Pension deferrals	-	516,295	516,295	-
OPEB deferrals	-	345,760	345,760	-
Total deferred outflows of resources	<u>-</u>	<u>1,121,992</u>	<u>1,121,992</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	340,448	392,060	732,508	14,357
Accrued interest payable	-	49,182	49,182	-
Customer deposits	-	340,400	340,400	-
Compensated absences	-	32,773	32,773	-
Installment purchase	-	454,541	454,541	-
Limited obligation bonds	-	1,825,000	1,825,000	-
Lease and Subscription liability	10,027	1,289	11,316	-
Total current liabilities	<u>350,475</u>	<u>3,095,245</u>	<u>3,445,720</u>	<u>14,357</u>
Noncurrent liabilities:				
Installment purchase	-	4,192,943	4,192,943	-
Limited Obligation Bonds	-	24,070,000	24,070,000	-
Lease and Subscription liability	8,241	-	8,241	-
Net pension liability	-	864,277	864,277	-
Total OPEB Liability	-	1,467,830	1,467,830	-
Compensated Absences	-	98,319	98,319	-
Total noncurrent liabilities	<u>8,241</u>	<u>30,693,369</u>	<u>30,701,610</u>	<u>-</u>
Total liabilities	<u>358,716</u>	<u>33,788,614</u>	<u>34,147,330</u>	<u>14,357</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	28,684	28,684	-
OPEB deferrals	-	239,870	239,870	-
Total deferred inflows of resources	<u>-</u>	<u>268,554</u>	<u>268,554</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	411,298	25,282,823	25,694,121	-
Unrestricted	1,535,950	11,909,007	13,444,957	895,922
Total net position	<u>\$ 1,947,248</u>	<u>\$ 37,191,830</u>	<u>\$ 39,139,078</u>	<u>\$ 895,922</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Year Ended June 30, 2024

	NON-MAJOR <u>Solid Waste</u>	MAJOR <u>Water Districts</u>	<u>Totals</u>	Internal Service Fund
Revenues:				
Operating Revenues:				
Water sales	\$ -	\$ 8,383,129	\$ 8,383,129	\$ -
Tap on fees	-	219,100	219,100	-
Solid Waste fees	4,371,454	-	4,371,454	-
Miscellaneous Revenue	140	221,710	221,850	-
Total Operating Revenues	<u>4,371,594</u>	<u>8,823,939</u>	<u>13,195,533</u>	<u>-</u>
Expenditures:				
Operating Expenses:				
Salaries and employee benefits	55,933	2,078,805	2,134,738	-
Water purchase	-	1,131,065	1,131,065	-
Water operations and maintenance	-	2,328,700	2,328,700	-
Solid waste operations and maintenance	4,127,383	-	4,127,383	-
Workers comp claims	-	-	-	60,914
Depreciation and Amortization	9,508	2,500,882	2,510,390	-
Total Expenditures	<u>4,192,824</u>	<u>8,039,452</u>	<u>12,232,276</u>	<u>60,914</u>
Operating income (loss)	<u>178,770</u>	<u>784,487</u>	<u>963,257</u>	<u>(60,914)</u>
Nonoperating Revenues (Expenses)				
Interest Earned on Investments	32,287	85,369	117,656	3,269
Interest Expense	-	(703,882)	(703,882)	-
Total Nonoperating Revenues (Expenses)	<u>32,287</u>	<u>(618,513)</u>	<u>(586,226)</u>	<u>3,269</u>
Income (Loss) before contributions and transfers	211,057	165,974	377,031	(57,645)
Transfers in (out)	-	(30,000)	(30,000)	230,000
Capital contributions	-	12,097	12,097	-
Change in net position	211,057	148,071	359,128	172,355
Total net position, beginning	1,736,191	37,023,763	38,759,954	723,567
Prior Period Adjustment (see Note X)	-	19,996	19,996	-
Total net position, ending	<u>\$ 1,947,248</u>	<u>\$ 37,191,830</u>	<u>\$ 39,139,078</u>	<u>\$ 895,922</u>

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

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2024

	NON-MAJOR	MAJOR	Totals	Internal
	Solid Waste	Water Districts	June 30, 2024	Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 4,332,270	\$ 8,731,786	\$ 13,064,056	\$ -
Cash paid for goods and services	(4,071,886)	(3,351,501)	(7,423,387)	(51,364)
Cash paid to employees for services	(55,933)	(1,889,212)	(1,945,145)	-
Customer deposits received	-	42,450	42,450	-
Net cash provided (used) by operating activities	<u>204,451</u>	<u>3,533,523</u>	<u>3,737,974</u>	<u>(51,364)</u>
Cash flows from noncapital financing activities				
Transfers in (out)	-	(30,000)	(30,000)	230,000
Interest on Investments	32,287	85,369	117,656	3,269
Due from other funds	(91,548)	-	(91,548)	-
Net cash provided (used) by noncapital financial activities	<u>(59,261)</u>	<u>55,369</u>	<u>(3,892)</u>	<u>233,269</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(316,787)	(208,550)	(525,337)	-
Principal paid on bond maturities and equipment contracts	(10,040)	(2,371,780)	(2,381,820)	-
Interest paid on bond maturities and equipment contracts	-	(688,747)	(688,747)	-
Loan proceeds	-	-	-	-
Capital contributions	-	15,870	15,870	-
Net cash provided (used) by capital and related financing activities	<u>(326,827)</u>	<u>(3,253,207)</u>	<u>(3,580,034)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(181,637)</u>	<u>335,685</u>	<u>154,048</u>	<u>181,905</u>
Cash and cash equivalents, July 1	<u>1,339,584</u>	<u>12,706,243</u>	<u>14,045,827</u>	<u>728,374</u>
Cash and cash equivalents, June 30	<u>\$ 1,157,947</u>	<u>\$ 13,041,928</u>	<u>\$ 14,199,875</u>	<u>\$ 910,279</u>

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

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2024

	<u>NON-MAJOR</u>	<u>MAJOR</u>	<u>Totals</u>	<u>Internal</u>
	Solid Waste	Water Districts	June 30, 2024	Service Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 178,770	\$ 784,487	\$ 963,257	\$ (60,914)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and Amortization	9,508	2,500,882	2,510,390	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(39,324)	(92,153)	(131,477)	-
(Increase) decrease in prepaid expenses	-	(1,636)	(1,636)	-
(Increase) decrease in deferred outflows of resources for pensions	-	(10,789)	(10,789)	-
(Increase) decrease in deferred outflows of resources - OPEB	-	88,557	88,557	-
Increase (decrease) in accounts payable and accrued liabilities	55,497	109,900	165,397	9,550
Increase (decrease) in deposits	-	42,450	42,450	-
Increase (decrease) in OPEB	-	27,584	27,584	-
Increase (decrease) in deferred inflows - pensions	-	9,543	9,543	-
Increase (decrease) in deferred inflows - OPEB	-	4,695	4,695	-
Increase (decrease) in net pension liability	-	81,432	81,432	-
Increase (decrease) in compensated absences	-	(11,429)	(11,429)	-
Total adjustments	25,681	2,749,036	2,774,717	9,550
Net cash provided (used) by operating activities	<u>\$ 204,451</u>	<u>\$ 3,533,523</u>	<u>\$ 3,737,974</u>	<u>\$ (51,364)</u>

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

Beaufort County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Cash and investments	\$ 192,150
Taxes receivable for other governments, net	319,065
Total Assets	511,215
LIABILITIES	
Accounts payable	-
Due to other governments	169,986
Total Liabilities	169,986
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	341,229
Total fiduciary net position	\$ 341,229

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

Beaufort County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 7,326,128
Collections on behalf of inmates	184,273
Drainage assessments	365,848
Total additions	7,876,249
DEDUCTIONS	
Tax distributions to other governments	7,691,976
Payments on behalf of inmates	179,777
Total deductions	7,871,753
Net increase (decrease) in fiduciary net position	4,496
Net position, beginning	336,733
Net position, ending	\$ 341,229

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

**BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Beaufort County Water Districts (the “Districts”) exists to construct and operate a water system for the County’s residents. The Districts are presented as if they were enterprise funds. Beaufort County ABC Board (the “Board”), which has a June 30 year-end, is presented as if they are separate proprietary funds of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial
Beaufort County Water Districts I-VII	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the districts.	None Issued
Beaufort 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.	Beaufort County ABC Board PO Box 552 Washington, NC 27889

B. Basis of Presentation – Basis of Accounting

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

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

Fund Financial Statements: The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. 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 funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

ARP Special Revenue Fund – Accounts for funds received to assist in the prevention and treatment of COVID 19. These funds are maintained in a separate fund and will be spent over several years.

Opioid Settlement Special Revenue Fund - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

The County reports the following major enterprise fund:

Beaufort County Water District Fund - These funds are used to account for the operations of the Water Districts within the County. All Water District project funds are consolidated with the operating fund for financial reporting purposes.

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains twenty-seven legally budgeted nonmajor governmental funds. The HCCBG – Aging Fund, Economic Development Fund, Fire and Rescue Tax Districts Fund, Emergency Telephone System Fund, State and Federal Seizures Fund, Healthcare Reserve Fund, One NC Grant, NC Housing Finance Grant, Economic Development Initiative Fund, Representative Payee Fund, 4H Fund, Cooperative Extension Fund, EMS Billing and Collections Fund, CDBG - River Breeze Fund, ADFPTF-USDA Grant Fund, ADFPTF-Grant Fund, Revaluation Project Fund, NC Housing Finance Urgent Repair Grant Fund, NC Public Safety Grant Fund, and Beaufort Promise Fund are reported as nonmajor special revenue funds. The Stream Debris Removal Fund, Broad Creek Capital Reserve Fund, Facility Capital Reserve Fund, Facility Improvements Fund, Capital Project Fund, Wright's Creek PARTF Project Fund, and Harbor District Market Fund are reported as nonmajor capital projects funds. The County maintains one legally budgeted nonmajor enterprise fund. The Solid Waste fund is used to account for the operations of the Solid Waste department within the County. The Landfill Cap Work Project Funds is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

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 are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization 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. Issuances of general long-term debt, leases initiated during the year, and new IT subscription acquisition 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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with the change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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 position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, special revenue funds (excluding grant and capital projects funds), and enterprise funds. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for the capital projects funds except capital reserve.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund. Expenditures may not legally exceed appropriations at the fund level for all other annually budgeted funds and at the project level for multi-year funds. Amendments are required for revisions that alter total expenditures of any fund or that change functional appropriations. The governing board must approve amendments that increase the overall fund budget. During the year several immaterial amendments to the original budget were necessary. 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, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The County's and the ABC Board's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Assets

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$3,897,014 related to the settlement are also reported as restricted assets. The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets.

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money for future tax revaluation is classified as restricted assets in the General Fund because its use is restricted per North Carolina General Statute 153A-150.

<u>Beaufort County Restricted Cash</u>		
Governmental Activities		
General Fund		
Tax Revaluation		\$ 324,871
ARP Grant Funds	Unspent Grant Funds	4,008,047
Opioid Settlement Fund	Unexpended Settlement Proceeds	<u>1,133,766</u>
Total Governmental Activities		<u>5,466,684</u>
Business-Type Activities		
Water Districts		
Customer deposits		<u>340,400</u>
Total Business-Type Activities		<u>340,400</u>
Total Restricted Cash		<u>\$ 5,807,084</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. 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.

5. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

6. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. Inventories

The inventories of the ABC Board are valued at the lower of cost or market and consist of products held for resale. The cost of this inventory is charged to cost of sales as the inventory is 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. The County's minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant distributions systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. 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's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

The County holds title to certain Beaufort County Board of Education properties, which have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board 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 and all sales tax reimbursement requirements have been met. The properties are reflected as fixed assets in the financial statements of the Beaufort County Board of Education.

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

<u>Assets</u>	<u>Useful Life</u>
Buildings	50 years
Improvements	25 years
Furniture and Equipment	5-10 years
Vehicles	3-10 years
Computer Equipment	5 years

9. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, pension related deferrals, and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has four items that meet the criterion for this category – prepaid taxes, taxes receivable, leases, pension related deferrals, and OPEB related deferrals.

10. 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 on the Statement of Net Position.

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

11. Compensated Absences

The vacation policies of the County and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The County’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2024, are recorded in the governmental activities of the government-wide financial statements. For the County’s proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the County 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 the County has no 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. With the implementation of GASB No. 101, the County or ABC Board will estimate what sick leave is “more likely than not to be paid or used” and recognize that portion as a liability for compensated absence and salary-related payments.

12. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds is front loaded. The County received \$378,804 as part of this settlement in Fiscal Years 2022 and 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

The significance of this issue resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restrictions on the use of the fund's revenue should not be recognized until the funds were expended. The County expended \$1,310 in FY22 and FY23, leaving \$377,494 that was received on hand at June 30, 2023. In such cases the guidance specified that the cash on hand should be reported as an asset offset by an amount for unearned revenues, a liability. The result was that amounts were only presented on the balance sheet of governmental funds and the statement of net position for governmental activities.

As the litigation progressed and more settlements were finalized, the conclusion on the appropriate accounting and financial reporting also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary nonexchange transactions, there are other cases where it is appropriate to apply the guidance for exchange and exchange-like transactions.

Essentially, the guidance for nonexchange transactions bases revenue recognition on the unit fulfilling all of the eligibility requirements for the nonexchange transaction. In some cases, the incurrence of expenditures is one of the eligibility requirements. The initial guidance viewed all of the opioid settlements' activity as nonexchange transactions that include the incurrence of qualifying expenditure amounts among their eligibility requirements. Accordingly, the nonexchange transaction guidance was applied to all of the opioid settlements' activity.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin stated that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling states in exchange for their agreement to release the tobacco companies from present and future litigation."

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See Note X Change in Accounting Principle for additional discussion about those adjustments

In FY24 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of \$844,844 was recognized in the Opioid Settlement Major Special Revenue Fund. Because all funding was previously recognized for Governmental Activities, the revenue on the government-wide statements will be decreased for amounts previously recognized. This amount was calculated as follows:

		<u>Governmental Activities</u>
<u>Accrual basis of accounting</u>		
County's Share of North Carolina's Unpaid Aggregate Settlements through FY 24	\$ 4,330,000	
Less: Allowance for uncollectible accounts	<u>(433,000)</u>	
Opioid Settlement receivable at June 30, 2024		\$ 3,897,000
County's Share of North Carolina's Unpaid Aggregate Settlements through FY 23	5,174,844	
Less: Allowance for uncollectible accounts	<u>(517,484)</u>	
Opioid Settlement receivable at June 30, 2023		<u>4,657,360</u>
Accrual basis revenue previously recognized		<u><u>\$ (760,360)</u></u>

13. **Reimbursements for Pandemic-related Expenditures**

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$9,128,034 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,564,017 was received in June 2021. The second installment was received in mid-2022. The Board of Commissioners elected to claim the full \$9,128,034 of the ARPA funds as revenue replacement for reporting purposes, as allowed. The Board has tentatively designated \$7,258,000 of the funds to be spent as follows: \$4,000,000 for broad band, \$1,500,000 for a multi-purpose distribution building, \$49,500 on jail architect fees, \$1,609,000 on various water system improvements, and \$100,000 of funding to BHM Library. The Board is currently prioritizing projects for the remaining \$1,869,534.

14. **Net Position/Fund Balances**

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2024, nonspendable fund balance consists of the advance to the General Fund from the Healthcare Reserve Fund and the following:

Prepays - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Lease receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for General Government - portion of fund balance that is restricted by revenue source to pay for voting equipment.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source to pay for various projects within the County..

Restricted for Human Services- portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program, as well as fund balance restricted for the Healthcare Reserve Fund and other funds that reflect human services activities.

Restricted for Opioid Settlement - portion of fund balance that can only be used for opioid abatement and remediation activities.

Restricted for Public Safety- portion of fund balance that can only be used for Emergency Telephone System and Federal and State Seizure funds.

Restricted for Education- portion of fund balance that is restricted sales tax to be provided to the schools for capital needs.

Restricted for Cultural and Recreational - portion of fund balance that is restricted for park projects.

Restricted net position in Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of the Register of Deeds' Pension Plan of \$53,932.

Committed Fund Balance - This classification includes the portion of fund balance that can only be used for specific purpose imposed by majority vote of the County's governing body (highest level of decision-making authority). The Board of Commissioners is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Tax Revaluation – portion of fund balance committed by the Board of Commissioners that can only be used for tax revaluation.

Committed for Education– portion of fund balance committed by the Board of Commissioners for School Construction.

Committed for Other Purposes – portion of fund balance committed by the Board of Commissioners that can only be used for various projects within the County.

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Capital Projects	-	188,728	10,526,534	10,715,262
Total Committed - Other	\$ -	\$ 188,728	\$ 10,526,534	\$ 10,715,262

Committed for Broadband – portion of fund balance committed by the Board of Commissioners for Broadband projects within the County.

Assigned Fund Balance – This classification is the portion of fund balance that the County’s governing board has budgeted.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The County’s governing body approves the appropriation of fund balance.

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

Within the General Fund, management strives to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 35 percent of budgeted expenditures. Any portion of the General Fund balance in excess of 35 percent of budgeted expenditures is typically utilized, with the Board’s approval, to fund approved capital projects or pay down outstanding County debt.

Management also follows a revenue spending convention utilizing resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification expenditures are typically spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

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

Total fund balance - General Fund	\$ 44,104,233
Less:	
Nonspendable fund balance (prepaids, leases)	3,866
Stabilization by State statute	6,086,862
Total available fund balance	<u>\$ 38,013,505</u>
Less:	
Other Restricted Fund Balance	\$ 382,084
Education	10,000,000
Tax Revaluation	324,870
Broadband project	500,000
Total unassigned fund balance	<u>\$ 25,877,775</u>

15. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

16. Defined Benefit Cost-Sharing Plans

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

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 position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$10,140,033 consists of the following:

Description	Amount
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).	\$ 44,319,095
Less accumulated depreciation	(19,266,879)
Net right to use assets	256,569
Net capital assets	25,308,785
Net pension asset	53,932
Contribution to the pension plan in the current fiscal year	2,566,080
Contribution to the OPEB plan in the current fiscal year	150,791
Benefits payments and pension administration costs for LEOSSA	31,923
Pension related deferrals	5,687,468
OPEB related deferrals	191,809
Deferred charges on refunding reported in governmental activities are not required in the funds	74,337
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds (accrued interest on taxes receivable)	216,171
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	
Taxes Receivable	1,347,741
Opioid Settlement	3,897,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	895,922
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 funds statements:	
Bonds, leases, and installment financing	(8,705,077)
Net pension obligation	(1,780,205)
Total OPEB liability	(3,522,799)
Net pension liability	(14,601,095)
Compensated absences	(1,657,281)
Accrued interest payable	(15,469)
	(30,281,926)
Total adjustment	\$ 10,140,033

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 for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$562,261 is comprised of the following:

Description	Amount	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlays	\$ 2,061,580	
Depreciation	(1,583,600)	
Cost of disposal capital assets not recorded in the fund statements	(37,712)	
Right to Use Assets	8,307	
Amortization expense for right to use assets	<u>(185,748)</u>	\$ 262,827
The issuance of long-term debt (e.g. bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions or reduce long-term liabilities in the Statement of Net Position.		
Debt / Lease Liabilities issued	(8,307)	
Principal Payments on Debt owed	<u>2,347,387</u>	2,339,080
Amortization of deferred charges on refunding reported in governmental activities are not reported in the funds.	(22,301)	(22,301)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,566,080	2,566,080
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,923	31,923
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities.	150,791	150,791
Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds		
Accrual of interest	10,546	
Accrual of taxes	130,767	
Opioid settlement	<u>(760,360)</u>	(619,047)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.		172,355
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 the governmental funds.		
Compensated absences		123,474
OPEB expense		(390,938)
County's portion of collective pension expense		(4,070,905)
Landfill post-closure care		14,563
Interest expense		<u>4,359</u>
Total adjustment	<u>\$</u>	<u><u>562,261</u></u>

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

None to report.

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

At June 30, 2024, the County's deposits had a carrying amount of \$9,218,864. The bank balances with financial institutions were \$10,200,351. Of these bank balances, \$507,594 was covered by federal depository insurance and \$9,692,758 was covered by collateral held under the Pooling Method.

At June 30, 2024, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2024, the carrying amount of deposits for Beaufort County ABC Board was \$1,642,440 and the bank balance was \$1,625,572. Of these bank balances, \$250,000 was covered by federal depository insurance and \$1,375,572 was covered by collateral held under the Pooling Method.

2. Investments

As of June 30, 2024, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 70,708,353	\$ 70,708,353	\$ -	\$ -
Total		\$ 70,708,353	\$ 70,708,353	\$ -	\$ -

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from Standard & Poor's (S&P). The County has no policy concerning credit risk.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

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

At June 30, 2024, the ABC Board had no investments.

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

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

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

Year Levied	Tax	Interest	Total
2021	\$ 1,888,445	\$ 505,159	\$ 2,393,604
2022	1,891,307	335,707	2,227,014
2023	1,891,573	165,513	2,057,086
2024	1,936,133	-	1,936,133
Total	<u>\$ 7,607,458</u>	<u>\$ 1,006,379</u>	<u>\$ 8,613,837</u>

4. Receivables

Receivables at the government-wide level at June 30, 2024, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Note Receivable	Lease Receivable	Total
Governmental Activities:						
General	\$ 3,252,664	\$ 1,955,824	\$ 3,896,168	\$ -	\$ 457,881	\$ 9,562,537
Other Governmental	260,397	180,663	11,218	255,984	-	708,262
Total Receivables	3,513,061	2,136,487	3,907,386	255,984	457,881	10,270,799
Allowance for Doubtful Accts.	(1,224,089)	(572,576)	-	-	-	(1,796,665)
Total Gov't Activities	<u>\$ 2,288,972</u>	<u>\$ 1,563,911</u>	<u>\$ 3,907,386</u>	<u>\$ 255,984</u>	<u>\$ 457,881</u>	<u>\$ 8,474,134</u>
Business-type Activities:						
Water Districts	\$ 2,006,784	\$ -	\$ 53,718	\$ -	\$ -	\$ 2,060,502
Solid Waste	1,093,772	-	34,661	-	-	1,128,433
Total Receivables	3,100,556	-	88,379	-	-	3,188,935
Allowance for Doubtful Accts.	(1,213,638)	-	-	-	-	(1,213,638)
Total Business-type	<u>\$ 1,886,918</u>	<u>\$ -</u>	<u>\$ 88,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975,297</u>

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

Governmental Activities:	
Local Option Sales Tax	\$ 3,657,482
Sales and Use Tax	249,904
Total	<u>\$ 3,907,386</u>
Business-Type Activities:	
Sales and Use Tax	\$ 54,367
Scrap Tire, White Goods, Solid Waste Disposal	34,012
Total	<u>\$ 88,379</u>

Lease Receivables

On 07/01/2021, the County entered into a 25 month lease as Lessor for the use of 155-B Airport Road. An initial lease receivable was recorded in the amount of \$123,021. As of 06/30/2024, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$4,948. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2024 was \$, and the County recognized lease revenue of \$4,946 during the fiscal year. The lessee had a termination period of 6 months as of the lease commencement.

On 09/01/2021, the County entered into a 60 month lease as Lessor for the use of Ray G. Silverthorne Crisis Center Building Annex. An initial lease receivable was recorded in the amount of \$281,421. As of 06/30/2024, the value of the lease receivable is \$123,529. The lessee is required to make monthly fixed payments of \$4,803. The lease has an interest rate of 0.9720%. The value of the deferred inflow of resources as of 06/30/2024 was \$121,949, and the County recognized lease revenue of \$56,284 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 09/01/2021, the County entered into a 60 month lease as Lessor for the use of Tideland Mental Health Building. An initial lease receivable was recorded in the amount of \$323,786. As of 06/30/2024, the value of the lease receivable is \$142,125. The lessee is required to make monthly fixed payments of \$5,526. The lease has an interest rate of 0.9720%. The value of the deferred inflow of resources as of 06/30/2024 was \$140,3074, and the County recognized lease revenue of \$64,757 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 08/01/2021, the County entered into a 36 month lease as Lessor for the use of Judicial District Manager's Office. An initial lease receivable was recorded in the amount of \$27,141. As of 06/30/2024, the value of the lease receivable is \$760. The lessee is required to make monthly fixed payments of \$761. The lease has an interest rate of 0.6320%. The value of the deferred inflow of resources as of 06/30/2024 was \$754, and the County recognized lease revenue of \$9,047 during the fiscal year.

On 11/04/2022, the County entered into a 60 month lease as Lessor for the use of US Cell - Keysville Rd. An initial lease receivable was recorded in the amount of \$97,045. As of 06/30/2024, the value of the lease receivable is \$65,305. The lessee is required to make monthly fixed payments of \$1,587. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of 06/30/2024 was \$64,876, and the County recognized lease revenue of \$19,398 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The County had a termination period of 1 month as of the lease commencement.

On 08/01/2023, the County entered into a 36 month lease as Lessor for the use of 155-B Airport Road 2023. An initial lease receivable was recorded in the amount of \$181,671. As of 06/30/2024, the value of the lease receivable is \$126,161. The lessee is required to make monthly fixed payments of \$5,046. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of 06/30/2024 was \$126,161, and the County recognized lease revenue of \$55,511 during the fiscal year. The lessee had a termination period of 6 months as of the lease commencement.

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 202,277	\$ 2,040	\$ 204,317
2026	202,706	850	203,556
2027	44,725	25	44,750
2028	8,173	-	8,173
Total	<u>\$ 457,881</u>	<u>\$ 2,915</u>	<u>\$ 460,796</u>

Note Receivable

The County entered into an Inter Local Financing Agreement with the Town of Aurora to assist them with financing the purchase of land for an industrial park ("Aurora Industrial Park"). The principal and interest is due on or before 59 months after the last day of the month in which the note is dated.

5. Capital Assets

Capital asset activity for the year ended June 30, 2024, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 6,853,330	\$ -	\$ (24,726)	\$ 6,828,604
Construction in Progress	2,659,769	446,268	(675,002)	2,431,035
Total capital assets not being depreciated	<u>9,513,099</u>	<u>446,268</u>	<u>(699,728)</u>	<u>9,259,639</u>
Other capital assets:				
Buildings	21,796,800	626,324	-	22,423,124
Equipment and vehicles	11,194,551	1,663,990	(222,209)	12,636,332
Total other capital assets at historical cost	<u>32,991,351</u>	<u>2,290,314</u>	<u>(222,209)</u>	<u>35,059,456</u>
Less accumulated depreciation for:				
Buildings	12,156,440	591,517	-	12,747,957
Equipment and vehicles	5,736,062	992,083	(209,223)	6,518,922
Total other capital assets at historical cost	<u>17,892,502</u>	<u>1,583,600</u>	<u>(209,223)</u>	<u>19,266,879</u>
Other capital assets, net	<u>15,098,849</u>	<u>706,714</u>	<u>(12,986)</u>	<u>15,792,577</u>
Capital assets being amortized:				
Right to use assets				
Lease equipment	588,569	8,307	168,844	428,032
Lease building	139,200	-	19,200	120,000
IT Subscriptions	53,307	-	-	53,307
Total right to use assets	<u>781,076</u>	<u>8,307</u>	<u>188,044</u>	<u>601,339</u>
Less accumulated amortization for:				
Lease equipment	299,798	118,871	168,844	249,825
Lease building	27,600	45,600	19,200	54,000
IT Subscriptions	19,668	21,277	-	40,945
Total accumulated amortization	<u>347,066</u>	<u>185,748</u>	<u>188,044</u>	<u>344,770</u>
Total capital assets being amortized, net	<u>434,010</u>	<u>(177,441)</u>	<u>-</u>	<u>256,569</u>
Governmental activities capital assets, net	<u>\$ 25,045,958</u>	<u>\$ 975,541</u>	<u>\$ (712,714)</u>	<u>\$ 25,308,785</u>

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

Governmental Activities	
General government	\$ 443,459
Public Safety	731,720
Economic and Physical Development	77,949
Human Services	222,323
Emergency Management	293,897
	<u>\$ 1,769,348</u>

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 105,789	\$ -	\$ -	\$ 105,789
Construction in Progress	8,276,837	38,235	(4,571,524)	3,743,548
Total capital assets not being depreciated	8,382,626	38,235	(4,571,524)	3,849,337
Other capital assets:				
Plant and distribution systems	79,022,946	4,548,494	-	83,571,440
Furniture and equipment	1,416,777	150,975	-	1,567,752
Vehicles and motor equipment	813,804	43,636	-	857,440
Total other capital assets	81,253,527	4,743,105	-	85,996,632
Less accumulated depreciation for:				
Plant and distribution systems	30,565,261	2,275,846	-	32,841,107
Furniture and equipment	446,369	143,473	-	589,842
Vehicles and motor equipment	508,874	81,563	-	590,437
Total accumulated depreciation	31,520,504	2,500,882	-	34,021,386
Capital assets being amortized:				
Right to use assets				
IT Subscriptions	3,867	-	-	3,867
Total right to use assets	3,867	-	-	3,867
Less accumulated amortization for:				
IT Subscriptions	635	1,219	-	1,854
Total accumulated amortization	635	1,219	-	1,854
Total capital assets being amortized, net	3,232	(1,219)	-	2,013
Total Water Districts capital assets, net	\$ 58,118,881	\$ 2,279,239	\$ (4,571,524)	\$ 55,826,596
Solid Waste Fund				
Capital assets not being depreciated:				
Land	\$ 2,368	\$ -	\$ -	\$ 2,368
Construction in Progress	83,630	316,787	-	400,417
Total capital assets not being depreciated:	85,998	316,787	-	402,785
Other capital assets:				
Buildings	47,080	-	-	47,080
Furniture and equipment	189,348	-	-	189,348
Total other capital assets	236,428	-	-	236,428
Less accumulated depreciation for:				
Buildings	43,361	827	-	44,188
Furniture and equipment	189,348	-	-	189,348
Total accumulated depreciation	232,709	827	-	233,536
Capital assets being amortized:				
Right to use assets				
Lease land	3,367	3,587	3,367	3,587
Lease building	16,357	24,721	16,357	24,721
Total right to use assets	19,724	28,308	19,724	28,308
Less accumulated amortization for:				
Lease land	2,377	1,289	3,367	299
Lease building	13,086	7,391	16,357	4,120
Total accumulated amortization	15,463	8,680	19,724	4,419
Total capital assets being amortized, net	4,261	19,628	-	23,889
Total Solid Waste capital assets, net	93,978	\$ 335,588	\$ -	429,566
Business-type activities capital assets, net	\$ 58,212,859			\$ 56,256,162

Construction Commitments

The government has active construction projects as of June 30, 2024. The projects include funding water system improvements, housing repairs, facility improvements, and a NCDOT water relocation project. As June 30, 2024, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Facility Improvements	\$ 1,548,705	\$ 6,889
Water System Improvements	3,848,138	3,930,760
Housing Rehab	22,830	9,250
Convenience Site Improvements	400,417	19,550
NCDOT Water Line Relocation	58,369	58,960
	<u>\$ 5,878,459</u>	<u>\$ 4,025,409</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 338,834	\$ -	\$ -	\$ 338,834
Total capital assets not being depreciated	<u>338,834</u>	<u>-</u>	<u>-</u>	<u>338,834</u>
Capital assets being depreciated:				
Buildings	1,902,139	-	-	1,902,139
Equipment and Furniture	328,189	20,360	-	348,549
Vehicles	75,976	17,000	-	92,976
Total capital assets being depreciated	<u>2,306,304</u>	<u>37,360</u>	<u>-</u>	<u>2,343,664</u>
Less accumulated depreciation for:				
Buildings	906,208	59,723	-	965,931
Equipment and Furniture	266,502	36,252	-	302,754
Vehicles	75,977	1,133	-	77,110
Total accumulated depreciation	<u>1,248,687</u>	<u>\$ 97,108</u>	<u>\$ -</u>	<u>1,345,795</u>
Total capital assets being depreciated	<u>1,057,617</u>			<u>997,869</u>
Capital assets, net	<u>\$ 1,396,451</u>			<u>\$ 1,336,703</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2024, were as follows :

	<u>Vendors</u>	<u>Salaries</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,109,395	\$ 521,781	\$ 1,631,176
Other Governmental	901,244	-	901,244
Total Governmental Activities	<u>\$ 2,010,639</u>	<u>\$ 521,781</u>	<u>\$ 2,532,420</u>
Business-Type Activities			
Water Districts	\$ 356,624	\$ 35,436	\$ 392,060
Solid Waste	339,395	1,053	340,448
Total Business-Type Activities	<u>\$ 696,019</u>	<u>\$ 36,489</u>	<u>\$ 732,508</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.88% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,714,158 for the year ended June 30, 2024.

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

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

At June 30, 2024, the County reported a liability of \$15,465,372 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the County's proportion was .2335% (measured as of June 30, 2023), which was a decrease of .0148% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$4,148,997. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,723,300	\$ 37,100
Changes of assumptions	657,189	-
Net difference between projected and actual earnings on pension plan investments	4,139,210	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	4,716	476,163
County contributions subsequent to the measurement date	2,714,158	-
Total	<u>\$ 9,238,573</u>	<u>\$ 513,263</u>

\$2,714,158 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 2,184,557
2026	1,002,321
2027	2,649,248
2028	175,026
2029	-
Thereafter	-
Total	<u>\$ 6,011,152</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, including inflation and productivity factor
Investment Rate of Return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33%	2.4%
Global Equity	38%	6.9%
Real Estate	8%	6.0%
Alternatives	8%	8.6%
Credit	7%	5.3%
Inflation Protection	6%	4.3%
	<u>100%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm's 2024 long term capital market assumptions. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized figures. Source data provided in the Annual Comprehensive Financial Report published on website of the NC Office of State Controller.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 26,793,149	\$ 15,465,372	\$ 6,139,284

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

b. Law Enforcement Officers' Special Separation Allowance

1. *Plan Description*

Beaufort County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	47
Total	50

A separate report was not issued for the plan.

2. *Summary of Significant Accounting Policies:*

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

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

3. *Actuarial Assumptions*

The entry age normal actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent including inflation and productivity factor
Discount rate	3.77 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

4. *Contributions*

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$68,689 as benefits came due for the reporting period.

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

At June 30, 2023, the County reported a total pension liability of \$1,780,205. The total pension liability was measured as of December 31, 2023 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$144,952.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 226,652	\$ 282,867
Changes of assumptions	301,802	251,083
County contributions subsequent to the measurement date	31,923	-
Total	\$ 560,377	\$ 533,950

\$31,923 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 46,116
2026	47,928
2027	(4,858)
2028	(88,442)
2029	(8,664)
Thereafter	2,424
Total	<u>\$ (5,496)</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.77 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77 percent) or 1-percentage-point higher (4.77 percent) than the current rate:

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
County's proportionate share of the net pension liability (asset)	\$ 1,938,082	\$ 1,780,205	\$ 1,636,952

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

	<u>2024</u>
Beginning balance	\$ 1,629,612
Service Cost	75,559
Interest on the total pension liability	68,621
Differences between expected and actual experience	(6,256)
Changes in assumptions or other inputs	81,358
Benefit payments	(68,689)
Ending balance of the total pension liability	<u>\$ 1,780,205</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at December 31, 2022 (measurement date) to 3.77 percent at December 31, 2023 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers and Non-Law Enforcement Employees

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. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981- 5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$227,040 which consisted of \$165,011 from the County and \$62,029 from the law enforcement officers.

The County also elected to contribute an amount equal to one percent of each general employee's salary; however, if the employee contributes one percent, the County will contribute an amount equal to two percent of each general employee's salary. All amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$696,043 which consisted of \$320,024 from the County and \$376,019 from the general employees.

d. Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,602 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$53,932 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension asset was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on the County’s share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2023, the County’s proportion was .4488%, which was an increase of .0403% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$8,821. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,388
Net difference between projected and actual earnings on pension plan	27,395	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	7,264
County contributions subsequent to the measurement date	3,602	-
Total	<u>\$ 30,997</u>	<u>\$ 9,652</u>

\$3,602 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 1,615
2026	6,447
2027	7,953
2028	1,728
2029	-
Thereafter	-
Total	<u>\$ 17,743</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.5 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2024, is 0.9%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (36,815)	\$ (53,932)	\$ (68,366)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of June 30, 2023, with an actuarial valuation date of December 31, 2022.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset)	\$ 15,465,372	\$ (53,932)	\$ -	\$ 15,411,440
Proportionate of the Net Pension Liability (Asset)	0.2335%	0.4488%	n/a	
Total Pension Liability	-	-	1,988,388	1,988,388
Pension Expense	4,148,997	8,821	144,952	4,302,770

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	1,723,300	-	226,652	1,949,952
Changes of assumptions	657,189	-	301,802	958,991
Net difference between project and actual earnings on plan investments	4,139,210	27,395	-	4,166,605
Changes in proportion and differences between contributions and proportionate share of contributions	4,716	-	-	4,716
Benefit payments and administrative costs paid subsequent to the measurement date	2,714,158	3,602	31,923	2,749,683
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	37,100	2,388	282,867	322,355
Changes of assumptions	-	-	251,083	251,083
Changes in proportion and differences between contributions and proportionate share of contributions	476,163	7,264	-	483,427

f. Other Postemployment Benefits

Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Board of Commissioners has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. This plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System). The County provides these benefits according to the following guidelines: a) The County pays the cost of premiums for the State Health Plan for employees who have 1) 20 years of service with Beaufort County, and are 60 years old, or 2) 30 years of service at any age at the same rate as active, current employees. Coverage ends at age 65 or when Medicare begins. The cost for the employee's share of the premiums, if any, will be determined on an annual basis. Service time credit with the County will be calculated based on actual service time and any sick leave time that is on a balance with the County at the time of retirement. The health insurance provision of this article shall apply to County Commissioners. The County pays the full cost of coverage for these benefits through private insurers. Also the County's retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	12
Active Plan members	396
Total	<u>408</u>

Total OPEB Liability

The County's total OPEB liability of \$4,990,629 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.3% - 8.30%
Law enforcement officers	3.3% - 7.80%
Municipal bond index	3.86%

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 4,896,841
Changes for the year	
Service Cost	258,256
Interest	170,535
Difference between expected and actual experience	4,377
Changes in assumptions or other inputs	(176,076)
Benefit payments and implicit subsidy credit	(163,304)
Net changes	<u>93,788</u>
Balance at June 30, 2023	<u>\$ 4,990,629</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.86%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	<u>1% Decrease (2.86%)</u>	<u>Discount Rate (3.86%)</u>	<u>1% Increase (4.86%)</u>
Total OPEB Liability	\$ 5,594,854	\$ 4,990,629	\$ 4,459,142

Sensitivity of the total OPEB liability to changes in the healthcare cost trends. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentagepoint higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,316,635	\$ 4,990,629	\$ 5,805,264

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the County recognized OPEB expense of \$437,743. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 702,354	\$ 177,699
Changes of assumptions	384,934	637,859
Benefit payments and administrative costs made subsequent to the measurement date	176,761	-
Total	<u>\$ 1,264,049</u>	<u>\$ 815,558</u>

\$176,761 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 128,810
2026	140,846
2027	57,407
2028	8,228
2029	(15,889)
Thereafter	(47,672)
Total	<u>\$ 271,730</u>

g. Other Employment Benefits

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

3. Closure and Post closure Care Costs - Beaufort County Landfill Facility

State and Federal laws regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Post-closure care costs may be incurred in the future at closed sites; however, no amount is reported as landfill post-closure liability at June 30, 2024.

4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources for the government-side financial statements at year-end is comprised of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 1,723,300	\$ 37,100
Register of Deeds	-	2,388
LEOSSA	226,652	282,867
OPEB	702,354	177,699
Changes of Assumptions		
LGERS	657,189	-
LEOSSA	301,802	251,083
OPEB	384,934	637,859
Pensions - difference between projected and actual investment		
LGERS	4,139,210	-
Register of Deeds	27,395	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	4,716	476,163
Register of Deeds	-	7,264
Contributions to pension plan in current fiscal year		
LGERS	2,714,158	-
Register of Deeds	3,602	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	31,923	-
OPEB	176,761	-
Deferred Charges on Refunding	334,274	-
Prepaid taxes (General)	-	68,271
Leases (General)	-	454,047
Note Receivable (Special Grant Fund)	-	255,866
Total Government-wide statements	<u>\$ 11,428,270</u>	<u>\$ 2,650,607</u>

Deferred outflows and inflows of resources that are reported in the governmental fund financial statements at year-end is comprised of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Prepaid taxes (General)	\$ -	\$ 68,271
Leases (General)	-	454,047
Opioid settlement (Special Revenue)	-	3,897,000
Note Receivable (Special Grant Fund)	-	255,866
Taxes receivable, net (General)	-	1,167,077
Taxes receivable, net (Special Revenue)	-	180,663
Total Fund Statements	<u>\$ -</u>	<u>\$ 6,022,924</u>

5. 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 two self-funded risk-financing governmental risk 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 \$105,545,102 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, and workers' compensation coverage up to the statutory limits. The pool also provides \$1,000,000 in cyber event coverage per loss occurrence. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$750,000, up to a \$2 million limit for liability coverage and limits above the \$2,000,000 are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and a private reinsurer. Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$500,000 per occurrence for property including auto physical damage, with additional limits of \$997,500,000 purchased through a group of commercial reinsurers through the multi-state public entity captive. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

The North Carolina State Health Plan provides the County's health insurance and the dental insurance is provided by Delta Dental.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to but has not purchased commercial flood insurance for another \$3,500,000 of coverage per structure.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is bonded for \$1,000,000 and the Tax Collector and the Register of Deeds are each individually bonded for \$50,000 each. The Sheriff is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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.

Beaufort County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; 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. In accordance with G.S. 15B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety. Also, in accordance with G.S. 15B-803(b), each store manager is bonded in the amount of \$50,000 secured by a corporate surety.

6. Contingent Liabilities

At June 30, 2024, 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.

7. Long-Term Obligations

a. Lease Liabilities

The County has entered into agreements to lease certain equipment, land, and buildings. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

General Fund

On 07/01/2021, the County entered into a 39 month lease as Lessee for the use of Equipment - Cameras. An initial lease liability was recorded in the amount of \$177,191. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make annual fixed payments of \$59,600. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2024 of \$177,191 with accumulated amortization of \$163,561 is included with Leased Equipment on the Capital Asset Schedule above.

On 07/01/2021 the County entered into a 27 month lease as Lessee for the use of Digital Meter - Social Service Dept. An initial lease liability was recorded in the amount of \$10,588. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make quarterly fixed payments of \$1,183. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2024 of \$10,588 with accumulated amortization of \$10,588 was removed from Leased Equipment on the Capital Asset Schedule above, as the lease term had expired.

On 07/01/2021, the County entered into a 25 month lease as Lessee for the use of Physio LifePak - EMS. An initial lease liability was recorded in the amount of \$158,256. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make annual fixed payments of \$53,030. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2024 of \$158,256 with accumulated amortization of \$158,256 was removed from Leased Equipment on the Capital Asset Schedule above, as the lease term had expired.

On 07/01/2022, the County entered into a 24 month lease as Lessee for the use of BC EMS-BATH'S TOWN HALL. An initial lease liability was recorded in the amount of \$19,200. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$800. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$19,200 with accumulated amortization of \$19,200 was removed from Leased Buildings on the Capital Asset Schedule above, as the lease term had expired.

On 07/01/2022, the County entered into a 48 month lease as Lessee for the use of REVALUATION-105 E 3RD ST. An initial lease liability was recorded in the amount of \$48,000. As of 06/30/2024, the value of the lease liability is \$24,000. The County is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$48,000 with accumulated amortization of \$24,000 is included with leased Buildings on the Capital Asset Schedule above. The County has 1 extension option(s), each for 12 months.

On 12/01/2021, the County entered into a 36 month lease as Lessee for the use of TOSHIBA BUSINESS SOLUTIONS-BCSO. An initial lease liability was recorded in the amount of \$20,563. As of 06/30/2024, the value of the lease liability is \$2,938. The County is required to make monthly fixed payments of \$790. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$20,563 with accumulated amortization of \$17,707 is included with Leased Equipment on the Capital Asset Schedule above.

On 01/15/2023, the County entered into a 60 month lease as Lessee for the use of COPYPRO. An initial lease liability was recorded in the amount of \$218,671. As of 06/30/2024, the value of the lease liability is \$153,069. The County is required to make monthly fixed payments of \$3,645. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$218,671 with accumulated amortization of \$64,947 is included with Leased Equipment on the Capital Asset Schedule above.

On 04/01/2023, the County entered into a 39 month lease as Lessee for the use of QUADIENT-IX-5 AUTO FEED-POSTAGE METER-ADMIN DEPT. An initial lease liability was recorded in the amount of \$3,302. As of 06/30/2024, the value of the lease liability is \$2,032. The County is required to make quarterly fixed payments of \$254. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$3,302 with accumulated amortization of \$1,270 is included with Leased Equipment on the Capital Asset Schedule above.

On 04/01/2023, the County entered into a 36 month lease as Lessee for the use of 108 UNION DRIVE. An initial lease liability was recorded in the amount of \$72,000. As of 06/30/2024, the value of the lease liability is \$42,000. The County is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2024 of \$72,000 with accumulated amortization of \$30,000 is included with Leased Buildings on the Capital Asset Schedule above.

On 08/01/2023, the County entered into a 39 month lease as Lessee for the use of Digital Meter - Social Service Dept. An initial lease liability was recorded in the amount of \$8,307. As of 06/30/2024, the value of the lease liability is \$5,751. The County is required to make quarterly fixed payments of \$639. The lease has an interest rate of 0.0%. The value of the right to use asset as of 06/30/2024 of \$8,307 with accumulated amortization of \$2,343 is included in Leased Equipment on the Capital Asset Schedule above.

Enterprise Funds

On 1/01/2024, the County entered into a 36 month lease as Lessee for the use of State Road 1921. An initial lease liability was recorded in the amount of \$24,721. As of 06/30/2024, the value of the lease liability is \$16,481. The County is required to make annual fixed payments of \$8,240. The lease has an interest rate of 0.0%. The value of the right to use asset as of 06/30/2024 of \$24,721 with accumulated amortization of \$4,120 is included with Leased Buildings on the Capital Asset Schedule above. This lease was previously recorded and renewed, so the renewal was recorded as a new lease in the current year.

On 05/1/24, the County entered into a 24 month lease as Lessee for the use of Road No. 1114. An initial lease liability was recorded in the amount of \$3,587. As of 06/30/2024, the value of the lease liability is \$1,787. The County is required to make annual fixed payments of \$1,800. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2024 of \$3,587 with accumulated amortization of \$299 is included with Leased Land on the Capital Asset Schedule above. Beaufort County has 1 extension option for 24 months. The Lessor had a termination period of one month as of the lease commencement. This lease was previously recorded and the County exercised their option to renew for 36 months, so the renewal was recorded as a new lease in the current year.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 86,243	\$ -	\$ 10,027	\$ 13
2026	77,306	-	8,240	-
2027	44,373	-	-	-
2028	21,867	-	-	-
2029	-	-	-	-
Total	<u>\$ 229,789</u>	<u>\$ -</u>	<u>\$ 18,267</u>	<u>\$ 13</u>

b. Installment Purchases

Serviced by the General Fund:

On June 10, 2021, the County refinanced the Allied Health Building loan of \$2,669,249 through a direct placement agreement. The note is secured with collateral of the building. The payments will be made in monthly payments for 144 payments of \$21,011 including interest at 2.13% monthly. The note contains provisions that in an event of default the lender (a) may declare all unpaid principal components of the installment payments and the accrued interest thereon, immediately due and payable; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or the Deed of Trust to recover for the breach thereof; and (c) avail itself of all available remedies under the Deed of Trust, including foreclosure on the mortgaged property and recovery of legal fees and other expenses, and of all other remedies available at law or in equity. \$ 2,063,287

Installment Purchases (continued)

On March 18, 2016, the County refinanced their loan on the purchase of energy and HVAC upgrades, in the amount of \$1,929,000 through a direct placement agreement. The note is secured with collateral of the system. The payments will be made in monthly payments for 129 payments including interest at 2.132% annually. The note contains provisions that in an event of default the lender (a) may declare all installment payments payable by the County pursuant to the agreement and other amounts payable by the County to the end of the term to be due (b) the lender may enter the premises where the equipment is located and take possession of the equipment and sell or lease the equipment for the account of the County to the extent permitted by applicable law (c) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the contract breach (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under the agreement, and, thereafter, shall pay any remaining proceeds to County (e) require the County to deliver the equipment, at the County's sole expense, to any location within the State of North Carolina designated by the lender, and take possession of any proceeds of the equipment (f) take whatever action at law or in equity that is necessary or desirable to enforce its rights under the agreement or as a secured party in any or all of the equipment subject to the agreement.

470,000

On October 10, 2014, the County entered into a direct placement installment purchase agreement for the purchase of the building located at 117 West Third Street. The note is secured by a Deed of Trust. The payments will be made in monthly payments of \$1,671 for 180 payments including interest at 4.00% annually. The note contains provisions that an event of default could (a) allow holder without further notice, declare the remainder of the principal sum, together with all interest accrued and the prepayment premium, if any, at once, due and payable and (b) the holder may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor, and endorsers of the note agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to 15% of the outstanding balance owing on the note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's right and remedies upon default.

96,000

Total serviced by the General Fund

\$ 2,629,287

Installment Purchases (continued)

Serviced by the Water Districts:

Beaufort County Water Districts has entered into a direct placement loan agreement with Bank of America to finance the Advanced Metering Infrastructure Project. The total amount financed is \$4,500,000. The agreement requires monthly installments of \$25,000 plus interest for 180 months. The interest rate is 3.3644%. The loan is secured with collateral of the system. The note contains provisions that in an event of default the lender (a) may declare all installment payments payable by the County pursuant to the agreement and other amounts payable by the County to the end of the term to be due (b) the lender may enter the premises where the equipment is located and take possession of the equipment and sell or lease the equipment for the account of the County to the extent permitted by applicable law (c) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the contract breach (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under the agreement, and, thereafter, shall pay any remaining proceeds to County (e) require the County to deliver the equipment, at the County's sole expense, to any location within the State of North Carolina designated by the lender, and take possession of any proceeds of the equipment (f) take whatever action at law or in equity that is necessary or desirable to enforce its rights under the agreement or as a secured party in any or all of the equipment subject to the agreement.

	2,750,000
Total serviced by the enterprise funds	\$ 2,750,000

For Beaufort County, the future minimum payments of these installment purchases as of June 30, 2024, including \$656,149 of interest, are:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 441,686	\$ 53,502	\$ 300,000	\$ 87,895
2026	456,888	43,618	300,000	77,802
2027	267,218	35,045	300,000	67,709
2028	242,670	29,508	300,000	57,615
2029	248,259	23,919	300,000	47,522
2030-2034	972,565	42,647	1,250,000	89,367
Total	\$ 2,629,286	\$ 228,239	\$ 2,750,000	\$ 427,910

c. Water Bonds

In August 2012, the Water Districts (blended component units of the County) issued general obligation debt totaling \$36,005,000. The County then issued Limited Obligation Bonds in an amount sufficient to purchase all of the Districts' GO debt. The Districts and the County assign their rights to a third-party trustee what receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds. These bonds were refunded and are now recorded as LOBS Refunding Bonds, Series 2021.

In June 2021, the Water Districts (blended component units of the County) refunded previously issued general obligation debt totaling \$31,410,000. The Districts and the County assign their rights to a third-party trustee that receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds. The balance of these bonds at June 30, 2024 was \$25,895,000.

Due to the nature of this transaction and considering that the Districts are blended component units of the County, both the current and non-current portions of the GO debt have been reclassified to a "Due to County Water Fund" in the Districts and an equal and opposite "Due from Water Districts" in the Water Fund. Because the Water Funds have been consolidated together for financial statement presentation, those net out, so the "Due to County Water Fund" and "Due from Water Districts" do not appear in the financials to avoid double counting the debt.

d. Limited Obligation Bonds

The Water Fund is responsible for accounting for the limited obligation bonds which should be accounted for as limited obligations in the Water Department.

The minimum payments for the limited obligation bonds as of June 30, 2024, in the business-type activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2025	\$ 1,825,000	\$ 575,960
2026	1,820,000	556,433
2027	1,795,000	533,319
2028	1,795,000	504,958
2029	1,800,000	472,648
2030-2034	9,160,000	1,773,845
2035-2039	6,520,000	700,740
2040-2044	1,180,000	53,352
Total	<u>\$ 25,895,000</u>	<u>\$ 5,171,255</u>

e. General Obligation Indebtedness

General obligation bonds were issued to finance the construction of public schools and are reported as long-term debt in the General Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due. In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The County's general obligation bonds payable at June 30, 2024 are comprised of the following individual issues:

\$7,067,000 Refunding Series 2021A (Taxable), dated June 1, 2021, principal payments due annually, and interest payments due in semiannual installments; principal payments ranging from \$67,000 to \$1,252,000 beginning in 2022, interest at 1.48%. In conjunction with the issuance of the Taxable General Obligation Refunding Bond, Series 2021A ("2021A Taxable GO Bond") on June 1, 2021, the County entered into a Bond Purchase Agreement Concerning Rate Adjustment and Bond Exchange (the "Agreement"). The Agreement provides the County with an option to exchange the 2021A Taxable GO Bond for a General Obligation Tax Exempt Refunding Bond, Series 2022 ("2022 Tax Exempt GO Bond"). The 2022 Tax Exempt GO Bond will have a rate of 1.170%. The County has the option to exercise the Agreement on any date on or after January 1, 2022.	\$ 4,529,000
\$2,740,000 Refunding Series 2021B (Tax-Exempt), dated June 1, 2021; principal payments due annually, and interest payments due in semiannual installments; principal payments ranging from \$427,000 to \$487,000 beginning in 2022, interest at 1.23%.	<u>1,317,000</u>
Total General Obligation Bonds	<u>\$ 5,846,000</u>

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 1,638,000	\$ 59,471
2026	1,589,000	40,326
2027	1,541,000	21,756
2028	1,078,000	6,306
Total	<u>\$ 5,846,000</u>	<u>\$ 127,859</u>

f. Direct Borrowing- State Revolving Loans

Serviced by the Water District:

Beaufort County Water District I has entered into a direct borrowing agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$1,100,000. The agreement requires equal annual installments of \$55,000 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. \$ 605,000

Beaufort County Water District VI has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$1,100,000. The agreement requires equal annual installments of \$55,000 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. 605,000

Beaufort County Water District IV has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$137,753. The agreement requires equal annual installments of \$6,888 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 117,090

Beaufort County Water District I has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$80,580. The agreement requires equal annual installments of \$4,029 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 68,493

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$82,814. The agreement requires equal annual installments of \$4,121 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 70,055

Beaufort County Water District I has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$138,856. The agreement requires equal annual installments of \$37,500 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 63,856

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$448,661. The agreement requires equal annual installments of \$24,225 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 400,211

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$38,404. The agreement requires equal annual installments of \$33,666 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. Because the project has been placed on hold, the County is paying payments on amounts that have not been drawn down yet at June 30, 2024, which created an overpayment on the loan. (28,929)

Direct Borrowing- State Revolving Loans (continued)

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$6,901. The agreement requires equal annual installments of \$5,097 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. Because the project has been placed on hold, the County is paying payments on amounts that have not been drawn down yet at June 30, 2024, which created an overpayment on the loan.

(3,294)

Total serviced by enterprise funds

\$ 1,897,482

For Beaufort County, the future minimum payments of the State Revolving Loans as of June 30, 2024 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 154,541	\$ -
2026	175,619	-
2027	149,263	-
2028	149,263	-
2029	149,263	-
2030-2034	746,313	-
2035-2039	306,313	-
2040-2044	66,907	-
Total	<u>\$ 1,897,482</u>	<u>\$ -</u>

At June 30, 2024, Beaufort County had a legal debt margin of \$511,590,181.

g. Refunding

On May 6, 2021, the County issued \$31,410,000 of taxable limited obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$31,215,000 of water limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$195,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$3,185,192, and resulted in an economic gain of \$2,530,470.

On June 1, 2021, the County issued \$7,067,000 of general obligation refunding bonds (taxable) and \$2,740,000 general obligation refunding bonds (tax-exempt) to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$4,680,000 for Refunded 2012 bonds, \$2,712,000 for Refunded 2015 bonds, and \$2,122,000 of Refunded 2017 bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$293,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 7 years by \$360,825, and resulted in an economic gain of \$316,223.

h. Subscriptions

The County entered into agreements for certain Subscription-Based Information Technology Arrangements (Subscriptions). The subscriptions qualify as other than short-term under SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 07/01/2022, the County entered into a 35 month subscription for the use of Bodyworn Technical Support Software. An initial subscription liability was recorded in the amount of \$34,000. As of 06/30/2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$24,421. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2024 of \$34,000 with accumulated amortization of \$23,248 is included with IT Subscriptions on the Capital Asset Schedule above.

Subscriptions (continued)

On 09/01/2022, the County entered into a 24 month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$19,307. As of 06/30/2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2024 of \$19,307 with accumulated amortization of \$17,698 is included with IT Subscriptions on the Capital Asset Schedule above.

On 01/09/2023, the County entered into a 36 month subscription for the use of Locator LOGIX. An initial subscription liability was recorded in the amount of \$3,867. As of 06/30/2024, the value of the subscription liability is \$1,289. The County is required to make annual fixed payments of \$1,323. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2024 of \$3,967 with accumulated amortization of \$1,954 is included with IT Subscriptions on the Capital Asset Schedule above.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ -	\$ -	\$ 1,289	\$ 34
Total	\$ -	\$ -	\$ 1,289	\$ 34

i. 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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ 7,527,000	\$ -	\$ 1,681,000	\$ 5,846,000	\$ 1,638,000
Direct Placement Installment Purchase	3,055,894	-	426,607	2,629,287	441,686
Lease Liabilities	434,550	8,307	213,067	229,790	86,243
IT Subscription Liabilities	26,713	-	26,713	-	-
Compensated Absences	1,780,755	-	123,474	1,657,281	414,320
Net Pension Liability (LGRS)	13,225,385	1,375,710	-	14,601,095	-
Total Pension Liability (LEOSSA)	1,629,612	150,593	-	1,780,205	31,923
Total OPEB Liability	3,456,595	66,204	-	3,522,799	150,791
Landfill post-closure care	14,563	-	14,563	-	-
Total	\$ 31,151,067	\$ 1,600,814	\$ 2,485,424	\$ 30,266,457	\$ 2,762,963
Business-type Activities:					
Limited Obligation Bonds	\$ 27,740,000	\$ -	\$ 1,845,000	\$ 25,895,000	\$ 1,825,000
Direct Placement Installment Purchase	3,050,000	-	300,000	2,750,000	300,000
Direct Borrowing - Revolving Loan	2,123,009	-	225,525	1,897,484	154,541
Lease Liabilities	-	28,308	10,040	18,268	10,027
IT Subscription Liabilities	2,544	-	1,255	1,289	1,289
Compensated Absences	142,521	-	11,429	131,092	32,773
Net Pension Liability (LGRS)	782,845	81,432	-	864,277	-
Total OPEB Liability	1,440,246	27,584	-	1,467,830	25,970
Total	\$ 35,281,165	\$ 137,324	\$ 2,393,249	\$ 33,025,240	\$ 2,349,600

Compensated absences for governmental activities typically have been liquidated in the General Fund and are accounted for on a FIFO basis, assuming that the employees are taking leave time as it is earned. Total Pension Liability has been liquidated in the General Fund. Net OPEB Liability has been liquidated in the General Fund and Water Districts.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2024 consist of the following:

Due to the Healthcare Reserve Fund from the General Fund for capital project funding. On May 1, 2018, the Healthcare Reserve Fund advanced the General Fund \$3,500,000 to be used for capital improvements to County buildings. The funds will be repaid in monthly payments of \$30,961.65 for 120 payments including interest at 1.197% annually.	\$ 1,391,376
Due to the General Fund from the Stream Debris Removal Fund for the advancement of grant expenditures.	117
Due to the General Fund from the ADFPTF-USDA Trant Fund for the advancement of grant expenditures.	4,460

Total Interfund balances	<u>\$ 1,395,953</u>
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Transfers to/from other funds at June 30, 2024, consist of the following:

Transfer from the General Fund to the Revaluation Fund for the Octennial revaluation savings contribution.	\$ 161,759
Transfer from the General Fund to the Economic Development Fund for grant matches and Committee of 100 Payment.	45,000
Transfer from the General Fund to the Capital Reserve Fund for future capital expenses.	30,000
Transfer from the General Fund to the E-911 Fund to cover ineligible expenses.	4,350
Transfer from the General Fund to the Facility Improvements Capital Project Fund to provide funds for facility improvements.	605,620
Transfer from the General Fund to the Workers Comp Fund to cover self-insured claims.	200,000
Transfer from the General Fund to the Economic Development Initiatives Fund to provide initiative offered to other governments.	200,000
Transfer from the General Fund to the Soil & Water Building Project Fund to provide resources for capital expenditures.	15,000
Transfer from the General Fund to the Economic Development Grant Fund to provide the local match for the project funded per the grant agreement.	5,000
Transfer from the General Fund to the IT Grant Project Fund to provide resources for the project.	26,584
Transfer from the General Fund to the BRIC Grant Fund to provide the local match for the project funded per the grant agreement.	13,750
Transfer from the General Fund to the EMS Storage Building Project Fund to provide resources for the project.	19,670
Transfer from the General Fund to the Railroad Grant Project Fund to provide the local match for the project funded per the grant agreement.	280,000
Transfer from the Capital Project Fund to the General Fund to return resources not used for the project.	2,477
Transfer from the Solid Waste Fund to the Solid Waste Convenience Site Improvements Fund to provide resources for the project.	227,369
Transfer from the Water Fund to the Workers Comp Fund to cover self-insured claims.	30,000
Transfer from the Water Fund to the BRIC Water Fund Project Fund to provide the local match for the project funded per the grant agreement.	14,250

Total Transfers	<u>\$ 1,880,829</u>
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D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 25,308,785	\$ 56,256,162
add: deferred charges (capital related)	74,337	-
Total capital assets and related deferred charges	<u>25,383,122</u>	<u>56,256,162</u>
Total debt, gross	8,705,077	30,562,041
less: debt related to assets not owned by the County	<u>(6,316,000)</u>	-
Total capital debt	<u>2,389,077</u>	<u>30,562,041</u>
Net investment in capital assets	<u>\$ 22,994,045</u>	<u>\$ 25,694,121</u>

E. Fund Balance

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

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriations based on the County's policy.

Total Fund Balance - General Fund	<u>\$ 44,104,233</u>
Less:	
Nonspendable (Prepays, Leases)	3,866
Stabilization by State Statute	6,086,862
Restricted - Other	382,084
Tax Revaluation	324,870
Broadband project	500,000
Education	10,000,000
Appropriated fund balance (subsequent year's budget)	<u>928,776</u>
Remaining Fund Balance	<u>\$ 25,877,775</u>

Beaufort County has adopted a minimum fund balance policy for the General Fund which instructs management to strive to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 35% of budgeted expenditures. The following calculation shows fund balance available after deducting the required 35% working capital.

Total Fund Balance - General Fund	\$ 44,104,233
Less:	
Nonspendable (Prepays, Leases)	3,866
Stabilization by State Statute	6,086,862
Restricted - Other	382,084
Tax Revaluation	324,870
Broadband project	500,000
Education	10,000,000
Appropriated fund balance (subsequent year's budget)	928,776
Working Capital / Fund Balance Policy	26,272,158
Remaining Fund Balance	<u>\$ (394,383)</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

General Fund	\$ 157,542
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NOTE IV: Joint Ventures

The County participates in a joint venture to operate BHM Regional Library (“the Library”) with three other local governments. Beaufort County appoints three members to the nine-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 has any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2024. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$328,839 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at 158 North Market Street, Washington, North Carolina 27889.

The County, in conjunction with the State of North Carolina and the Beaufort County Board of Education, participates in a joint venture to operate the Beaufort County Community College (the “Community College”). Each of the three participants appoints five members of the 15-member Board of Trustees of the Community College. The President of the Community College’s student government serves as an ex officio non-voting member on the Board of Trustees. The Community College is included as a component unit of the State. The County has the basic support for the Community College’s capital needs. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities.

The County has an ongoing responsibility for the Community College because of the statutory responsibility to provide funding for the Community College’s facilities. The County contributed \$3,093,310 and \$294,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2024. 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, 2024. Complete financial statements for the Community College may be obtained from the Community College’s administrative offices at 5337 US Hwy 264 East, Washington, NC 27889.

The County, in conjunction with 46 other counties, participates in Trillium Health Resources. Trillium has a two-tiered governance structure. The first level is made up of three Regional Advisory Boards. The Board of Commissioners appoints one commissioner to its Regional Advisory Board. In turn, these Advisory Boards elect representatives to make up the Trillium Governing Board, the top level of governance. Trillium Health Resources is a Tailored Plan and Managed Care Organization (MCO) that manages serious mental health, substance use, traumatic brain injury, and intellectual/developmental disability services. The County contributed \$157,000 to Trillium during the fiscal year ended June 30, 2024. Complete financial statements for Trillium can be obtained from its corporate office at 201 West First Street, Greenville, NC 27858-1132.

NOTE V: Jointly Governed Organization

The County, in conjunction with four other counties and 39 municipalities, established the Mid-East Commission (the “Commission”). The participating governments established the Commission to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of \$14,655 to the Council during the fiscal year ended June 30, 2024.

NOTE VI: 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 monies.

NOTE VII: Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2024 of \$6,580,501. The payment represents 18.1% of the County’s total assessed property valuation.

NOTE VIII: Subsequent Events

In preparing the financial statements, the County has evaluated subsequent events and transactions for potential recognition or disclosure through November 6, 2024, the date these financial statements were available to be issued.

NOTE IX: Correction of an Error in Previously Issued Financial Statements

Funds that were designated for Broad Band projects were accounted for in the General Fund Projects Fund rather than the ARPA Special Revenue Fund in the FY 22/23 financial statements, which caused the unspent ARPA funds liability to be understated by \$2,130,466 in the ARPA Special Revenue Fund at June 30, 2023. An adjustment in the amount of \$2,130,466 was done to adjust cash and unspent grant funds in the ARPA Special Revenue Fund that had a zero effect on the fund statements. The Capital Project Fund fund balance decreased by \$2,130,466 as a result of moving these funds back to the ARPA Special Revenue Fund for the Broadband Project.

Additionally, an adjustment was made to adjust the Revolving Loan outstanding balances to agree to the confirmations. At the time the original postings were made, \$19,166 should have been recorded as grants instead of loans, so an adjustment was made to adjust those balances for WD I, WD IV, and WD V projects, which increased net position in the Water Fund by \$19,166.

An adjustment was also made to record beginning balances for two leases that were not added in prior years that should have been on the schedules. These adjustments resulted in the following changes on the government-wide statements (governmental activities): Increased lease liabilities by \$45,989, increased right to use leased assets by \$68,563, and increased accumulated amortization by \$22,852, resulting in a net decrease to net position of \$278.

NOTE X: Restatement of Beginning Balances - Change in Accounting Principle

In the prior fiscal year, the County received money from the Opioid Settlement. At that time the appropriate accounting and financial reporting guidance was thought to be that for government-mandated and voluntary nonexchange transactions. As such revenue recognition could only occur when all eligibility requirements were met. The incurrence of qualifying expenditures was among the eligibility requirements. The County did not incur any qualifying expenditures during FY23. Accordingly, no revenue was recognized. See Note I.D.12 Opioid Settlement Funds for further discussion of this nationwide settlement.

During FY24 the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, it was determined that the appropriate guidance is either that for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

After reviewing the method through which the County received the resources it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to record prior period adjustments in FY24 for a change in accounting principle.

As an exchange/exchange-like transaction the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement the County obtains a claim to the resources on an accrual basis as settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

In the prior years, the County received a cash payment of \$378,804, and spent \$1,310 on eligible expenditures. This amount qualified for revenue recognition on both an accrual and modified accrual basis of accounting. It was also necessary to determine if any additional revenue should have been recognized on an accrual basis in FY23. Given that settlements had reached \$26 billion in FY23 it was necessary to determine the portion of that amount related to the County and recognize an additional prior period adjustment for that amount.

Restatement of Beginning Balances - Change in Accounting Principle (continued)

Following are the prior period adjustments for this change in accounting principle:

	<u>Governmental</u> <u>Activities</u>	
<u>Accrual basis of accounting</u>		
Net position, beginning, as previously reported	\$ 65,531,130	
Prior period adjustment - change in accounting principle - Revenue for cash received	377,494	
Prior period adjustment - change in accounting principle - County's share of NC's Unpaid Aggregate Settlements thru FY 23, net of allowance for uncollectible accounts of \$517,484	<u>4,657,360</u>	
Net Position, beginning, as restated	<u>\$ 70,565,984</u>	
	Opioid Settlement - Major Special Revenue Fund	Total Governmental Funds
<u>Modified accrual basis of accounting</u>		
Fund balances, beginning, as previously reported	\$ -	\$ 60,610,440
Prior period adjustment - change in accounting principle - Revenue for cash received that was measurable and available	<u>377,494</u>	<u>377,494</u>
Net Position, beginning, as restated	<u>\$ 377,494</u>	<u>\$ 60,987,934</u>

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- ~ Schedule of County's Proportionate Share of Net Pension Liability (LGERS)
- ~ Schedule of County Contributions (LGERS)
- ~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- ~ Schedule of County Contributions (ROD)
- ~ Schedule of Changes in the Total Pension Liability (LEOSSA)
- ~ Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)
- ~ Schedule of Changes in the Total OPEB Liability and Related Ratios

BEAUFORT COUNTY
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Ten Fiscal Years

Local Government Employees' Retirement System					
	2024	2023	2022	2021	2020
County's proportion of the net pension liability (asset) (%)	0.23351%	0.24831%	0.25388%	0.25049%	0.26228%
County's proportion of the net pension liability (asset) (\$)	\$ 15,465,372	\$ 14,008,230	\$ 3,893,494	\$ 8,951,075	\$ 7,162,662
County's covered payroll	\$ 19,580,657	\$ 17,947,004	\$ 17,794,545	\$ 16,341,089	\$ 16,359,660
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	78.98%	78.05%	21.88%	54.78%	43.78%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%
	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	0.26328%	0.26581%	0.23587%	0.23326%	0.22809%
County's proportion of the net pension liability (asset) (\$)	\$ 6,245,902	\$ 4,060,841	\$ 5,005,953	\$ 1,046,857	\$ (1,345,151)
County's covered payroll	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791	\$ 12,497,637
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.16%	26.15%	36.87%	8.11%	-10.76%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

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

** This will be the same percentage for all participant employers in the LGERS plan.

BEAUFORT COUNTY
Schedule of County Contributions
Local Government Employees' Retirement System
Last Ten Fiscal Years

Local Government Employees' Retirement System					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,714,158	\$ 2,404,908	\$ 2,063,756	\$ 1,834,378	\$ 1,491,379
Contributions in relation to the contractually required contribution	2,714,158	2,404,908	2,063,756	1,834,378	1,491,379
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 20,779,952	\$ 19,580,657	\$ 17,947,004	\$ 17,794,545	\$ 16,341,089
Contributions as a percentage of covered payroll	13.06%	12.28%	11.50%	10.31%	9.13%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,295,704	\$ 1,210,872	\$ 1,125,797	\$ 922,308	\$ 891,406
Contributions in relation to the contractually required contribution	1,295,704	1,210,872	1,125,797	922,308	891,406
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,359,660	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791
Contributions as a percentage of covered payroll	7.92%	7.59%	7.25%	6.79%	6.91%

BEAUFORT COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportionate share of the net pension liability (asset) %	0.44880%	0.40854%	0.37811%	0.40425%	0.40493%
County's proportionate share of the net pension liability (asset) \$	\$ (53,932)	\$ (54,091)	\$ (72,646)	\$ (92,646)	\$ (79,941)
Plan fiduciary net position as a percentage of the total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension liability (asset) %	0.45899%	0.45220%	0.44989%	0.42409%	0.45133%
County's proportionate share of the net pension liability (asset) \$	\$ (76,023)	\$ (72,140)	\$ (77,843)	\$ (104,661)	\$(102,287)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

* The amounts presented for the fiscal year were determined as of June 30.

BEAUFORT COUNTY
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's required contribution	\$ 3,602	\$ 4,005	\$ 4,683	\$ 4,538	\$ 3,871
Contributions in relation to contractually required contribution	<u>3,602</u>	<u>4,005</u>	<u>4,683</u>	<u>4,538</u>	<u>3,871</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's required contribution	\$ 5,623	\$ 3,928	\$ 3,955	\$ 3,675	\$ 3,054
Contributions in relation to contractually required contribution	<u>5,623</u>	<u>3,928</u>	<u>3,955</u>	<u>3,675</u>	<u>3,054</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAFORT COUNTY
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Eight Fiscal Years

	2024	2023	2022	2021
Beginning Balance	\$ 1,629,612	\$ 2,246,511	\$ 1,988,388	\$ 1,094,799
Service Cost	75,559	102,751	136,310	78,440
Interest on the total pension liability	68,621	49,914	37,738	34,594
Differences between expected and actuarial experience in the measurement of the total pension liability	(6,256)	(400,073)	218,951	270,541
Changes of assumptions and other inputs	81,358	(313,308)	(68,754)	577,287
Benefit payments	(68,689)	(56,183)	(66,122)	(67,273)
Ending balance of total pension liability	<u>\$ 1,780,205</u>	<u>\$ 1,629,612</u>	<u>\$ 2,246,511</u>	<u>\$ 1,988,388</u>
	2020	2019	2018	2017
Beginning Balance	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	\$ 1,053,938
Service Cost	65,548	69,370	64,512	70,240
Interest on the total pension liability	37,333	34,142	38,653	35,963
Differences between expected and actuarial experience in the measurement of the total pension liability	(34,230)	(35,476)	(26,200)	-
Changes of assumptions and other inputs	38,179	(47,506)	77,436	(27,968)
Benefit payments	(75,333)	(75,333)	(75,333)	(93,136)
Ending balance of total pension liability	<u>\$ 1,094,799</u>	<u>\$ 1,063,302</u>	<u>\$ 1,118,105</u>	<u>\$ 1,039,037</u>

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

BEAUFORT COUNTY
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Eight Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 1,780,205	\$ 1,629,612	\$ 1,118,105	\$ 1,988,388
Covered-employee payroll	2,820,322	2,820,322	3,367,536	3,046,316
Total pension liability as a percentage of covered-employee payroll	63.12%	57.78%	33.20%	65.27%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,094,799	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037
Covered-employee payroll	2,784,246	2,680,824	2,765,059	2,750,952
Total pension liability as a percentage of covered-employee payroll	39.32%	39.66%	40.44%	37.77%

Notes to the schedules:

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

BEAUFORT COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	\$ 258,256	\$ 332,376	\$ 344,959	\$ 261,795
Interest on the total OPEB liability	170,535	106,032	101,001	139,446
Change in benefit terms	-	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	4,377	559,805	(2,693)	(337,169)
Changes of assumptions and other inputs	(176,076)	(617,450)	34,296	569,573
Benefit payments	(163,304)	(120,216)	(132,254)	(128,969)
Net change in total OPEB liability	93,788	260,547	345,309	504,676
Total OPEB liability - beginning	4,896,841	4,636,294	4,290,985	3,786,309
Total OPEB liability - ending	\$ 4,990,629	\$ 4,896,841	\$ 4,636,294	\$ 4,290,985
Covered-employee payroll	\$ 19,816,177	\$ 19,816,177	\$ 15,829,569	\$ 15,829,569
Total OPEB liability as a percentage of covered-employee payroll	25.18%	24.71%	29.29%	27.11%
		2020	2019	2018
Total OPEB Liability				
Service Cost		\$ 242,634	\$ 170,916	\$ 185,026
Interest on the total OPEB liability		129,368	77,264	64,960
Change in benefit terms		-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability		(976)	1,007,887	16,801
Changes of assumptions and other inputs		156,060	18,405	(153,229)
Benefit payments		(131,624)	(107,011)	(95,881)
Net change in total OPEB liability		395,462	1,167,461	17,677
Total OPEB liability - beginning		3,390,847	2,223,386	2,205,709
Total OPEB liability - ending		\$ 3,786,309	\$ 3,390,847	\$ 2,223,386
Covered-employee payroll		\$ 14,536,223	\$ 13,520,354	\$ 13,520,354
Total OPEB liability as a percentage of covered-employee payroll		26.05%	25.08%	16.44%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%
2024	3.86%

GENERAL FUND

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

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024 Budget	2024 Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes:			
Current year	\$ 40,361,561	\$ 40,438,805	
Penalties and interest	223,825	297,235	
Total	<u>40,585,386</u>	<u>40,736,040</u>	<u>150,654</u>
Local Option Sales Taxes:			
Local option sales tax	14,690,275	13,991,824	
Total	<u>14,690,275</u>	<u>13,991,824</u>	<u>(698,451)</u>
Other Taxes and Licenses:			
Documentary stamps	300,000	253,150	
Beer and wine licenses	3,400	3,278	
Rental vehicles receipt tax	30,000	35,342	
Total	<u>333,400</u>	<u>291,770</u>	<u>(41,630)</u>
Unrestricted Intergovernmental Revenues			
Beer and wine tax	135,000	150,714	
Other	46,300	50,122	
Total	<u>181,300</u>	<u>200,836</u>	<u>19,536</u>
Restricted Intergovernmental Revenues			
State and Federal grants	12,291,494	11,698,464	
ABC distributions/tax	193,000	202,341	
Total	<u>12,484,494</u>	<u>11,900,805</u>	<u>(583,689)</u>
Permits and Fees			
Building permits and inspection fees	128,270	138,805	
Register of Deeds	200,000	182,692	
Other permits and fees	76,475	83,270	
Total	<u>404,745</u>	<u>404,767</u>	<u>22</u>
Sales and Services			
Attorney fees/tax administration	62,220	40,439	
Animal control fees	28,745	29,085	
Tax collection fees	125,000	130,252	
Sheriff fees	61,875	56,330	
Gun storage fees	600	2,935	
State prisoner's reimbursement	12,800	8,074	
Environmental health	105,000	118,060	
Vending and phones	21,400	28,087	
Health and immunizations	380,184	408,307	
Emergency medical transport fees	1,000,000	919,810	
Rescue fees	924,000	952,622	
Share of service fee	16,440	7,622	
Rent	260,211	261,798	
Cable franchise fee	90,000	82,230	
NC Health Choice	-	100	
Administrative Charges	397,967	397,967	
Total	<u>3,486,442</u>	<u>3,443,718</u>	<u>(42,724)</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024 Budget	2024 Actual	Variance Positive (Negative)
Investment Earnings	1,200,000	3,535,902	
Total	<u>1,200,000</u>	<u>3,535,902</u>	<u>2,335,902</u>
Miscellaneous			
Proceeds from sales of assets/insurance claims	95,000	245,256	
Donations	13,500	39,243	
Miscellaneous	16,035	17,901	
Total	<u>124,535</u>	<u>302,400</u>	<u>177,865</u>
Total Revenues	<u>73,490,577</u>	<u>74,808,062</u>	<u>1,317,485</u>
Expenditures			
General Government:			
Governing Body	412,419	359,271	
County Manager	657,151	646,594	
Finance	785,368	771,107	
Human Resources	299,265	286,404	
Nondepartmental	971,300	945,296	
Tax Administration	1,443,136	1,375,898	
Tax Collector	672,480	655,046	
Register of Deeds	477,723	416,820	
Elections	439,488	438,048	
Public Buildings	1,586,499	1,486,923	
Court Facilities	328,350	312,240	
Total General Government	<u>8,073,179</u>	<u>7,693,647</u>	<u>379,532</u>
Public safety:			
Sheriff	8,074,066	7,428,980	
Jail	3,087,881	2,877,603	
Emergency Communications	1,569,600	1,323,999	
Emergency Management	464,638	434,647	
Fire Protection	139,690	131,350	
Ambulance/rescue services	12,500	12,500	
Animal Control	527,626	500,396	
Emergency Medical Services	3,974,578	3,918,887	
Medical Examiner	62,000	61,900	
Total Public Safety	<u>17,912,579</u>	<u>16,690,262</u>	<u>1,222,317</u>
Economic and Physical Development:			
Planning	358,206	345,722	
Economic Development	363,014	352,496	
Cooperative Extension	344,359	337,187	
Soil/Water Conservation	193,644	180,917	
Total Economic and Physical Develop	<u>1,259,223</u>	<u>1,216,322</u>	<u>42,901</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024 Budget	2024 Actual	Variance Positive (Negative)
Human services:			
Administration - general	423,926	387,046	
AIDS control / STD	270,832	267,003	
TB Program	70,273	69,002	
Immunization	709,157	674,042	
Health Promotion	656,282	436,842	
Child Health	1,103,875	1,040,161	
Maternal Health	333,382	320,135	
WIC - administration	377,390	374,190	
Environmental Health	873,492	854,927	
Family Planning	398,828	388,745	
Jail Health	-	15,311	
Healthy Living	371,866	370,082	
Other Health Programs	442,492	422,413	
Total	<u>6,031,795</u>	<u>5,619,899</u>	<u>411,896</u>
Mental Health and Transportation:			
General Appropriation	157,000	157,000	
Alcohol Rehabilitation	20,000	22,762	
Beaufort County Development Center	55,000	55,000	
NC Elderly Handicapped Transportation/Other	101,976	102,092	
Passages Counseling Services	50,000	36,528	
Total	<u>383,976</u>	<u>373,382</u>	<u>10,594</u>
Social Services			
Administration	9,473,513	8,493,388	
State In-Home Aging Services	608,078	581,211	
Medical Assistance	110,000	77,531	
Energy Assistance	407,992	152,642	
County Provided Assistance	520,000	477,641	
Transportation	292,962	293,221	
Child Support Enforcement	833,242	861,619	
Aid to the Blind Program	11,627	3,122	
Foster Care	1,530,178	1,695,364	
Work First Program	88,400	76,435	
Total	<u>13,875,992</u>	<u>12,712,174</u>	<u>1,163,818</u>
Other Human Services			
Veterans Services	81,702	81,113	
Youth Services	269,987	269,989	
Total	<u>351,689</u>	<u>351,102</u>	<u>587</u>
Total Human Services	<u>20,643,452</u>	<u>19,056,557</u>	<u>1,586,895</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024 Budget	2024 Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation	120,000	120,000	
Library and Museum	233,839	232,839	
Special Appropriation	154,500	146,500	
Total Cultural and Recreational	<u>508,339</u>	<u>499,339</u>	<u>9,000</u>
Education:			
Public School			
Current Expense	15,578,493	15,578,493	
Capital Outlay	2,241,999	2,241,999	
SRO Funding	660,800	603,600	
Community College			
Current Expense	3,093,310	3,093,310	
Capital Outlay	294,000	294,000	
Total Education	<u>21,868,602</u>	<u>21,811,402</u>	<u>57,200</u>
Debt service:			
Principal	2,460,201	2,107,607	
Interest and fees	161,055	161,055	
Total debt service	<u>2,621,256</u>	<u>2,268,662</u>	<u>352,594</u>
Total Expenditures	<u>72,886,630</u>	<u>69,236,191</u>	<u>3,650,439</u>
Revenue over (under) expenditures	<u>603,947</u>	<u>5,571,871</u>	<u>4,967,924</u>
Other financing sources (uses):			
Lease / IT Subscription liabilities issued	-	8,307	8,307
Transfers (to) from other funds:			
Capital Project Fund	-	2,477	2,477
Revaluation Fund	(161,759)	(161,759)	-
Capital Project - Capital Reserve	(30,000)	(30,000)	-
Economic Development Initiatives Fund	(200,000)	(200,000)	-
Project Fund Soil & Water	(15,000)	(15,000)	-
EMS Project Fund	(19,670)	(19,670)	-
Economic Development Grant Project	(5,000)	(5,000)	-
IT Grant Project	(26,584)	(26,584)	-
Railroad Grant Project	(280,000)	(280,000)	-
BRIC Grant Fund	(13,750)	(13,750)	-
Capital Project - Facility Improvements Project Fund	(605,620)	(605,620)	-
Workers Comp Fund	(200,000)	(200,000)	-
Special Revenue - Economic Development Fund	(45,000)	(45,000)	-
Special Revenue - Emergency Telephone	(4,350)	(4,350)	-
General Fund Fund Balance	(469,946)	-	469,946
Appropriated Fund Balance	1,572,732	-	(1,572,732)
Contingency	(100,000)	-	100,000
Total other financing sources (uses)	<u>(603,947)</u>	<u>(1,595,949)</u>	<u>(992,002)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,975,922</u>	<u>\$ 3,975,922</u>
Fund balance, beginning of year		<u>39,803,441</u>	
Fund balance, end of year		<u>\$ 43,779,363</u>	

Beaufort County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024 Budget	2024 Actual	Variance Positive (Negative)
Revenue			
Investment Earnings	\$ -	\$ 1,007	\$ 1,007
Total Revenue	<u>-</u>	<u>1,007</u>	<u>1,007</u>
Other financing sources (uses):			
Transfer in - General Fund	161,759	161,759	-
To fund balance for future revaluation	<u>(161,759)</u>	<u>-</u>	<u>161,759</u>
Total other financing sources (uses)	<u>-</u>	<u>161,759</u>	<u>161,759</u>
Net change in fund balance	<u>\$ -</u>	162,766	<u>\$ 162,766</u>
Fund balance, beginning		<u>162,104</u>	
Fund balance, ending		<u>\$ 324,870</u>	

OTHER MAJOR GOVERNMENTAL FUNDS

The County reports the following major governmental funds:

ARP Grant Fund – The County received funds to assist in the prevention and treatment of COVID 19. These funds are maintained in a separate fund and will be spent over several years.

Opioid Settlement Fund - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

Beaufort County, North Carolina
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Funds)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
American Rescue Plan	\$ 9,128,034	\$ 5,128,034	-	\$ 5,128,034	\$ (4,000,000)
Investment Earnings	-	628	7,419	8,047	8,047
Total revenues	<u>9,128,034</u>	<u>5,128,662</u>	<u>7,419</u>	<u>5,136,081</u>	<u>(3,991,953)</u>
Expenditures:					
Public Safety					
Salaries and Benefits	5,128,034	5,128,034	-	5,128,034	-
Contract Services - Broad Band	4,000,000	-	-	-	4,000,000
Total expenditures	<u>9,128,034</u>	<u>5,128,034</u>	<u>-</u>	<u>5,128,034</u>	<u>4,000,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>628</u>	<u>7,419</u>	<u>8,047</u>	<u>8,047</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 628</u>	<u>7,419</u>	<u>\$ 8,047</u>	<u>\$ 8,047</u>
Fund balance, beginning			<u>628</u>		
Fund balance, end			<u>\$ 8,047</u>		

Beaufort County, North Carolina
Opioid Settlement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Opioid Settlement Funds	\$ 3,077,680	\$ 378,804	\$ 844,844	\$ 1,223,648	\$ (1,854,032)
NOAT II Abatement Revenue	20,201	20,200	-	20,200	(1)
Investment Earnings	-	131	2,890	3,021	3,021
Total revenues	<u>3,097,881</u>	<u>399,135</u>	<u>847,734</u>	<u>1,246,869</u>	<u>(1,851,012)</u>
Expenditures:					
Human Services					
Opioid Peer Support	317,772	-	37,393	37,393	280,379
Opioid Health Educator	197,347	9,640	63,892	73,532	123,815
Opioid Project Support	30,000	10,000	-	10,000	20,000
Opioid BHTF Coordinator	69,458	-	-	-	69,458
Opioid Operational Supplies	8,000	2,001	409	2,410	5,590
Future Opioid Expenditures	2,475,304	-	-	-	2,475,304
Total expenditures	<u>3,097,881</u>	<u>21,641</u>	<u>101,694</u>	<u>123,335</u>	<u>2,974,546</u>
Revenues over (under) expenditures	<u>-</u>	<u>377,494</u>	<u>746,040</u>	<u>1,123,534</u>	<u>1,123,534</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 377,494</u>	<u>746,040</u>	<u>\$ 1,123,534</u>	<u>\$ 1,123,534</u>
Fund balance, beginning			-		
Prior Year Restatement (see Note X)			<u>377,494</u>		
Fund balance, end			<u>\$ 1,123,534</u>		

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds

Beaufort County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and investments	\$ 6,867,396	\$ 11,356,093	\$ 18,223,489
Taxes receivable (net)	180,663	-	180,663
Accounts receivable (net)	521,447	6,152	527,599
Due from other funds	1,391,376	-	1,391,376
Total assets	<u>\$ 8,960,882</u>	<u>\$ 11,362,245</u>	<u>\$ 20,323,127</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 881,858	\$ 5,029	\$ 886,887
Due to other funds	4,460	117	4,577
Total liabilities	<u>886,318</u>	<u>5,146</u>	<u>891,464</u>
DEFERRED INFLOWS OF RESOURCES	<u>436,529</u>	<u>-</u>	<u>436,529</u>
Fund balances:			
Nonspendable			
Advance to General Fund	1,391,376	-	1,391,376
Restricted:			
Stabilization by State Statute	25,684	6,152	31,836
General Government	26,584	-	26,584
Economic Development	1,273,717	312,648	1,586,365
Human Services	3,588,555	-	3,588,555
Public Safety	1,148,501	-	1,148,501
Cultural and Recreational	-	511,882	511,882
Committed	188,728	10,526,534	10,715,262
Unassigned	(5,110)	(117)	(5,227)
Total fund balances	<u>7,638,035</u>	<u>11,357,099</u>	<u>18,995,134</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,960,882</u>	<u>\$ 11,362,245</u>	<u>\$ 20,323,127</u>

Beaufort County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 4,213,719	\$ -	\$ 4,213,719
Restricted intergovernmental	1,954,998	181,997	2,136,995
Sales and services	1,123,934	-	1,123,934
Other	235,214	-	235,214
Investment Earnings	17,392	45,950	63,342
Total revenues	<u>7,545,257</u>	<u>227,947</u>	<u>7,773,204</u>
Expenditures:			
Current:			
General government	439,503	-	439,503
Public safety	6,194,422	2,022	6,196,444
Health and human services	720,494	-	720,494
Economic and physical development	527,839	620,849	1,148,688
Cultural and recreational	-	29,239	29,239
Total Expenditures	<u>7,882,258</u>	<u>652,110</u>	<u>8,534,368</u>
Revenues over (under) expenditures	<u>(337,001)</u>	<u>(424,163)</u>	<u>(761,164)</u>
Other financing sources (uses):			
Transfers in (out)	294,684	947,813	1,242,497
Total other financing sources (uses)	<u>294,684</u>	<u>947,813</u>	<u>1,242,497</u>
Net change in fund balance	(42,317)	523,650	481,333
Fund balances, beginning	7,680,352	12,963,915	20,644,267
Prior period adjustment (see Note IX)	-	(2,130,466)	(2,130,466)
Fund balances, beginning, as restated	<u>7,680,352</u>	<u>10,833,449</u>	<u>18,513,801</u>
Fund balances, ending	<u>\$ 7,638,035</u>	<u>\$ 11,357,099</u>	<u>\$ 18,995,134</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for governmental activities that are not part of the General Fund and are not capital projects.

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2024

Exhibit C-3

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districs	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant	NC Housing Finance Grant
ASSETS								
Cash and investments	\$ 31,227	\$ 155,299	\$ 389,483	\$ 315,741	\$ 42,348	\$ 3,414,876	\$ 4,283	\$ -
Taxes receivable (net)	-	-	180,663	-	-	-	-	-
Accounts receivable (net)	6	10,000	-	13,021	1,493	-	-	-
Due from other funds	-	-	-	-	-	1,391,376	-	-
Total assets	<u>\$ 31,233</u>	<u>\$ 165,299</u>	<u>\$ 570,146</u>	<u>\$ 328,762</u>	<u>\$ 43,841</u>	<u>\$ 4,806,252</u>	<u>\$ 4,283</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 389,483	\$ 35,573	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>389,483</u>	<u>35,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>180,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable:								
Advance to General Fund	-	-	-	-	-	1,391,376	-	-
Restricted:								
Stabilization by State Statute	6	10,000	-	13,021	1,493	-	-	-
General Government	-	-	-	-	-	-	-	-
Economic Development	-	155,299	-	-	-	-	4,283	-
Human Services	31,227	-	-	-	-	3,414,876	-	-
Public Safety	-	-	-	280,168	42,348	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>31,233</u>	<u>165,299</u>	<u>-</u>	<u>293,189</u>	<u>43,841</u>	<u>4,806,252</u>	<u>4,283</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,233</u>	<u>\$ 165,299</u>	<u>\$ 570,146</u>	<u>\$ 328,762</u>	<u>\$ 43,841</u>	<u>\$ 4,806,252</u>	<u>\$ 4,283</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2024

Exhibit C-3

	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund	ADFPTF - 21-003-4005 Fund	Revaluation Project Fund
ASSETS									
Cash and investments	\$ 405,060	\$ 142,452	\$ 44,659	\$ 23,951	\$ 867,565	\$ -	\$ -	\$ -	\$ 216,736
Taxes receivable (net)	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	255,984	-	-	-	39,551	-	-	-	1,164
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 661,044</u>	<u>\$ 142,452</u>	<u>\$ 44,659</u>	<u>\$ 23,951</u>	<u>\$ 907,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,900</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 693	\$ 6,017	\$ 124,172	\$ -	\$ -	\$ -	\$ 28,008
Due to other funds	-	-	-	-	-	-	4,460	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>693</u>	<u>6,017</u>	<u>124,172</u>	<u>-</u>	<u>4,460</u>	<u>-</u>	<u>28,008</u>
DEFERRED INFLOWS OF RESOURCES	<u>255,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable:									
Advance to General Fund	-	-	-	-	-	-	-	-	-
Restricted:									
Stabilization by State Statute	-	-	-	-	-	-	-	-	1,164
General Government	-	-	-	-	-	-	-	-	-
Economic Development	405,178	-	43,966	17,934	-	-	-	-	-
Human Services	-	142,452	-	-	-	-	-	-	-
Public Safety	-	-	-	-	782,944	-	-	-	-
Committed	-	-	-	-	-	-	-	-	188,728
Unassigned	-	-	-	-	-	-	(4,460)	-	-
Total fund balances	<u>405,178</u>	<u>142,452</u>	<u>43,966</u>	<u>17,934</u>	<u>782,944</u>	<u>-</u>	<u>(4,460)</u>	<u>-</u>	<u>189,892</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 661,044</u>	<u>\$ 142,452</u>	<u>\$ 44,659</u>	<u>\$ 23,951</u>	<u>\$ 907,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,900</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2024

	NC Housing Finance SFH Loan Pool Grant	BCSO Boat Grant Fund	State Centric Model Grant Fund	Beaufort Promise Fund	ADFPTF 21-003-4005 Grant Fund	Economic Development Grant Project Fund	IT Grant Project Fund	Blounts Creek VFD Fire Truck Grant
ASSETS								
Cash and investments	\$ 8,680	\$ 121,395	\$ -	\$ 633,307	\$ -	\$ 10,000	\$ 26,584	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	228	-	-	-	200,000	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 8,680</u>	<u>\$ 121,623</u>	<u>\$ -</u>	<u>\$ 633,307</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 26,584</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 9,330	\$ 78,582	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>9,330</u>	<u>78,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable:								
Advance to General Fund	-	-	-	-	-	-	-	-
Restricted:								
Stabilization by State Statute	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	26,584	-
Economic Development	-	-	-	633,307	-	-	-	-
Human Services	-	-	-	-	-	-	-	-
Public Safety	-	43,041	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	(650)	-	-	-	-	-	-	-
Total fund balances	<u>(650)</u>	<u>43,041</u>	<u>-</u>	<u>633,307</u>	<u>-</u>	<u>-</u>	<u>26,584</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,680</u>	<u>\$ 121,623</u>	<u>\$ -</u>	<u>\$ 633,307</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 26,584</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2024

	BRIC Grant Fund	EMC Community Grant Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and investments	\$ 13,750	\$ -	\$ 6,867,396
Taxes receivable (net)	-	-	180,663
Accounts receivable (net)	-	-	521,447
Due from other funds	-	-	1,391,376
Total assets	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ 8,960,882</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 881,858
Due to other funds	-	-	4,460
Total liabilities	<u>-</u>	<u>-</u>	<u>886,318</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>436,529</u>
Fund Balances:			
Nonspendable:			
Advance to General Fund	-	-	1,391,376
Restricted:			
Stabilization by State Statute	-	-	25,684
General Government	-	-	26,584
Economic Development	13,750	-	1,273,717
Human Services	-	-	3,588,555
Public Safety	-	-	1,148,501
Committed	-	-	188,728
Unassigned	-	-	(5,110)
Total fund balances	<u>13,750</u>	<u>-</u>	<u>7,638,035</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ 13,108,021</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant	NC Housing Finance Grant
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ 4,213,719	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	119,714	41,704	-	-	-
Sales and Services	-	-	-	-	-	-	-	-
Other	1,580	11,000	-	-	4,458	18,945	-	-
Investment Earnings	-	-	-	-	-	12,828	-	-
Total revenues	<u>1,580</u>	<u>11,000</u>	<u>4,213,719</u>	<u>119,714</u>	<u>46,162</u>	<u>31,773</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	4,213,719	184,950	51,794	-	-	-
Health and human services	510	-	-	-	-	-	-	-
Economic and physical development	-	40,333	-	-	-	-	-	-
Total expenditures	<u>510</u>	<u>40,333</u>	<u>4,213,719</u>	<u>184,950</u>	<u>51,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	1,070	(29,333)	-	(65,236)	(5,632)	31,773	-	-
Other financing sources (uses):								
Transfers in (out)	-	45,000	-	4,350	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>4,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,070	15,667	-	(60,886)	(5,632)	31,773	-	-
Fund balances, beginning	<u>30,163</u>	<u>149,632</u>	<u>-</u>	<u>354,075</u>	<u>49,473</u>	<u>4,774,479</u>	<u>4,283</u>	<u>-</u>
Fund balances, ending	<u>\$ 31,233</u>	<u>\$ 165,299</u>	<u>\$ -</u>	<u>\$ 293,189</u>	<u>\$ 43,841</u>	<u>\$ 4,806,252</u>	<u>\$ 4,283</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund	ADFPTF - 21-003-4005 Fund
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	755,129	-	-	66,271	-	-	-
Sales and Services	-	-	90,602	37,470	995,862	-	-	-
Other	194,134	-	-	97	-	-	-	-
Investment Earnings	-	-	-	6	-	-	-	-
Total revenues	<u>194,134</u>	<u>755,129</u>	<u>90,602</u>	<u>37,573</u>	<u>1,062,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,037,000	-	-	-
Health and human services	-	719,984	-	-	-	-	-	-
Economic and physical development	2,731	-	82,397	44,757	-	-	4,460	-
Total expenditures	<u>2,731</u>	<u>719,984</u>	<u>82,397</u>	<u>44,757</u>	<u>1,037,000</u>	<u>-</u>	<u>4,460</u>	<u>-</u>
Revenues over (under) expenditures	191,403	35,145	8,205	(7,184)	25,133	-	(4,460)	-
Other financing sources (uses):								
Transfers in (out)	200,000	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	391,403	35,145	8,205	(7,184)	25,133	-	(4,460)	-
Fund balances, beginning	<u>13,775</u>	<u>107,307</u>	<u>35,761</u>	<u>25,118</u>	<u>757,811</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 405,178</u>	<u>\$ 142,452</u>	<u>\$ 43,966</u>	<u>\$ 17,934</u>	<u>\$ 782,944</u>	<u>\$ -</u>	<u>\$ (4,460)</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	Revaluation Project Fund	NC Housing Finance SFH Loan Pool Grant	BCSO Boat Grant Grant	State Centric Model Grant Fund	Beaufort Promise Fund	ADFPTF 21-003-4005 Grant Fund	Economic Development Grant Project Fund	IT Grant Project Fund
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	22,180	125,000	-	-	-	200,000	-
Sales and Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	5,000	-
Investment Earnings	1,615	-	-	-	2,943	-	-	-
Total revenues	<u>1,615</u>	<u>22,180</u>	<u>125,000</u>	<u>-</u>	<u>2,943</u>	<u>-</u>	<u>205,000</u>	<u>-</u>
Expenditures:								
General government	439,503	-	-	-	-	-	-	-
Public safety	-	-	81,959	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Economic and physical development	-	22,830	-	-	120,331	-	210,000	-
Total expenditures	<u>439,503</u>	<u>22,830</u>	<u>81,959</u>	<u>-</u>	<u>120,331</u>	<u>-</u>	<u>210,000</u>	<u>-</u>
Revenues over (under) expenditures	(437,888)	(650)	43,041	-	(117,388)	-	(5,000)	-
Other financing sources (uses):								
Transfers in (out)	-	-	-	-	-	-	5,000	26,584
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>26,584</u>
Net change in fund balances	(437,888)	(650)	43,041	-	(117,388)	-	-	26,584
Fund balances, beginning	<u>627,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 189,892</u>	<u>\$ (650)</u>	<u>\$ 43,041</u>	<u>\$ -</u>	<u>\$ 633,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,584</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	Blounts Creek VFD Fire Truck Grant	BRIC Grant Fund	EMC Community Grant Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,213,719
Restricted intergovernmental	625,000	-	-	1,954,998
Sales and Services	-	-	-	1,123,934
Other	-	-	-	235,214
Investment Earnings	-	-	-	17,392
Total revenues	<u>625,000</u>	<u>-</u>	<u>-</u>	<u>7,545,257</u>
Expenditures:				
General government	-	-	-	439,503
Public safety	625,000	-	-	6,194,422
Health and human services	-	-	-	720,494
Economic and physical development	-	-	-	527,839
Total expenditures	<u>625,000</u>	<u>-</u>	<u>-</u>	<u>7,882,258</u>
Revenues over (under) expenditures	-	-	-	(337,001)
Other financing sources (uses):				
Transfers in (out)	-	13,750	-	294,684
Total other financing sources (uses)	<u>-</u>	<u>13,750</u>	<u>-</u>	<u>294,684</u>
Net change in fund balances	-	13,750	-	(42,317)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,680,352</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ 7,638,035</u>

Beaufort County, North Carolina
HCCBG Aging Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Income	\$ 1,100	\$ 1,580	\$ 480
Investment Earnings	-	-	-
Total revenues	<u>1,100</u>	<u>1,580</u>	<u>480</u>
Expenditures:			
Health and Human Services	1,100	510	590
Total expenditures	<u>1,100</u>	<u>510</u>	<u>590</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,070</u>	<u>1,070</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	-	-	-
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,070</u>	<u>\$ 1,070</u>
Fund balance, beginning		<u>30,163</u>	
Fund balance, ending		<u>\$ 31,233</u>	

Beaufort County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Duke Energy	\$ -	\$ 1,000	\$ 1,000
Contributions - City of Washington	-	10,000	10,000
Total revenues	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Expenditures:			
Economic and physical development	45,000	40,333	4,667
Total expenditures	<u>45,000</u>	<u>40,333</u>	<u>4,667</u>
Revenues over (under) expenditures	<u>(45,000)</u>	<u>(29,333)</u>	<u>15,667</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	45,000	45,000	-
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	15,667	<u>\$ 15,667</u>
Fund balance, beginning		<u>149,632</u>	
Fund balance, ending		<u>\$ 165,299</u>	

Beaufort County, North Carolina
Fire and Rescue Tax District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem tax	\$ 4,055,450	\$ 4,213,719	\$ 158,269
Total revenues	<u>4,055,450</u>	<u>4,213,719</u>	<u>158,269</u>
Expenditures:			
Public safety expenditures	4,055,450	4,213,719	(158,269)
Total expenditures	<u>4,055,450</u>	<u>4,213,719</u>	<u>(158,269)</u>
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

Beaufort County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 152,948	\$ 119,714	\$ (33,234)
Investment Earnings	-	-	-
Total revenues	<u>152,948</u>	<u>119,714</u>	<u>(33,234)</u>
Expenditures:			
Public Safety :			
Implemental functions	-	-	-
Telephone	64,112	17,200	46,912
Software maintenance	32,023	23,848	8,175
Hardware maintenance	39,349	39,285	64
Training	24,722	3,702	21,020
Capital outlay	136,050	100,915	35,135
Total expenditures	<u>296,256</u>	<u>184,950</u>	<u>111,306</u>
Revenues over (under) expenditures	<u>(143,308)</u>	<u>(65,236)</u>	<u>78,072</u>
Other financing sources (uses):			
Transfers In	-	4,350	4,350
Total other financing sources (uses)	<u>143,308</u>	<u>4,350</u>	<u>(138,958)</u>
Net change in fund balance	<u>\$ -</u>	<u>(60,886)</u>	<u>\$ (60,886)</u>
Fund balance, beginning		<u>354,075</u>	
Fund balance, ending		<u>\$ 293,189</u>	

Beaufort County, North Carolina
State and Federal Seizures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 25,000	\$ 41,704	\$ 16,704
Miscellaneous	5,000	4,458	(542)
Investment Earnings	275	-	(275)
Total revenues	<u>30,275</u>	<u>46,162</u>	<u>15,887</u>
Expenditures:			
Public safety expenditures	<u>70,275</u>	<u>51,794</u>	<u>18,481</u>
Total expenditures	<u>70,275</u>	<u>51,794</u>	<u>18,481</u>
Revenues over (under) expenditures	<u>(40,000)</u>	<u>(5,632)</u>	<u>34,368</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>40,000</u>	-	<u>(40,000)</u>
Total other financing sources (uses)	<u>40,000</u>	-	<u>(40,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,632)</u>	<u>\$ (5,632)</u>
Fund balance, beginning		<u>49,473</u>	
Fund balance, ending		<u>\$ 43,841</u>	

Beaufort County, North Carolina
Healthcare Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Principal payments received	\$ 344,258	\$ 352,595	\$ 8,337
Interest payment received	27,282	18,945	(8,337)
Investment Earnings	-	12,828	12,828
Total Revenues	<u>371,540</u>	<u>384,368</u>	<u>12,828</u>
Expenditures:			
Economic and physical development	371,540	-	371,540
Total Expenditures	<u>371,540</u>	<u>-</u>	<u>371,540</u>
Revenues over (under) expenditures	<u>-</u>	<u>384,368</u>	<u>384,368</u>
Other financing sources (uses):			
Transfer to General Fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>384,368</u>	<u>\$ 384,368</u>
Reconciling Item			
Principal paid on intergovernment loan		(352,595)	
Fund balance, beginning		<u>4,774,479</u>	
Fund balance, ending		<u>\$ 4,806,252</u>	

Beaufort County, North Carolina
One NC Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - One NC Grant	\$ 50,000	\$ 25,000	\$ -	\$ 25,000	\$ (25,000)
City contributions	8,100	4,050	-	4,050	(4,050)
Total revenues	<u>58,100</u>	<u>29,050</u>	<u>-</u>	<u>29,050</u>	<u>(29,050)</u>
Expenditures:					
Economic and physical development	66,667	33,334	-	33,334	33,333
Total expenditures	<u>66,667</u>	<u>33,334</u>	<u>-</u>	<u>33,334</u>	<u>33,333</u>
Revenues over (under) expenditures	<u>(8,567)</u>	<u>(4,284)</u>	<u>-</u>	<u>(4,284)</u>	<u>4,283</u>
Other financing sources:					
Transfer (to) from other funds	8,567	8,567	-	8,567	-
Total other financing sources	<u>8,567</u>	<u>8,567</u>	<u>-</u>	<u>8,567</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,283</u>	<u>-</u>	<u>\$ 4,283</u>	<u>\$ 4,283</u>
Fund balance, beginning			<u>4,283</u>		
Fund balance, end			<u>\$ 4,283</u>		

Beaufort County, North Carolina
NC Housing Finance Agency Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Housing Finance Agency Grant	\$ 702,945	\$ 605,750	\$ -	\$ 605,750	\$ (97,195)
Total revenues	<u>702,945</u>	<u>605,750</u>	<u>-</u>	<u>605,750</u>	<u>(97,195)</u>
Expenditures					
Economic and physical development	702,945	605,750	-	605,750	97,195
Total expenditures	<u>702,945</u>	<u>605,750</u>	<u>-</u>	<u>605,750</u>	<u>97,195</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Economic Development Initiatives
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 16,275	\$ 16,275	\$ -	\$ 16,275	\$ -
Payments received on loan	-	-	194,134	194,134	194,134
Total revenues	<u>16,275</u>	<u>16,275</u>	<u>194,134</u>	<u>210,409</u>	<u>194,134</u>
Expenditures					
Economic and physical development					
Initiatives	16,275	2,500	2,731	5,231	11,044
Town of Aurora Loan	650,000	450,000	-	450,000	200,000
Total expenditures	<u>666,275</u>	<u>452,500</u>	<u>2,731</u>	<u>455,231</u>	<u>211,044</u>
Revenue over (under) expenditures	(650,000)	(436,225)	191,403	(244,822)	405,178
Other Financing Sources (Uses)					
Transfer from General Fund	650,000	450,000	200,000	650,000	-
Total Other Financing Sources (Uses)	<u>650,000</u>	<u>450,000</u>	<u>200,000</u>	<u>650,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,775</u>	391,403	<u>\$ 405,178</u>	<u>\$ 405,178</u>
Fund balance, beginning			<u>13,775</u>		
Fund balance, end			<u>\$ 405,178</u>		

Beaufort County, North Carolina
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 700,000	\$ 755,129	\$ 55,129
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	700,000	719,984	(19,984)
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	35,145	\$ 35,145
Fund balance, beginning, as previously reported		107,307	
Fund balance, ending		\$ 142,452	

Beaufort County, North Carolina
4H Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Livestock Show and Sale	\$ 32,000	\$ 71,612	\$ 39,612
Summer Camping	7,500	4,510	(2,990)
4H Clubs	7,000	14,480	7,480
4H Programming	8,500	-	(8,500)
Total Revenues	<u>55,000</u>	<u>90,602</u>	<u>35,602</u>
Expenditures:			
Economic and Physical Development			
Livestock Show and Sale	32,000	70,725	(38,725)
Summer Camping	7,500	3,146	4,354
4H Clubs	7,000	8,526	(1,526)
4H Programming	8,500	-	8,500
Total Expenditures	<u>55,000</u>	<u>82,397</u>	<u>(27,397)</u>
Net change in fund balance	<u>\$ -</u>	8,205	<u>\$ 8,205</u>
Fund balance, beginning		<u>35,761</u>	
Fund balance, ending		<u>\$ 43,966</u>	

Beaufort County, North Carolina
Cooperative Extension Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Agriculture Programming	\$ 26,000	\$ 23,302	\$ (2,698)
Horticulture Programming	5,000	-	(5,000)
Master Gardeners	4,000	6,753	2,753
Family & Consumer Science Programs	5,000	7,415	2,415
Investment Earnings	-	6	6
Miscellaneous Income	-	97	97
Total Revenues	<u>40,000</u>	<u>37,573</u>	<u>(2,427)</u>
Expenditures:			
Economic and Physical Development			
Agriculture Programming	26,000	26,831	(831)
Horticulture Programming	5,000	-	5,000
Master Gardeners	4,000	5,800	(1,800)
Family & Consumer Science Programs	5,000	9,894	(4,894)
Miscellaneous Funds Expense	-	2,232	(2,232)
Grant Expenses	-	-	-
Total Expenditures	<u>40,000</u>	<u>44,757</u>	<u>(4,757)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,184)</u>	<u>\$ (7,184)</u>
Fund balance, beginning		<u>25,118</u>	
Fund balance, ending		<u>\$ 17,934</u>	

Beaufort County, North Carolina
EMS Billing and Collections Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Sales and Services:			
EMS Revenues	\$ 1,820,000	\$ 995,862	\$ (824,138)
Restricted Intergovernmental:			
Medicaid Cost Settlement	-	66,271	66,271
Total Revenues	<u>1,820,000</u>	<u>1,062,133</u>	<u>(757,867)</u>
Expenditures:			
Public Safety			
Emergency Medical Service	1,820,000	1,037,000	783,000
Medicaid Cost Settlement	-	-	-
Total Expenditures	<u>1,820,000</u>	<u>1,037,000</u>	<u>783,000</u>
Net change in fund balance	<u>\$ -</u>	25,133	<u>\$ 25,133</u>
Fund balance, beginning		<u>757,811</u>	
Fund balance, ending		<u>\$ 782,944</u>	

Beaufort County, North Carolina
CDBG - River Breeze Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CDBG Grant	\$ 400,000	\$ -	\$ -	\$ -	\$(400,000)
Local Contributions	30,000	5,000	-	5,000	(25,000)
Total revenues	<u>430,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(425,000)</u>
Expenditures:					
Economic and physical development					
Grant Administration	25,000	-	-	-	25,000
Grant Preparation	5,000	5,000	-	5,000	-
Building Improvements	400,000	-	-	-	400,000
Total expenditures	<u>430,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>425,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
ADFPTF 19-035-4028 Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFPTF Grant	\$ 22,750	\$ -	\$ -	\$ -	\$ (22,750)
USDA Revenue	15,340	-	-	-	(15,340)
Land Owner Contributions	11,870	-	-	-	(11,870)
Total revenues	<u>49,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,960)</u>
Expenditures:					
Economic and physical development					
Easement Purchase	30,620	-	-	-	30,620
Professional services	19,340	-	4,460	4,460	14,880
Total expenditures	<u>49,960</u>	<u>-</u>	<u>4,460</u>	<u>4,460</u>	<u>45,500</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,460)</u>	<u>(4,460)</u>	<u>(4,460)</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,460)</u>	<u>\$ (4,460)</u>	<u>\$ (4,460)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ (4,460)</u>		

Beaufort County, North Carolina
ADFPTF 24-038-4030 Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFPTF Grant	\$ 210,178	\$ -	\$ -	\$ -	\$(210,178)
Total revenues	<u>210,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(210,178)</u>
Expenditures:					
Economic and physical development					
ADFPTF Expenses	210,178	-	-	-	210,178
Total expenditures	<u>210,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,178</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Revaluation Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ 246	\$ 1,615	\$ 1,861	\$ 1,861
Total revenues	<u>-</u>	<u>246</u>	<u>1,615</u>	<u>1,861</u>	<u>1,861</u>
Expenditures:					
General Government					
Contract - Revaluation	1,241,082	375,687	417,569	793,256	447,826
Other Operating Expenses	101,000	21,255	21,934	43,189	57,811
Equipment Purchase	<u>25,000</u>	<u>18,797</u>	<u>-</u>	<u>18,797</u>	<u>6,203</u>
Total expenditures	<u>1,367,082</u>	<u>415,739</u>	<u>439,503</u>	<u>855,242</u>	<u>511,840</u>
Revenues over (under) expenditures	<u>(1,367,082)</u>	<u>(415,493)</u>	<u>(437,888)</u>	<u>(853,381)</u>	<u>513,701</u>
Other financing sources:					
Transfer from General Fund	218,415	218,415	-	218,415	-
Transfer from Revaluation Fund	<u>1,148,667</u>	<u>824,858</u>	<u>-</u>	<u>824,858</u>	<u>(323,809)</u>
Total other financing sources	<u>1,367,082</u>	<u>1,043,273</u>	<u>-</u>	<u>1,043,273</u>	<u>(323,809)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 627,780</u>	<u>(437,888)</u>	<u>\$ 189,892</u>	<u>\$ 189,892</u>
Fund balance, beginning			<u>627,780</u>		
Fund balance, end			<u>\$ 189,892</u>		

Beaufort County, North Carolina
NC Housing Finance Agency Essential Single Family Housing Loan Pool
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCHFA Grant	\$ 162,000	\$ -	\$ 22,180	\$ 22,180	\$ (139,820)
Total revenues	<u>162,000</u>	<u>-</u>	<u>22,180</u>	<u>22,180</u>	<u>(139,820)</u>
Expenditures:					
Economic and Physical Development					
Housing Rehab	162,000	-	22,830	22,830	139,170
Total expenditures	<u>162,000</u>	<u>-</u>	<u>22,830</u>	<u>22,830</u>	<u>139,170</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(650)</u>	<u>(650)</u>	<u>(650)</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(650)</u>	<u>\$ (650)</u>	<u>\$ (650)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ (650)</u>		

Beaufort County, North Carolina
Beaufort County Sheriff's Office Boat Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Regional Economic Development Reserve Funds	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	\$ -
Total revenues	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Expenditures:					
Public Safety					
Equipment Purchase	125,000	-	81,959	81,959	43,041
Total expenditures	<u>125,000</u>	<u>-</u>	<u>81,959</u>	<u>81,959</u>	<u>43,041</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>43,041</u>	<u>43,041</u>	<u>43,041</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>43,041</u>	<u>\$ 43,041</u>	<u>\$ 43,041</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 43,041</u>		

Beaufort County, North Carolina
State Centric Model Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
HMGP Federal/State Revenue	\$ 255,242	\$ -	\$ -	\$ -	\$ (255,242)
Total revenues	<u>255,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,242)</u>
Expenditures:					
Economic Development					
Management Cost	255,242	-	-	-	255,242
Total expenditures	<u>255,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,242</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Beaufort Promise Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ 253	\$ 2,943	\$ 3,196	\$ 3,196
Total revenues	<u>-</u>	<u>253</u>	<u>2,943</u>	<u>3,196</u>	<u>3,196</u>
Expenditures:					
Economic Development					
Scholarship - Beaufort Promise	1,000,000	249,558	120,331	369,889	630,111
Total expenditures	<u>1,000,000</u>	<u>249,558</u>	<u>120,331</u>	<u>369,889</u>	<u>630,111</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(249,305)</u>	<u>(117,388)</u>	<u>(366,693)</u>	<u>633,307</u>
Other financing sources:					
Transfer (to) from other funds	1,000,000	1,000,000	-	1,000,000	-
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 750,695</u>	<u>(117,388)</u>	<u>\$ 633,307</u>	<u>\$ 633,307</u>
Fund balance, beginning			<u>750,695</u>		
Fund balance, end			<u>\$ 633,307</u>		

Beaufort County, North Carolina
ADFPTF 21-003-4005 Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant Revenue	\$ 98,424	\$ -	\$ -	\$ -	\$ (98,424)
Total revenues	<u>98,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,424)</u>
Expenditures:					
Economic Development					
Stewardship Endowment	2,284	-	-	-	2,284
Property Survey	10,000	-	-	-	10,000
Baseline DOC Report	3,000	-	-	-	3,000
Environ Assessment /Audit	2,500	-	-	-	2,500
Legal Fees	3,500	-	-	-	3,500
Closing Cost	1,000	-	-	-	1,000
Easement Purchase	76,140	-	-	-	76,140
Total expenditures	<u>98,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,424</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Economic Development Grant Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Building Reuse Grant	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ -
City Contribution	5,000	-	5,000	5,000	-
Total revenues	<u>205,000</u>	<u>-</u>	<u>205,000</u>	<u>205,000</u>	<u>-</u>
Expenditures:					
Economic Development					
Grant Expense	210,000	-	210,000	210,000	-
Total expenditures	<u>210,000</u>	<u>-</u>	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Other financing sources:					
Transfer (to) from General Fund	5,000	-	5,000	5,000	-
Total other financing sources	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
IT Grant Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Homeland Security Grant	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Expenditures:					
General Government					
Planning Services	2,500	-	-	-	2,500
Organization	5,000	-	-	-	5,000
Equipment Purchase	104,084	-	-	-	104,084
Training	10,000	-	-	-	10,000
Exercises	5,000	-	-	-	5,000
Total expenditures	<u>126,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,584</u>
Revenues over (under) expenditures	<u>(26,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,584</u>
Other financing sources:					
Transfer from General Fund	26,584	-	26,584	26,584	-
Total other financing sources	<u>26,584</u>	<u>-</u>	<u>26,584</u>	<u>26,584</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	26,584	<u>\$ 26,584</u>	<u>\$ 26,584</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 26,584</u>		

Beaufort County, North Carolina
Blounts Creek VFD Fire Truck Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State Grant Revenue	\$ 625,000	\$ -	\$ 625,000	\$ 625,000	\$ -
Total revenues	<u>625,000</u>	<u>-</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Expenditures:					
Public Safety					
Grant Expense	625,000	-	625,000	625,000	-
Total expenditures	<u>625,000</u>	<u>-</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
BRIC Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
BRIC Grant Revenue	\$ 137,500	\$ -	\$ -	\$ -	\$ (137,500)
Total revenues	<u>137,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137,500)</u>
Expenditures:					
Public Safety					
BRIC Expenses General	151,250	-	-	-	151,250
Total expenditures	<u>151,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,250</u>
Revenues over (under) expenditures	<u>(13,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,750</u>
Other financing sources:					
Transfer from General Fund	13,750	-	13,750	13,750	-
Total other financing sources	<u>13,750</u>	<u>-</u>	<u>13,750</u>	<u>13,750</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,750	<u>\$ 13,750</u>	<u>\$ 13,750</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 13,750</u>		

Beaufort County, North Carolina
Beaufort County EM Communications Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
DOJ - Congressionally Recommended Awards	\$ 893,000	\$ -	\$ -	\$ -	\$ (893,000)
Total revenues	<u>893,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(893,000)</u>
Expenditures:					
Public Safety Equipment Purchase	893,000	-	-	-	893,000
Total expenditures	<u>893,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>893,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2024

Exhibit D-1

	Capital Improvements	Stream Debris Removal	Voting Machines Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek Project Fund	Harbor District Market Fund	Soil & Water Storage Bldg Fund
ASSETS									
Cash and Investments	\$ -	\$ -	\$ 116,842	\$ 5,649,061	\$ 1,360,168	\$ 3,401,744	\$ 515,630	\$ -	\$ 15,000
Accounts receivable (net)	-	117	-	-	6,035	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 116,842</u>	<u>\$ 5,649,061</u>	<u>\$ 1,366,203</u>	<u>\$ 3,401,744</u>	<u>\$ 515,630</u>	<u>\$ -</u>	<u>\$ 15,000</u>
LIABILITIES AND FUND									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 1,281	\$ -	\$ 3,748	\$ -	\$ -
Due to other funds	-	117	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>117</u>	<u>-</u>	<u>-</u>	<u>1,281</u>	<u>-</u>	<u>3,748</u>	<u>-</u>	<u>-</u>
Fund balances:									
Restricted:									
Stabilization by State Statute Economic and Physical Development	-	117	-	-	6,035	-	-	-	-
Cultural and Recreational Committed	-	-	116,842	5,649,061	1,358,887	3,401,744	511,882	-	-
Unassigned	-	(117)	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>116,842</u>	<u>5,649,061</u>	<u>1,364,922</u>	<u>3,401,744</u>	<u>511,882</u>	<u>-</u>	<u>15,000</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 116,842</u>	<u>\$ 5,649,061</u>	<u>\$ 1,366,203</u>	<u>\$ 3,401,744</u>	<u>\$ 515,630</u>	<u>\$ -</u>	<u>\$ 15,000</u>

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2024

Exhibit D-1

	EMS Storage Bldg Fund	NC Railroad Prep Grant Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Investments	\$ 17,648	\$ 280,000	\$ 11,356,093
Accounts receivable (net)	-	-	6,152
Total assets	<u>\$ 17,648</u>	<u>\$ 280,000</u>	<u>\$ 11,362,245</u>
LIABILITIES AND FUND			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,029
Due to other funds	-	-	117
Total liabilities	<u>-</u>	<u>-</u>	<u>5,146</u>
Fund balances:			
Restricted:			
Stabilization by State Statute Economic and Physical Development	-	-	6,152
Cultural and Recreational Committed	17,648	280,000	312,648
Unassigned	-	-	511,882
Total fund balances	<u>17,648</u>	<u>280,000</u>	<u>11,357,099</u>
Total liabilities and fund balances	<u>\$ 17,648</u>	<u>\$ 280,000</u>	<u>\$ 11,362,245</u>

Non-Major Capital Projects Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2024

	Capital Improvements	Stream Debris Removal	Voting Machines Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek Project Fund	Harbor District Market Fund	Soil & Water Storage Bldg Fund
Revenues:									
Restricted intergovernmental	\$ -	\$ 131,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Investment earnings	-	-	410	23,680	-	21,860	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>131,997</u>	<u>410</u>	<u>23,680</u>	<u>-</u>	<u>21,860</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Expenditures:									
Public Safety	-	-	-	-	-	-	-	-	-
Economic and physical	-	131,625	-	-	439,224	-	-	50,000	-
Cultural and Recreational	-	-	-	-	-	-	29,239	-	-
Total expenditures	<u>-</u>	<u>131,625</u>	<u>-</u>	<u>-</u>	<u>439,224</u>	<u>-</u>	<u>29,239</u>	<u>50,000</u>	<u>-</u>
Revenues over (under) expenditures	-	372	410	23,680	(439,224)	21,860	(29,239)	-	-
Other financing sources (uses):									
Transfers in (out)	(2,477)	-	30,000	-	605,620	-	-	-	15,000
Total other financing sources (uses)	<u>(2,477)</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>605,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net change in fund balances	(2,477)	372	30,410	23,680	166,396	21,860	(29,239)	-	15,000
Fund balances, beginning	<u>2,477</u>	<u>(372)</u>	<u>86,432</u>	<u>5,625,381</u>	<u>1,198,526</u>	<u>5,510,350</u>	<u>541,121</u>	<u>-</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,130,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,842</u>	<u>\$ 5,649,061</u>	<u>\$ 1,364,922</u>	<u>\$ 3,401,744</u>	<u>\$ 511,882</u>	<u>\$ -</u>	<u>\$ 15,000</u>

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2024

	EMS Storage Bldg Fund	NC Railroad Prep Grant Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ 181,997
Investment earnings	-	-	45,950
Other	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>227,947</u>
Expenditures:			
Public Safety	2,022	-	2,022
Economic and physical	-	-	620,849
Cultural and Recreational	-	-	29,239
Total expenditures	<u>2,022</u>	<u>-</u>	<u>652,110</u>
Revenues over (under) expenditures	(2,022)	-	(424,163)
Other financing sources (uses):			
Transfers in (out)	<u>19,670</u>	<u>280,000</u>	<u>947,813</u>
Total other financing sources (uses)	<u>19,670</u>	<u>280,000</u>	<u>947,813</u>
Net change in fund balances	17,648	280,000	523,650
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>12,963,915</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(2,130,466)</u>
Fund balances, ending	<u>\$ 17,648</u>	<u>\$ 280,000</u>	<u>\$ 11,357,099</u>

Beaufort County, North Carolina
Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Project expenses	\$ -	\$ 1,654	\$ -	\$ 1,654	\$ (1,654)
Total expenditures	<u>-</u>	<u>1,654</u>	<u>-</u>	<u>1,654</u>	<u>(1,654)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,654)</u>	<u>-</u>	<u>(1,654)</u>	<u>(1,654)</u>
Other financing sources (uses):					
Transfers from General Fund	57,244	4,131	-	4,131	(53,113)
Transfer to General Fund	<u>(57,244)</u>	<u>-</u>	<u>(2,477)</u>	<u>(2,477)</u>	<u>54,767</u>
Total other financing sources (uses)	<u>-</u>	<u>4,131</u>	<u>(2,477)</u>	<u>1,654</u>	<u>1,654</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,477</u>	<u>(2,477)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>2,477</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Stream Debris Removal Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
NC Department of					
Agriculture (171754042)	\$ 311,909	\$ 300,837	\$ -	\$ 300,837	\$ (11,072)
Stream Debris Removal					
(19-091-4057)	334,554	328,137	-	328,137	(6,417)
Stream Debris Removal					
(220804008)	334,931	173,683	64,221	237,904	(97,027)
Watershed Restoration					
Project (17-175-4087)	282,720	142,625	67,776	210,401	(72,319)
Total revenues	<u>1,264,114</u>	<u>945,282</u>	<u>131,997</u>	<u>1,077,279</u>	<u>(186,835)</u>
Expenditures					
Economic and physical					
development					
NC Department of					
Agriculture (171754042)	311,909	300,837	-	300,837	11,072
Stream Debris Removal					
(19-091-4057)	334,554	328,137	-	328,137	6,417
Stream Debris Removal					
(220804008)	334,931	173,683	64,221	237,904	97,027
Watershed Restoration					
Project (17-175-4087)	282,720	142,997	67,404	210,401	72,319
Total expenditures	<u>1,264,114</u>	<u>945,654</u>	<u>131,625</u>	<u>1,077,279</u>	<u>186,835</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (372)</u>	372	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>(372)</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Voting Machine Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings	\$ -	\$ 410	\$ 410
Total revenues	<u>-</u>	<u>410</u>	<u>410</u>
Expenditures			
Economic and physical development			
Capital outlay	30,000	-	30,000
Total expenditures	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>410</u>	<u>30,410</u>
Other Financing Source (Uses)			
Transfer from General Fund	30,000	30,000	-
Total other financing source (uses)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>30,410</u>	<u>\$ 30,410</u>
Fund balance, beginning		<u>86,432</u>	
Fund balance, end		<u>\$ 116,842</u>	

Beaufort County, North Carolina
Facility Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 23,680	\$ 23,680
Total revenues	<u>-</u>	<u>23,680</u>	<u>23,680</u>
Expenditures			
Economic and physical development			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>23,680</u>	<u>23,680</u>
Other Financing Source (Uses)			
Transfer from General Fund	605,620	605,620	-
Transfer to Capital Improvement Project	<u>(605,620)</u>	<u>(605,620)</u>	<u>-</u>
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>23,680</u>	<u>\$ 23,680</u>
Fund balance, beginning		<u>5,625,381</u>	
Fund balance, end		<u>\$ 5,649,061</u>	

Beaufort County, North Carolina
Facility Improvements Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Economic and Physical Development					
Courthouse Capital Improvement	663,650	645,896	1,035	646,931	16,719
ADA Improvements	86,878	4,965	-	4,965	81,913
Immediate Repairs and Int Upfit	70,122	45,457	-	45,457	24,665
Tideland Building Improvements	46,987	46,987	-	46,987	-
Financial Services Center Improvements	102,300	5,500	76,553	82,053	20,247
Card Access	150,000	19,645	17,160	36,805	113,195
Courthouse Improvement	180,063	4,402	-	4,402	175,661
CH Annex Window Replacement	134,000	117,745	10,751	128,496	5,504
Tideland - Outpatient Roof	189,500	4,091	163,881	167,972	21,528
BCSO - Interior Improvements	150,000	-	12,098	12,098	137,902
Maintenance Shop - Exterior	11,500	-	-	-	11,500
Francisco Window Replacement	35,000	18,039	4,500	22,539	12,461
BHM Exterior	55,000	-	-	-	55,000
Space Study	75,000	-	-	-	75,000
Tideland Roof - Phase II	350,000	196,754	153,246	350,000	-
Contingency	28,275	-	-	-	28,275
Jail Improvements	75,000	-	-	-	75,000
Admin Roof Replacement	190,000	-	-	-	190,000
DSS - Generator	125,000	-	-	-	125,000
DSS - Roof Coating	210,000	-	-	-	210,000
Contingency	5,620	-	-	-	5,620
Total expenditures	<u>2,933,895</u>	<u>1,109,481</u>	<u>439,224</u>	<u>1,548,705</u>	<u>1,385,190</u>
Revenues over (under) expenditures	<u>(2,933,895)</u>	<u>(1,109,481)</u>	<u>(439,224)</u>	<u>(1,548,705)</u>	<u>1,385,190</u>
Other Financing Source (Uses)					
Transfer from General Fund	245,650	245,650	-	245,650	-
Transfer from Facility Capital Reserve Fund	2,688,245	2,062,357	605,620	2,667,977	20,268
Total other financing source (uses)	<u>2,933,895</u>	<u>2,308,007</u>	<u>605,620</u>	<u>2,913,627</u>	<u>20,268</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,198,526</u>	166,396	<u>\$ 1,364,922</u>	<u>\$ 1,364,922</u>
Fund balance, beginning			<u>1,198,526</u>		
Fund balance, end			<u>\$ 1,364,922</u>		

Beaufort County, North Carolina
Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Investment Earnings	\$ -	\$ 1,850	\$ 21,860	\$ 23,710	\$ 23,710
Total revenues	-	1,850	21,860	23,710	23,710
Expenditures					
Capital Outlay					
Jail Improvements	\$ 49,500	\$ 41,000	\$ -	\$ 41,000	\$ 8,500
BHM Library	100,000	100,000	-	100,000	-
Capital Outlay - Multi-Purpose					
Building	1,500,000	-	-	-	1,500,000
Future Expenses	1,869,534	-	-	-	1,869,534
Total expenditures	3,519,034	141,000	-	141,000	3,378,034
Other Financing Sources (Uses)					
Transfer from General Fund	3,519,034	3,519,034	-	3,519,034	-
Transfer from ARP Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	3,519,034	3,519,034	-	3,519,034	-
Net change in fund balance	\$ -	\$ 3,379,884	21,860	\$ 3,401,744	\$ 3,401,744
Fund balance, beginning			5,510,350		
Prior Period Adjustment (see Note IX)			(2,130,466)		
Fund balance, end			\$ 3,401,744		

Beaufort County, North Carolina
Wrights Creek PARTF Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
PARTF - Wrights Creek Phase III	\$ 405,000	\$ -	\$ -	\$ -	\$ (405,000)
PARTF - Wrights Creek Phase II	249,895	-	-	-	(249,895)
NC Coastal Federation Grant	287,050	-	-	-	(287,050)
Total revenues	<u>941,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(941,945)</u>
Expenditures					
Cultural and Recreational					
Phase III:					
Administrative Costs	25,711	-	1,488	1,488	24,223
Supplies and Materials	271,171	-	-	-	271,171
Contract Services	180,780	-	-	-	180,780
Planning and Design	62,270	-	24,090	24,090	38,180
Phase II:					
Planning and Design	-	-	298	298	(298)
Rip Rap Erosion	280,000	-	-	-	280,000
Canoe / Kayak Launch	28,000	-	-	-	28,000
Walking Path	65,000	-	-	-	65,000
Fishing Pier	22,300	-	-	-	22,300
Picnic Shelters	20,000	-	-	-	20,000
Site Amenities	4,300	-	-	-	4,300
Parking / Access	15,000	-	-	-	15,000
Planning and Design	43,460	16,356	3,363	19,719	23,741
Contingency	21,730	-	-	-	21,730
Coastal Federation Grant					
Contract Design	227,350	-	-	-	227,350
Planning and Design	59,700	-	-	-	59,700
Total expenditures	<u>1,326,772</u>	<u>16,356</u>	<u>29,239</u>	<u>45,595</u>	<u>1,281,177</u>
Other Financing Sources (Uses)					
Transfer from General Fund	384,827	557,477	-	557,477	172,650
Total Other Financing Sources (Uses)	<u>384,827</u>	<u>557,477</u>	<u>-</u>	<u>557,477</u>	<u>172,650</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 541,121</u>	<u>(29,239)</u>	<u>\$ 511,882</u>	<u>\$ 511,882</u>
Fund balance, beginning			<u>541,121</u>		
Fund balance, end			<u>\$ 511,882</u>		

Beaufort County, North Carolina
Harbor District Market Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFP Trust Fund	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ -
Total revenues	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>	<u>-</u>
Expenditures					
Economic and Physical Development					
Capital Outlay	100,000	50,000	50,000	100,000	-
Total expenditures	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer from (to) Capital Reserve	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Soil and Water Storage Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Economic & Physical Development					
Capital Outlay	15,000	-	-	-	15,000
Total expenditures	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Other Financing Sources (Uses)					
Transfer from General Fund	15,000	-	15,000	15,000	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,000	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 15,000</u>		

Beaufort County, North Carolina
EMS Storage Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Public Safety					
Capital Outlay	19,670	-	2,022	2,022	17,648
Total expenditures	<u>19,670</u>	<u>-</u>	<u>2,022</u>	<u>2,022</u>	<u>17,648</u>
Other Financing Sources (Uses)					
Transfer from General Fund	19,670	-	19,670	19,670	-
Total Other Financing Sources (Uses)	<u>19,670</u>	<u>-</u>	<u>19,670</u>	<u>19,670</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	17,648	<u>\$ 17,648</u>	<u>\$ 17,648</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 17,648</u>		

Beaufort County, North Carolina
NC Railroad Prep Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental					
Grant Revenue	\$ 420,000	\$ -	\$ -	\$ -	\$ (420,000)
Total revenues	<u>420,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(420,000)</u>
Expenditures					
Economic and Physical Development					
Choco Industrial Park Improvements	700,000	-	-	-	700,000
Total expenditures	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Other Financing Sources (Uses)					
Transfer from General Fund	280,000	-	280,000	280,000	-
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>-</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	280,000	<u>\$ 280,000</u>	<u>\$ 280,000</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 280,000</u>		

ENTERPRISE FUNDS

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

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For the Year Ended June 30, 2024

	2024 <u>Budget</u>	2024 <u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Solid waste fees	\$ 4,129,432	\$ 4,163,309	\$
Scrap tire disposal fees	99,000	96,392	
White goods disposal fees	24,000	25,634	
Solid waste disposal fees	34,000	32,516	
Interest/tax collections	45,000	53,603	
Miscellaneous	-	140	
Total operating revenues	<u>4,331,432</u>	<u>4,371,594</u>	<u>40,162</u>
Nonoperating Revenues:			
Investment Earnings	<u>45,000</u>	<u>32,287</u>	
Total nonoperating revenues	<u>45,000</u>	<u>32,287</u>	<u>(12,713)</u>
Expenditures:			
Administration:			
Salaries and Employee Benefits	55,818	55,933	
Computer Support	2,000	2,000	
Contract Services	29,000	24,631	
Insurance and Bonds	950	949	
Other Expenses	2,250	581	
Telephone	9,200	8,539	
Administrative Cost to General Fund	<u>119,389</u>	<u>119,389</u>	
Total	<u>218,607</u>	<u>212,022</u>	<u>6,585</u>
Solid waste fees and expenses			
Landfill	1,469,550	1,412,204	
Transfer station	1,680,000	1,595,290	
Convenience	472,060	461,255	
Disposal fees	253,200	243,613	
Maintenance	130,000	104,358	
Utilities	3,500	3,138	
Professional services	55,474	11,400	
Recycling - Electronics	144,500	140,036	
Capital Outlay	-	28,308	
Total	<u>4,208,284</u>	<u>3,999,602</u>	<u>208,682</u>
Budgetary appropriations:			
Debt Service	<u>9,940</u>	<u>10,040</u>	<u>(100)</u>
Total Expenditures	<u>4,436,831</u>	<u>4,221,664</u>	<u>215,167</u>
Revenues over (under) Expenditures	<u>(60,399)</u>	<u>182,217</u>	<u>242,616</u>

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For the Year Ended June 30, 2024

	2024 <u>Budget</u>	2024 <u>Actual</u>	Variance Positive (Negative)
Other Financing Sources (Uses):			
Lease liability issued	-	28,308	28,308
Transfer out - Solid Waste project	(227,369)	(227,369)	-
Appropriated Fund Balance	<u>287,768</u>	<u>-</u>	<u>(287,768)</u>
Total Other Financing Sources (Uses)	<u>60,399</u>	<u>(199,061)</u>	<u>(259,460)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ (16,844)	\$ <u>(16,844)</u>

**Reconciliation from budgetary basis (modified)
accrual to full accrual:**

Depreciation	(827)
Lease Liability	(28,308)
Right to Use Assets	28,308
Principal Payments - Lease Liability	10,040
Amortization - Right to Use Assets	(8,681)
Transfers from other funds (E-1a)	<u>227,369</u>
Total Reconciling Items	<u>227,901</u>
Change in net position	\$ <u>211,057</u>

Beaufort County, North Carolina
Solid Waste Convenience Sites Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures					
Convenience Site Rehab / Repair	\$ 423,070	\$ 83,630	\$ 316,787	\$ 400,417	\$ 22,653
Total expenditures	<u>423,070</u>	<u>83,630</u>	<u>316,787</u>	<u>400,417</u>	<u>22,653</u>
Revenues over (under) expenditures	<u>(423,070)</u>	<u>(83,630)</u>	<u>(316,787)</u>	<u>(400,417)</u>	<u>22,653</u>
Other Financing Source (Uses)					
Transfer from Solid Waste Fund	423,070	195,701	227,369	423,070	-
Total other financing source (uses)	<u>423,070</u>	<u>195,701</u>	<u>227,369</u>	<u>423,070</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 112,071</u>	<u>\$ (89,418)</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For the Year Ended June 30, 2024

Exhibit E-2

	2024 Budget	2024 Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 8,221,400	\$ 8,383,129	\$
Tap on fees	250,000	219,100	
Miscellaneous	194,100	221,710	
Total operating revenues	<u>8,665,500</u>	<u>8,823,939</u>	<u>158,439</u>
Nonoperating revenues:			
Interest Earned on Investments	80,000	79,669	
Total Nonoperating Revenues	<u>80,000</u>	<u>79,669</u>	<u>(331)</u>
Total Revenues	<u>8,745,500</u>	<u>8,903,608</u>	<u>158,108</u>
Expenditures:			
Administration:			
Supplies	4,000	3,920	
Telephone	47,000	44,306	
Travel	113,000	111,597	
Utilities	213,225	199,537	
Computer support	129,700	85,858	
Other administration expenses	188,260	205,079	
Total	<u>695,185</u>	<u>650,297</u>	<u>44,888</u>
Water treatment and distribution			
Salaries and employee benefits	1,907,553	1,889,212	
Water purchase	1,035,713	1,131,065	
Supplies	539,300	497,461	
Maintenance	398,339	354,048	
Other expenses	600,573	542,570	
Administrative Cost to General Fund	278,578	278,578	
Total	<u>4,760,056</u>	<u>4,692,934</u>	<u>67,122</u>
Budgetary appropriations:			
Capital outlay	304,138	178,582	
Principal payment on long term debt	2,370,527	2,370,525	
Interest, fees, and amortization	686,679	687,373	
Total	<u>3,437,446</u>	<u>3,236,480</u>	<u>200,966</u>
Total Expenditures	<u>8,892,687</u>	<u>8,579,711</u>	<u>312,976</u>
Revenues over (under) Expenditures	<u>(147,187)</u>	<u>323,897</u>	<u>471,084</u>

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For the Year Ended June 30, 2024

Exhibit E-2

	2024 Budget	2024 Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	(97,308)	(44,250)	53,058
Total Other Financing Sources (Uses)	(97,308)	(44,250)	53,058
Fund Balance Appropriated	244,495	-	(244,495)
Revenues and other financing sources (uses) over expenditures	\$ -	\$ 279,647	\$ 279,647

Reconciliation from budgetary basis (modified) accrual to full accrual:

Revenues over Expenditures and other financing sources		\$ 279,647	
Depreciation		(2,500,882)	
Amortization		(16,509)	
Debt principal		2,370,525	
Capital outlay		171,581	
Principal Payment - IT Subscription Agreement		1,255	
Increase (decrease) in deferred outflows of resources - pension		10,789	
(Increase) decrease in net pension liability		(81,432)	
(Increase) decrease in deferred inflows of resources - pension		(9,543)	
Increase (decrease) in deferred outflows of resources - OPEB		(88,557)	
(Increase) decrease in total OPEB liability		(27,584)	
(Increase) decrease in deferred inflows of resources - OPEB		(4,695)	
(Increase) decrease in accrued vacation payable		11,429	
Capital contributions (Project Funds)		12,097	
Investment Earnings (Project Funds)		5,700	
Transfers In (Out) (Project Funds)		14,250	
Total reconciling items		(131,576)	
Change in net position		\$ 148,071	

Beaufort County, North Carolina
CL2 Conversion Project - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0090	\$ 401,100	\$120,030	\$ -	\$ 120,030	\$ (281,070)
Total revenues	<u>401,100</u>	<u>120,030</u>	<u>-</u>	<u>120,030</u>	<u>(281,070)</u>
Expenditures					
Construction - Contract No. 1	350,000	136,552	-	136,552	213,448
Planning and engineering prior to construction	42,300	12,960	-	12,960	29,340
Technical services during construction	92,700	35,009	-	35,009	57,691
Administration	14,000	10,954	-	10,954	3,046
Land purchase	1,000	-	-	-	1,000
Contingency	26,110	-	-	-	26,110
Other	8,690	5,135	-	5,135	3,555
Total expenditures	<u>534,800</u>	<u>200,610</u>	<u>-</u>	<u>200,610</u>	<u>334,190</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(80,580)</u>	<u>-</u>	<u>(80,580)</u>	<u>53,120</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	80,580	-	80,580	(53,120)
Total other financing source (uses)	<u>133,700</u>	<u>80,580</u>	<u>-</u>	<u>80,580</u>	<u>(53,120)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Gaylord Booster Pump Station 53 - Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0010	\$ 1,453,500	\$ 1,345,983	\$ -	\$ 1,345,983	\$ (107,517)
Sales tax refunds	38,947	-	-	-	(38,947)
Total revenues	<u>1,492,447</u>	<u>1,345,983</u>	<u>-</u>	<u>1,345,983</u>	<u>(146,464)</u>
Expenditures					
Construction - Contract No. 1	1,769,021	1,660,437	-	1,660,437	108,584
Planning and engineering prior to construction	136,700	116,235	-	116,235	20,465
Technical services during construction	138,582	134,199	-	134,199	4,383
Administration	7,644	1,239	-	1,239	6,405
Closing fees	31,493	31,493	-	31,493	-
Contingency	-	-	-	-	-
Total expenditures	<u>2,083,440</u>	<u>1,943,603</u>	<u>-</u>	<u>1,943,603</u>	<u>139,837</u>
Revenues over (under) expenditures	<u>(590,993)</u>	<u>(597,620)</u>	<u>-</u>	<u>(597,620)</u>	<u>(6,627)</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	484,500	448,661	-	448,661	(35,839)
Transfers In	106,493	106,493	-	106,493	-
Total other financing source (uses)	<u>590,993</u>	<u>555,154</u>	<u>-</u>	<u>555,154</u>	<u>(35,839)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (42,466)</u>	<u>\$ -</u>	<u>\$ (42,466)</u>	<u>\$ (42,466)</u>

Beaufort County, North Carolina
Southside Water Treatment Plant Expansion - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant -					
H-SRP-D-17-0019	\$ 2,250,000	\$ 416,599	\$ -	\$416,599	\$ (1,833,401)
Sales tax refund	30,000	-	-	-	(30,000)
Total revenues	<u>2,280,000</u>	<u>416,599</u>	<u>-</u>	<u>416,599</u>	<u>(1,863,401)</u>
Expenditures					
Construction - Contract No. 1	1,108,191	224,601	-	224,601	883,590
Construction - Contract No. 2	1,346,205	74,637	-	74,637	1,271,568
Planning and engineering prior to construction	212,840	208,465	-	208,465	4,375
Technical services during construction	302,140	69,165	-	69,165	232,975
Administration	6,000	974	-	974	5,026
Closing fees	48,750	48,750	-	48,750	-
Contingency	54,624	-	-	-	54,624
Total expenditures	<u>3,078,750</u>	<u>626,592</u>	<u>-</u>	<u>626,592</u>	<u>2,452,158</u>
Revenues over (under) expenditures	<u>(798,750)</u>	<u>(209,993)</u>	<u>-</u>	<u>(209,993)</u>	<u>588,757</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	750,000	138,856	-	138,856	(611,144)
Transfers from Other Funds	48,750	48,750	-	48,750	-
Total other financing source (uses)	<u>798,750</u>	<u>187,606</u>	<u>-</u>	<u>187,606</u>	<u>(611,144)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (22,387)</u>	<u>\$ -</u>	<u>\$ (22,387)</u>	<u>\$ (22,387)</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0091	\$ 733,500	\$ 226,128	\$ -	\$ 226,128	\$ (507,372)
Total revenues	<u>733,500</u>	<u>226,128</u>	<u>-</u>	<u>226,128</u>	<u>(507,372)</u>
Expenditures					
Construction - Contract No. 1	700,000	277,491	-	277,491	422,509
Planning and engineering prior to construction	76,600	29,226	-	29,226	47,374
Technical services during construction	116,600	37,392	-	37,392	79,208
Administration	14,000	10,960	-	10,960	3,040
Land purchase	1,000	-	-	-	1,000
Contingency	53,818	-	-	-	53,818
Other	15,982	8,812	-	8,812	7,170
Total expenditures	<u>978,000</u>	<u>363,881</u>	<u>-</u>	<u>363,881</u>	<u>614,119</u>
Revenues over (under) expenditures	<u>(244,500)</u>	<u>(137,753)</u>	<u>-</u>	<u>(137,753)</u>	<u>106,747</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	244,500	137,753	-	137,753	(106,747)
Total other financing source (uses)	<u>244,500</u>	<u>137,753</u>	<u>-</u>	<u>137,753</u>	<u>(106,747)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
CL2 Conversion Project- Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant -					
H-SRP-D-17-0085	\$ 401,100	\$ 116,939	\$ -	\$ 116,939	\$ (284,161)
Total revenues	<u>401,100</u>	<u>116,939</u>	<u>-</u>	<u>116,939</u>	<u>(284,161)</u>
Expenditures					
Construction - Contract No. 1	350,000	138,102	-	138,102	211,898
Planning and engineering prior to					
construction	42,300	13,608	-	13,608	28,692
Technical services during construction	93,700	31,419	-	31,419	62,281
Administration	13,000	10,955	-	10,955	2,045
Land purchase	1,000	-	-	-	1,000
Contingency	26,110	-	-	-	26,110
Other	8,690	5,273	-	5,273	3,417
Total expenditures	<u>534,800</u>	<u>199,357</u>	<u>-</u>	<u>199,357</u>	<u>335,443</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(82,418)</u>	<u>-</u>	<u>(82,418)</u>	<u>51,282</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	82,418	-	82,418	(51,282)
Total other financing source (uses)	<u>133,700</u>	<u>82,418</u>	<u>-</u>	<u>82,418</u>	<u>(51,282)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District VI
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0093	\$ 1,115,000	\$ 38,404	\$ -	\$ 38,404	\$ (1,076,596)
Total revenues	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Expenditures					
Construction - Contract No. 1	1,650,000	-	-	-	1,650,000
Planning and engineering prior to construction	159,200	66,112	-	66,112	93,088
Technical services during construction	242,800	-	-	-	242,800
Administration	13,100	10,695	-	10,695	2,405
Land purchase	1,000	-	-	-	1,000
Contingency	124,875	-	-	-	124,875
Other	39,025	23,161	-	23,161	15,864
Total expenditures	<u>2,230,000</u>	<u>99,968</u>	<u>-</u>	<u>99,968</u>	<u>2,130,032</u>
Revenues over (under) expenditures	<u>(1,115,000)</u>	<u>(61,564)</u>	<u>-</u>	<u>(61,564)</u>	<u>1,053,436</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Total other financing source (uses)	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (23,160)</u>	<u>\$ -</u>	<u>\$ (23,160)</u>	<u>\$ (23,160)</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0089	\$ 504,000	\$ 20,704	\$ -	\$ 20,704	\$ (483,296)
Total revenues	<u>504,000</u>	<u>20,704</u>	<u>-</u>	<u>20,704</u>	<u>(483,296)</u>
Expenditures					
Construction - Contract No. 1	450,000	-	-	-	450,000
Planning and engineering prior to construction	52,500	16,905	-	16,905	35,595
Technical services during construction	110,600	-	-	-	110,600
Administration	13,000	10,700	-	10,700	2,300
Land purchase	1,000	-	-	-	1,000
Contingency	33,980	-	-	-	33,980
Other	10,920	6,520	-	6,520	4,400
Total expenditures	<u>672,000</u>	<u>34,125</u>	<u>-</u>	<u>34,125</u>	<u>637,875</u>
Revenues over (under) expenditures	<u>(168,000)</u>	<u>(13,421)</u>	<u>-</u>	<u>(13,421)</u>	<u>154,579</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	168,000	6,901	-	6,901	\$ (161,099)
Total other financing source (uses)	<u>168,000</u>	<u>6,901</u>	<u>-</u>	<u>6,901</u>	<u>(161,099)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (6,520)</u>	<u>\$ -</u>	<u>\$ (6,520)</u>	<u>\$ (6,520)</u>

Beaufort County, North Carolina
Advanced Metering Infrastructure Fund - All Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Sales tax refunds	\$ 212,558	\$ 152,372	\$ -	\$ 152,372	\$ (60,186)
Investment Earnings	-	86,971	-	86,971	86,971
Miscellaneous Revenue	-	16,778	-	16,778	16,778
Total revenues	<u>212,558</u>	<u>256,121</u>	<u>-</u>	<u>256,121</u>	<u>43,563</u>
Expenditures					
System improvements	4,403,698	4,386,265	9,550	4,395,815	7,883
Program management	237,985	221,991	-	221,991	15,994
Other fees/charges	5,000	1,250	-	1,250	3,750
Contingency	65,875	-	-	-	65,875
Total expenditures	<u>4,712,558</u>	<u>4,609,506</u>	<u>9,550</u>	<u>4,619,056</u>	<u>93,502</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>(4,353,385)</u>	<u>(9,550)</u>	<u>(4,362,935)</u>	<u>137,065</u>
Other Financing Source (Uses)					
Installment proceeds	4,500,000	4,500,000	-	4,500,000	-
Total other financing source (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 146,615</u>	<u>\$ (9,550)</u>	<u>\$ 137,065</u>	<u>\$ 137,065</u>

Beaufort County, North Carolina
Swan Point Mobile Home Park - Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures					
Engineering	\$ 23,030	\$ 5,823	\$ 17,207	\$ 23,030	\$ -
Total expenditures	<u>23,030</u>	<u>5,823</u>	<u>17,207</u>	<u>23,030</u>	<u>-</u>
Revenues over (under) expenditures	<u>(23,030)</u>	<u>(5,823)</u>	<u>(17,207)</u>	<u>(23,030)</u>	<u>-</u>
Other Financing Source (Uses)					
Transfer from Water Districts	23,030	23,030	-	23,030	-
Total other financing source (uses)	<u>23,030</u>	<u>23,030</u>	<u>-</u>	<u>23,030</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 17,207</u>	<u>\$ (17,207)</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
American Rescue Plan Act - Water Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Owners Contribution	\$ 79,513	\$ 79,513	\$ (45,750)	\$ 33,763	\$ (45,750)
Investment earnings	-	512	5,700	6,212	6,212
Total revenues	<u>79,513</u>	<u>80,025</u>	<u>(40,050)</u>	<u>39,975</u>	<u>(39,538)</u>
Expenditures:					
Economic and physical development					
Capital Outlay - SCADA	700,000	-	-	-	700,000
Capital Outlay - Swan Point	266,513	206,091	10,955	217,046	49,467
Capital Outlay - Tank Mixers	112,000	-	-	-	112,000
Capital Outlay - Directional Drill	285,000	-	-	-	285,000
Capital Outlay - Line Upgrades	325,000	-	-	-	325,000
Total expenditures	<u>1,688,513</u>	<u>206,091</u>	<u>10,955</u>	<u>217,046</u>	<u>1,471,467</u>
Revenues over (under) expenditures	<u>(1,609,000)</u>	<u>(126,066)</u>	<u>(51,005)</u>	<u>(177,071)</u>	<u>1,431,929</u>
Other financing sources:					
Transfer (to) from other funds	<u>1,609,000</u>	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>-</u>
Total other financing sources	<u>1,609,000</u>	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,482,934</u>	<u>\$ (51,005)</u>	<u>\$ 1,431,929</u>	<u>\$ 1,431,929</u>

Beaufort County, North Carolina
NCDOT NC 33 Water Line Relocation - Water Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
NCDOT Reimbursement	\$ 966,448	\$ -	\$ 57,847	\$ 57,847	\$ (908,601)
Total revenues	<u>966,448</u>	<u>-</u>	<u>57,847</u>	<u>57,847</u>	<u>(908,601)</u>
Expenditures:					
Construction Relocation	845,640	-	-	-	845,640
Planning Design	57,848	57,847	-	57,847	1
Construction Administration	27,660	-	-	-	27,660
Construction Observation	28,800	-	-	-	28,800
NCDOT Reimbursable	2,500	-	522	522	1,978
Legal Expenses	2,500	-	-	-	2,500
Advertisement Fee	1,500	-	-	-	1,500
Total expenditures	<u>966,448</u>	<u>57,847</u>	<u>522</u>	<u>58,369</u>	<u>908,079</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (57,847)</u>	<u>\$ 57,325</u>	<u>\$ (522)</u>	<u>\$ (522)</u>

Beaufort County, North Carolina
BRIC Grant Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
BRIC Grant Revenue	\$ 142,500	\$ -	\$ -	\$ -	\$ (142,500)
Total Revenues	<u>142,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,500)</u>
Expenditures					
Engineering	156,750	-	-	-	156,750
Total expenditures	<u>156,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,750</u>
Revenues over (under) expenditures	<u>(14,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,250</u>
Other financing sources:					
Transfer (to) from other funds	14,250	-	14,250	14,250	-
Total other financing sources	<u>14,250</u>	<u>-</u>	<u>14,250</u>	<u>14,250</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ 14,250</u>	<u>\$ 14,250</u>

INTERNAL SERVICE FUND

This fund is used to account for the financing of goods and services to other County funds and departments on a cost-reimbursement basis. The County maintains one Internal Service Fund - Workers Comp Fund.

Beaufort County, North Carolina
Internal Service Fund
Workers Compensation Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Expenses:			
Workers Comp Claims	\$ 60,000	\$ 60,914	\$ (914)
Total operating expenses	<u>60,000</u>	<u>60,914</u>	<u>(914)</u>
Operating income (loss)	<u>(60,000)</u>	<u>(60,914)</u>	<u>(914)</u>
Nonoperating Revenues:			
Investment Earnings	-	3,269	3,269
Total nonoperating revenues	<u>-</u>	<u>3,269</u>	<u>3,269</u>
Other Financing Sources (Uses):			
Transfer in - General Fund	200,000	200,000	-
Transfer in - Water Fund	30,000	30,000	-
Reserve for future claims	<u>(170,000)</u>	<u>-</u>	<u>170,000</u>
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>230,000</u>	<u>170,000</u>
Change in net position	<u>\$ -</u>	172,355	<u>\$ 172,355</u>
Net Position:			
Beginning of Year - July 1		<u>723,567</u>	
End of Year - June 30		<u>\$ 895,922</u>	

CUSTODIAL FUNDS

Custodial funds are used to account for assets the County holds on behalf of others
that meet certain criteria

Beaufort County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

Exhibit G-1

	Municipal Tax Fund	Drainage Assessment Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 169,641	\$ 345	\$ 22,164	\$ 192,150
Taxes receivable for other governments, net	311,153	7,912	-	319,065
Total assets	<u>480,794</u>	<u>8,257</u>	<u>22,164</u>	<u>511,215</u>
LIABILITIES				
Due to other governments	<u>169,641</u>	<u>345</u>	<u>-</u>	<u>169,986</u>
Total liabilities	<u>169,641</u>	<u>345</u>	<u>-</u>	<u>169,986</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	311,153	7,912	22,164	341,229
Total net position	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 22,164</u>	<u>\$ 341,229</u>

Beaufort County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

Exhibit G-2

	<u>Municipal Tax Fund</u>	<u>Drainage Assessment Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Ad valorem taxes for other governments	\$ 7,326,128	\$ -	\$ -	\$ 7,326,128
Collections on behalf of inmates	-	-	184,273	184,273
Drainage assessments	-	365,848	-	365,848
Total additions	<u>7,326,128</u>	<u>365,848</u>	<u>184,273</u>	<u>7,876,249</u>
DEDUCTIONS				
Tax distributions to other governments	7,326,128	365,848	-	7,691,976
Payments on behalf of inmates	-	-	179,777	179,777
Total deductions	<u>7,326,128</u>	<u>365,848</u>	<u>179,777</u>	<u>7,871,753</u>
Net increase (decrease) in fiduciary net position	-	-	4,496	4,496
Net position, beginning	<u>311,153</u>	<u>7,912</u>	<u>17,668</u>	<u>336,733</u>
Net position, ending	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 22,164</u>	<u>\$ 341,229</u>

OTHER SCHEDULES

This section includes additional information on property taxes.

Beaufort County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2024

Exhibit H-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	\$ -	\$ 40,648,067	\$ 40,074,940	\$ 573,127
2022-2023	494,483	-	195,845	298,638
2021-2022	250,189	-	69,621	180,568
2020-2021	209,931	-	49,819	160,112
2019-2020	157,660	-	26,418	131,242
2018-2019	130,709	-	18,326	112,383
2017-2018	96,838	-	11,183	85,655
2016-2017	86,103	-	8,224	77,879
2015-2016	72,658	-	5,068	67,590
2014-2015	57,803	-	5,344	52,459
2013-2014	88,947	-	88,947	-
Totals	<u>\$ 1,645,321</u>	<u>\$ 40,648,067</u>	<u>\$ 40,553,735</u>	<u>\$ 1,739,653</u>
				<u>572,576</u>
				<u>\$ 1,167,077</u>
<u>Reconciliation with revenues:</u>				
				\$ 40,736,040
				(297,235)
				88,947
				24,942
				1,041
				<u>\$ 40,553,735</u>

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Year Ended June 30, 2024

Exhibit H-2

	County - wide		Total Levy		
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate	\$ 6,442,994,880	0.625	\$ 40,268,718	\$ 36,044,540	\$ 4,224,178
Total	6,442,994,880		40,268,718	36,044,540	4,224,178
Discoveries	60,695,840	0.625	379,349	379,349	-
Totals	<u>\$ 6,503,690,720</u>				
Net levy			40,648,067	36,423,889	4,224,178
Current year's taxes collected			40,074,940	35,850,762	4,224,178
Uncollected taxes at June 30, 2024			\$ 573,127	\$ 573,127	\$ -
Current levy collection percentage			<u>98.59%</u>	<u>98.43%</u>	<u>100.00%</u>

Beaufort County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2024

Taxpayer	Type of Business	Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company Inc.	Phosphate Mining/Acid Production	\$ 1,092,279,822	16.79%
Weyerhaeuser Co.	Tree Farm Operation	110,884,104	1.70%
Purified Acid Partnership	Acid Production	54,285,664	0.83%
Wilkinson Solar LLC	Solar Farm	38,660,010	0.59%
Dominion North Carolina Power	Power	30,907,809	0.48%
Tideland EMC	Power	29,777,171	0.46%
Duke Energy Progress, Inc.	Power	24,164,879	0.37%
FPI Carolinas LLC	Agriculture	14,084,413	0.22%
Caterpillar Financial Services	Equipment Leasing	20,516,306	0.32%
Gregory Poole Leasing LLC	Equipment Leasing	14,960,365	0.23%

COMPLIANCE SECTION

The Compliance Section contains the audited Schedule of Expenditures of Federal and State Awards (grants).



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**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Beaufort County's basic financial statements, and have issued our report thereon dated November 6, 2024. Our report includes reference to other auditors who audited the financial statements of the Beaufort County ABC Board, as described in our report on Beaufort County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported by those auditors. The financial statements of the Beaufort County ABC Board were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beaufort County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompany schedule of findings and questioned costs as item [2024-001] that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaufort County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Beaufort County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's responses to the findings identified in our audit which are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 6, 2024



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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Beaufort County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Beaufort County's major federal programs for the year ended June 30, 2024. Beaufort County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Beaufort County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Beaufort County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beaufort County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beaufort County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beaufort County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Beaufort County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-002, 2024-003, and 2024-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Beaufort County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Beaufort County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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**Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance With
OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Beaufort County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Beaufort County's major State programs for the year ended June 30, 2024. Beaufort County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Beaufort County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Beaufort County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beaufort County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beaufort County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beaufort County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Beaufort County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-002, 2024-003, and 2024-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Beaufort County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Beaufort County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 6, 2024

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? ___yes ___X_no
- Significant Deficiency(s) identified ___X_yes ___none reported

Noncompliance material to financial statements noted ___yes ___X_no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? ___yes ___X_no
- Significant Deficiency(s) identified ___X_yes ___none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___X_yes ___no

Identification of major federal programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
10.561	State Administrative Matching Grants for
93.558	Supplemental Nutrition Assist. Program
93.658, 93.659	Temporary Assistance for Needy Families (TANF)
93.778	Foster Care and Adoption Cluster Medical Assistance Program

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

Auditee qualified as low-risk auditee? ___X_yes ___no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ___yes ___X_no

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I. Summary of Auditors' Results (continued)

• Significant Deficiency(s) identified X yes none reported

Type of auditors' report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name
Foster Care and Adoption Cluster
Medical Assistance Program
Public School Building Capital Fund - Lottery Proceeds
ARPA Temporary Savings Fund

Dollar threshold used to determine a State major program \$ 500,000

Auditee qualified as State low-risk auditee? X yes no

Section II. Financial Statement Findings

Finding: 2024-001 **Correction of an Error in Previously Issued Financial Statements**

SIGNIFICANT DEFICENCY

Criteria: Management should have a system in place to verify that transactions are recorded in the correct fund, thereby reducing the likelihood of errors in financial reporting.

Condition: Funds that were designated for Broad Band projects were accounted for in the General Fund Projects Fund rather than the ARPA Special Revenue Fund in the FY 22/23 financial statements, which caused the unspent ARPA funds liability to be understated by \$2,130,466 in the ARPA Special Revenue Fund at June 30, 2023. An adjustment in the amount of \$2,130,466 was done to adjust cash and unspent grant funds in the ARPA Special Revenue Fund that had a zero effect on the fund statements. The Capital Project Fund fund balance decreased by \$2,130,466 as a result of moving these funds back to the ARPA Special Revenue Fund for the Broadband Project.

Additionally, an adjustment was made to adjust the Revolving Loan outstanding balances to agree to the confirmations. At the time the original postings were made, \$19,166 should have been recorded as grants instead of loans, so an adjustment was made to adjust those balances for WD I, WD IV, and WD V projects, which increased net position in the Water Fund by \$19,166.

An adjustment was also made to record beginning balances for two leases that were not added in prior years that should have been on the schedules. These adjustments resulted in the following changes on the government-wide statements (governmental activities): Increased lease liabilities by \$45,989, increased right to use leased assets by \$68,563, and increased accumulated amortization by \$22,852, resulting in a net decrease to net position of \$278.

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section II. Financial Statement Findings (continued)

Effect: The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the County's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: Financial records were not reconciled accurately.

Recommendation: The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely and correctly during the year.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL # 93.778

Finding: 2024-002 Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 4 errors discovered during our procedures where income or household size was incorrectly calculated or inaccurate information was entered into the case file.

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

Context: We examined 60 cases from of a total of 607,835 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2023-002.

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

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section III. Federal Award Findings and Questioned Costs (Continued)

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL # 93.778

Finding: 2024-003 Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or noncountable resources and explained within the documentation.

Condition: There were 4 errors discovered during our procedures where resources were incorrectly calculated or were not properly documented in the case file.

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

Context: We examined 60 cases from of a total of 607,835 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2023-003.

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

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section III. Federal Award Findings and Questioned Costs (Continued)

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL # 93.778

Finding: 2024-004 Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 3 errors discovered during our procedures where required information needed for eligibility determinations were not requested or not requested timely at applications or redeterminations.

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

Context: We examined 60 cases from of a total of 607,835 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2023-004.

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

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section III. Federal Award Findings and Questioned Costs (Continued)

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL # 93.778

SIGNIFICANT DEFICIENCY: Finding 2024-002, 2024-003, and 2024-004 also apply to State requirements and State Awards.

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Hood Richardson
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COUNTY OFFICIALS
Brian M. Alligood, County Manager
Katie Mosher, Clerk to the Board
Anita Radcliffe, Finance Director
David Francisco, County Attorney

**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2024**

Section II - Financial Statement Findings

Finding 2024-001

Name of contact person: Anita Radcliffe, Finance Director

Corrective Action: In fiscal year 2024/2025 County Finance Staff recognized that the budgetary appropriation for the broad band project had been recorded in the incorrect fund in the previous year's audit. This resulted in the unspent ARPA funds liability being reported incorrectly in the ARPA Special Revenue Fund. The correction was made by County Staff and reported to the Auditor, resulting in a prior period adjustment. To prevent this from happening in the future, County Staff will be more conscientious when recording transactions so as not to make a mistake.

Also, during fiscal year 2024/2025, County Staff recognized that two leases were not added in prior years related to GASB 87. The leases were added by County Staff in FY 2024/2025 and reported to the Auditor, resulting in a prior period adjustment. To prevent this from happening in the future, the Finance Officer has put a process in place to track County contracts to ensure finance department review for GASB 87 and 96 compliance.

An adjustment was made to the Revolving Loan outstanding balances to agree with the confirmations. To ensure that the proper amounts are recorded as grants verses loans for DEQ projects, the Finance Officer will contact the State before year end to confirm that the County balances match the State balances.

Proposed Completion Date: Immediately.

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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2024**

Section III - Federal Award Findings and Question Costs

Finding 2024-002

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAST. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

Our Quality Control Specialist has started second partying records to assist Medicaid supervisors in capturing error trends. As policy changes, throughout the year, it also requires additional training in NCFAST to ensure system procedures align with policy requirements. The Quality Control Specialist will be working with supervisors to ensure staff are knowledgeable of common error trends to prevent reoccurring errors.

Errors are listed as Significant Deficiency, but the county continues to show a decrease in errors from previous fiscal years. Fiscal year 2021-2022 there were 21 errors, 2022-2023 there were 13 and 2023-2024 we have 11 errors. Our staff continue to make every effort to ensure accuracy of eligibility for the citizens of Beaufort County. Although errors may be categorized under the same category of Inaccurate Information Entry, Request for Information and Inaccurate Resource Entry, there are a variable of errors that could classify under these categories. Therefore, previous errors cited under these categories may not always be the exact same errors.

Proposed completion date: Training will be provided on November 13, 2024 to review findings and corrective action items. Trainings will continue every week, to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews.

BEAUFORT COUNTY ADMINISTRATION BUILDING
121 West 3rd Street * Washington, North Carolina 27889 * Phone (252) 946-0079 * Fax (252)-946-7722

BOARD OF COMMISSIONERS
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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2024**

Section III - Federal Award Findings and Question Costs (continued)

Finding 2024-003

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAST. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

Our Quality Control Specialist has started second partying records to assist Medicaid supervisors in capturing error trends. As policy changes, throughout the year, it also requires additional training in NCFAST to ensure system procedures align with policy requirements. The Quality Control Specialist will be working with supervisors to ensure staff are knowledgeable of common error trends to prevent reoccurring errors.

Errors are listed as Significant Deficiency, but the county continues to show a decrease in errors from previous fiscal years. Fiscal year 2021-2022 there were 21 errors, 2022-2023 there were 13 and 2023-2024 we have 11 errors. Our staff continue to make every effort to ensure accuracy of eligibility for the citizens of Beaufort County. Although errors may be categorized under the same category of Inaccurate Information Entry, Request for Information and Inaccurate Resource Entry, there are a variable of errors that could classify under these categories. Therefore, previous errors cited under these categories may not always be the exact same errors.

Proposed completion date: Training will be provided on November 13, 2024 to review findings and corrective action items. Trainings will continue every week, to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews.

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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2024**

Section III - Federal Award Findings and Question Costs (continued)

Finding 2024-004

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAST. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

Our Quality Control Specialist has started second partying records to assist Medicaid supervisors in capturing error trends. As policy changes, throughout the year, it also requires additional training in NCFAST to ensure system procedures align with policy requirements. The Quality Control Specialist will be working with supervisors to ensure staff are knowledgeable of common error trends to prevent reoccurring errors.

Errors are listed as Significant Deficiency, but the county continues to show a decrease in errors from previous fiscal years. Fiscal year 2021-2022 there were 21 errors, 2022-2023 there were 13 and 2023-2024 we have 11 errors. Our staff continue to make every effort to ensure accuracy of eligibility for the citizens of Beaufort County. Although errors may be categorized under the same category of Inaccurate Information Entry, Request for Information and Inaccurate Resource Entry, there are a variable of errors that could classify under these categories. Therefore, previous errors cited under these categories may not always be the exact same errors.

Proposed completion date: Training will be provided on November 13, 2024 to review findings and corrective action items. Trainings will continue every week, to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews.

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2024-002, 2024-003, and 2024-004 also apply to State Award Findings.

BEAUFORT COUNTY ADMINISTRATION BUILDING
121 West 3rd Street * Washington, North Carolina 27889 * Phone (252) 946-0079 * Fax (252)-946-7722

**Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024**

Finding: 2023-001
Status: Corrected.

Finding: 2023-002
Status: This finding is not corrected, repeated as 2024-002.

Finding: 2023-003
Status: This finding is not corrected, repeated as 2024-002.

Finding: 2023-004
Status: This finding is not corrected, repeated as 2024-004.

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<u>FEDERAL AWARDS</u>					
<u>U.S. Department of Agriculture</u>					
Passed through N. C. Department of Health and Human Services					
Division of Public Health					
Special Supplemental Nutrition Program for					
Women, Infants, & Children					
	10.557		\$ 338,057	\$ -	\$ -
Passed through N.C. Department of Health and Human Services					
Division of Social Services					
Administration:					
State Administrative Matching Grants					
for Supplemental Nutrition Assist. Program					
	10.561		754,003	-	-
Total U.S. Department of Agriculture					
			1,092,060	-	-
<u>U. S. Department of Housing and Urban Development</u>					
Passed-through NC Housing Finance Agency					
Essential Single Family Rehabilitation Loan Pool					
	14.239		22,830	-	-
Total U. S. Department of Housing and Urban Development					
			22,830	-	-
<u>U.S. Department of Treasury</u>					
Passed-through N.C. Department Health and Human Services					
Division of Public Health					
Coronavirus State and Local Fiscal Recovery Funds					
	21.027		3,359	-	-
Local Assistance & Tribal Consistency Fund					
	21.032		50,000	-	-
Total U.S. Department of Treasury					
			53,359	-	-
<u>U.S. Department of Health and Human Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness					
	93.069		11,553	-	-
Affordable Care Act (ACA) Personal Responsibility					
Education Program					
	93.092		126,958	-	-
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs					
	93.116		50	-	-
Injury Prevention and Control Research and State and					
Community Based Programs					
	93.136		20,595	-	-
Family Planning Services					
	93.217		50,656	-	-
Immunization Cooperation Agreements					
	93.268		35,008	-	-
COVID-19 Immunization Cooperation Agreements					
	93.268		204,173	-	-
Total Immunization Cooperation Agreements					
			239,181	-	-
Epidemiology and Laboratory Capacity for Infectious					
Diseases (ELC)					
	93.323		43	-	-
COVID-19 - Public Health Emergency Response:					
Cooperative Agreement for Emergency Response: Public					
Health Crisis Response					
	93.354		320,606	-	-
Cancer Prevention and Control Programs for State,					
Territorial and Tribal Organizations					
	93.898		25,500	-	-
HIV Care Formula Grants - Ryan White Care Act					
	93.917		30,284	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		40,300	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		30,431	-	-
Maternal and Child Health Services Block Grant	93.994		33,920	1,358	-
Temporary Assistance for Needy Families (TANF)					
Division of Social Services					
TANF - Work First	93.558		1,106,083	-	-
Division of Public Health					
TANF - Work First	93.558		8,195	-	-
Total Temporary Assistance for Needy Families (TANF)			1,114,278	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		46,504	-	-
Foster Care and Adoption Cluster:					
Foster Care - Title IV-E	93.658		468,782	34,128	-
Foster Care - Title IV-E - Benefit Payments	93.658		377,063	133,168	-
Adoption Assistance	93.659		2,078	-	-
Total Foster Care and Adoption Cluster			847,923	167,296	-
Child Support Enforcement	93.563		549,435	-	-
Low-Income Home Energy Assistance					
Crisis Intervention Program	93.568		5,623	-	-
Weatherization Assistance and Heating and Air Repair	93.568		48,530	-	-
COVID - 19 Weatherization Assistance and Heating and Air Repair	93.568		1,032	-	-
Total Low-Income Home Energy Assistance			55,185	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning - Families for Kids	93.645		11,603	1,054	-
Total Stephanie Tubbs Jones Child Welfare Services Program					
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		2,577	644	-
Social Service Block Grant - Other Service and Training	93.667		217,526	-	-
Division of Social Services					
Social Services Block Grant					
State In Home Service Fund	93.667		2,271	-	-
COVID-19 - State Adult Day Care	93.667		337	5,785	-
State Child Protective Services	93.667		39,214	-	-
Total Social Service Block Grant			259,348	5,785	-
Division of Child Development and Early Education					
Subsidized Child Care					

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services					
Childcare Development Mandatory and					
Match Fund - Administration	93.596		131,232	-	-
Total Subsidized Child Care			131,232	-	-
Passed through Mid-East Commission					
Division of Aging and Adult Services					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers	93.044		114,017	6,707	-
ARPA - Supportive Services	93.044		125,762	22,193	-
Total Special Programs for the Aging - Title III B			239,779	28,900	-
Special Programs for the Aging - Title III C					
Part C, Nutrition Services	93.045		129,207	7,600	-
ARPA - Nutrition Services	93.045		94,919	16,750	-
Total Special Programs for the Aging - Title III C			224,126	24,350	-
Total Aging Cluster			463,905	53,250	-
Nutrition Services Incentive Program	93.053		16,836		-
Medical Assistance Program	93.778		1,612,860	70,315	-
State Children's Insurance Program - N.C. Health Choice	93.767		73,620	1,656	-
Total U.S. Department of Health and Human Services			6,115,483	301,358	-
<u>U.S. Department of Homeland Security</u>					
Passed through N.C. Department of Public Safety					
Division of Emergency Management:					
Emergency Management Performance Grant	97.042		20,625	-	-
Total U.S. Department of Homeland Security			20,625	-	-
Total Federal Awards			\$ 7,304,357	\$ 301,358	\$ -

STATE AWARDS

N.C. Department of Health and Human Services

Division of Public Health					
Food and Lodging Fees			\$ -	\$ 22,503	\$ -
PH Capacity Building			-	84,054	-
General Communicable Disease Control			-	2,684	-
Healthy Community Activities			-	3,747	-
Child Health			-	819	-
High Risk Maternity Clinics			-	16,728	-
HIV/STD State			-	14,923	-
Breast and Cervical Cancer Program			-	13,825	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
School Nurse Funding Initiative			-	250,000	-
Healthy Beginnings			-	79,831	-
Family Planning - State			-	60,742	-
Maternal Health (HMHC)			-	5,576	-
Public Health Pest Management			-	6,000	-
State Fiscal Recovery Funds			-	56,289	-
TB Control			-	25,721	-
Total Division of Public Health			-	643,442	-
Division of Social Services:					
Administration					
State Child Welfare - State Protective Services			-	19,310	-
Direct Benefit Payments					
State Foster Home			-	135,347	-
State Foster Home Fund (SFHF) Maximization			-	55,931	-
Foster Care at Risk Maximization			-	60,431	-
Extended Foster Care Maximization Non IV-E programs			-	9,720	-
Total Division of Social Services			-	280,739	-
Passed-Through the Mid-East Commission					
Division of Aging and Adult Services:					
State Appropriation - Access			-	35,087	-
State Appropriation - In-Home Services			-	187,646	-
Total Division of Aging			-	222,733	-
Total N.C. Department of Health and Human Services			-	1,146,914	-
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Programs			-	185,624	-
Division of Emergency Management					
Criminal Justice Partnership Program			-	33,567	-
Total Agency N.C. Department of Public Safety			-	219,191	-
<u>N.C. Department of Transportation</u>					
ROAP Cluster					
ROAP - RGP		DPT-16CL 36228.22.11.1	-	99,471	-
ROAP - EDTAP		DPT-16CL 36220.10.11.1	-	86,474	-
ROAP - EMPLOYMENT		DPT-16CL 36236.11.10.1	-	15,618	-
Total ROAP Cluster			-	201,563	-
Total N.C. Department of Transportation			-	201,563	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay Neuter Program			-	20,942	-
Soil and Water Grant			-	29,850	-
Farmland Preservation - Harbor District Market			-	50,000	-
Streamflow Rehabilitation Program (StRAP)		220804008	-	64,221	-
Watershed Restoration Project		17-175-4087	-	67,404	-
Total N.C. Department of Agriculture and Consumer Services			-	232,417	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Department of Environment Quality</u>					
Division of Waste Management					
Scrap Tire Fund - SWMGT			-	11,947	-
Connect NC Bond H-SRP-D-17-0090 Loan		DEQ-30	-	68,493	-
Connect NC Bond H-SRP-D-17-0010 Loan		DEQ-30	-	400,211	-
Connect NC Bond H-SRP-D-17-0019 Loan		DEQ-30	-	63,856	-
Connect NC Bond H-SRP-D-17-0091 Loan		DEQ-30	-	117,090	-
Connect NC Bond H-SRP-D-17-0085 Loan		DEQ-30	-	70,055	-
Total Connect NC Bond			-	719,705	-
Total N.C. Department of Environment Quality			-	731,652	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds					
Total N.C. Department of Public Instruction			-	462,000	-
<u>N.C. Department of Administration</u>					
Veteran Services					
Total N.C. Department of Public Instruction			-	2,174	-
<u>N.C. Department of Commerce</u>					
Building Reuse Grant					
Total N.C. Department of Public Instruction			-	200,000	-
<u>N.C. Office of State Budget and Management</u>					
Regional Economic Development Reserve					
ARPA Temporary Savings Fund			-	81,959	-
Total N.C. Housing Finance Agency			-	625,000	-
Total State Assistance			-	706,959	-
Other Financial Assistance:					
NC Dept of Justice					
Opioid Settlement Fund (Note 7)			-	101,694	-
Total Assistance Federal and State Assistance			\$ 7,304,357	\$ 4,305,922	\$ -

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Beaufort County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Beaufort County, it is not intended to and does not present the financial position, changes in net position or cash flows of Beaufort County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
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Note 4: Loans Outstanding

Beaufort County had the following loan balances outstanding at June 30, 2024 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Current year grant expenditures, loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2024 consist of:

<u>Program Title</u>	<u>AL#</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Connect NC Bond H-SRP-D-17-0090	N/A	H-SRP-D-17-0090	68,493
Connect NC Bond H-SRP-D-17-0010	N/A	H-SRP-D-17-0010	400,211
Connect NC Bond H-SRP-D-17-0019	N/A	H-SRP-D-17-0019	63,856
Connect NC Bond H-SRP-D-17-0091	N/A	H-SRP-D-17-0091	117,090
Connect NC Bond H-SRP-D-17-0085	N/A	H-SRP-D-17-0085	70,055

Note 5: Cluster of Programs

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

Note 6: Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance Program	10.551	\$ 16,778,390	\$ -
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	1,027,978	-
Temporary Assistance for Needy Families	93.558	300,372	-
Adoption Assistance	93.659	1,073,751	254,541
Medical Assistance Program	93.778	94,978,449	39,310,277
Child Welfare Services Adoption	N/A	-	225,353
State / County Special Assistance program	N/A	-	469,873
Energy Assistance Private Grants	N/A	-	14,030

Note 7: Opioid Settlement

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.