

Beaufort County, North Carolina

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

Year Ended June 30, 1999

Beaufort County, North Carolina
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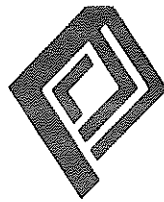
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FINANCIAL SECTION



Pittard Perry
Crone, INCORPORATED
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of Beaufort County, North Carolina as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Beaufort County, North Carolina's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Beaufort County ABC Board, Beaufort County Hospital Association, Inc., or Warren Field Airport Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, Beaufort County Hospital Association, Inc. and Warren Field Airport Commission is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Beaufort County, North Carolina, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 9, 1999 on our consideration of Beaufort County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Pittard Perry & Crone, Inc.
Belhaven, North Carolina
September 9, 1999

MEMBER: NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC
ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS

GENERAL PURPOSE FINANCIAL STATEMENTS

Beaufort County, North Carolina
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 1999

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
Cash and investments	\$ 7,281,781	\$ 1,377,317	\$ 329,038	\$ 1,446,665
Receivables (net of allowances)				
Property taxes	1,765,130	95,081	-	-
Accounts	2,489,130	56,105	1,514	453,561
Other	-	-	-	-
Due from other funds	1,361,321	37,710	-	335
Due from component units	19,600	-	-	-
Prepaid items	-	-	-	-
Inventory	-	-	-	-
Installment obligation receivable - current	85,884	-	-	-
Restricted assets - Cash and cash equivalents	-	-	-	1,480,031
Installment obligation receivable - noncurrent	1,454,874	-	-	-
Fixed assets, net	-	-	-	36,188,576
Other debits				
Amount to be provided for retirement of debt	-	-	-	-
Total assets and other debits	<u>\$ 14,457,720</u>	<u>\$ 1,566,213</u>	<u>\$ 330,552</u>	<u>\$ 39,569,168</u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued liabilities	\$ 740,788	\$ 209,162	\$ 23,000	\$ 356,600
Due to primary government	-	-	-	-
Due to other funds	20,154	363,268	38,052	978,002
Customer deposits	-	-	-	36,575
Deferred revenue	4,026,110	102,942	-	-
Notes payable - current	-	-	-	779,733
Capital leases payable - current	-	-	-	-
General obligation bonds payable - current	-	-	-	112,000
Compensated absences payable	-	-	-	7,478
Accrued landfill cost	-	-	-	-
General obligation bonds payable - noncurrent	-	-	-	28,325,000
Notes payable - noncurrent	-	-	-	1,007,245
Capital leases payable - noncurrent	-	-	-	-
Total liabilities	<u>4,787,052</u>	<u>675,372</u>	<u>61,052</u>	<u>31,602,633</u>
Equity and other credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	7,140,161
Retained Earnings (deficit)	-	-	-	826,374
Fund balances				
Reserved by state statute	3,870,051	25,605	1,514	-
Designated for subsequent year's expenditures	1,757,831	-	267,986	-
Undesignated	4,042,786	865,236	-	-
Total equity and other credits	<u>9,670,668</u>	<u>890,841</u>	<u>269,500</u>	<u>7,966,535</u>
Total liabilities, equity, and other credits	<u>\$ 14,457,720</u>	<u>\$ 1,566,213</u>	<u>\$ 330,552</u>	<u>\$ 39,569,168</u>

EXHIBIT 1

Fiduciary Fund Type	Account Groups		Totals (Memorandum)	Component Units		
	General	General Long-	Primary	Beaufort County		Warren Field
	Agency	Fixed Assets	Term Debt	Government	Hospital	ABC Board
\$ 195,158	\$ -	\$ -	\$ 10,629,959	\$ 2,452,689	\$ 232,500	\$ 91,229
-	-	-	1,860,211	-	-	-
-	-	-	3,000,310	6,353,426	-	24,624
-	-	-	-	517,835	-	-
109	-	-	1,399,475	-	-	-
-	-	-	19,600	-	-	-
-	-	-	-	380,981	14,103	-
-	-	-	-	1,028,134	329,902	-
-	-	-	85,884	-	-	-
-	-	-	1,480,031	-	-	55,741
-	-	-	1,454,874	-	-	-
-	14,442,998	-	50,631,574	10,358,270	420,508	1,367,807
-	-	12,119,648	12,119,648	-	-	-
<u>\$ 195,267</u>	<u>\$ 14,442,998</u>	<u>\$ 12,119,648</u>	<u>\$ 82,681,566</u>	<u>\$ 21,091,335</u>	<u>\$ 997,013</u>	<u>\$ 1,539,401</u>
\$ 195,267	\$ -	\$ -	\$ 1,524,817	\$ 4,640,023	\$ 192,247	\$ 3,266
-	-	-	-	-	19,600	-
-	-	-	1,399,476	-	-	-
-	-	-	36,575	-	-	-
-	-	-	4,129,052	-	-	59,341
-	-	697,242	1,476,975	94,678	8,018	-
-	-	-	-	150,847	-	-
-	-	1,105,000	1,217,000	-	-	-
-	-	398,930	406,408	-	-	-
-	-	335,993	335,993	-	-	-
-	-	6,535,000	34,860,000	-	-	-
-	-	3,047,483	4,054,728	809,085	-	-
-	-	-	-	281,146	-	-
195,267	-	12,119,648	49,441,024	5,975,779	219,865	62,607
-	14,442,998	-	14,442,998	-	-	-
-	-	-	7,140,161	-	-	1,635,278
-	-	-	826,374	15,115,556	777,148	(158,484)
-	-	-	3,897,170	-	-	-
-	-	-	2,025,817	-	-	-
-	-	-	4,908,022	-	-	-
-	14,442,998	-	33,240,542	15,115,556	777,148	1,476,794
<u>\$ 195,267</u>	<u>\$ 14,442,998</u>	<u>\$ 12,119,648</u>	<u>\$ 82,681,566</u>	<u>\$ 21,091,335</u>	<u>\$ 997,013</u>	<u>\$ 1,539,401</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 1999

EXHIBIT 2

	Governmental Fund Types			Totals (Memorandum)
	General	Special Revenue	Capital Project	Primary Government
REVENUES				
Ad valorem taxes	\$ 14,691,928	\$ 632,293	\$ -	\$ 15,324,221
Local option sales tax	6,269,836	-	-	6,269,836
Other taxes and licenses	182,027	-	-	182,027
Restricted intergovernmental	6,160,245	2,080,099	177,016	8,417,360
Unrestricted intergovernmental	1,555,807	-	-	1,555,807
Permits and fees	324,307	-	-	324,307
Sales and service	4,251,164	-	-	4,251,164
Investment earnings	494,893	44,725	12,341	551,959
Miscellaneous	369,521	-	-	369,521
Total revenues	34,299,728	2,757,117	189,357	37,246,202
EXPENDITURES				
General government	3,069,933	-	-	3,069,933
Public safety	3,662,131	761,426	-	4,423,557
Economic & physical development	425,879	2,050,858	-	2,476,737
Culture and recreation	183,832	-	-	183,832
Education	9,629,715	1,031	-	9,630,746
Human resources	12,054,727	-	-	12,054,727
Environmental protection	3,390,482	-	-	3,390,482
Capital projects	-	-	863,675	863,675
Debt service:				
Bond principal	1,125,000	-	-	1,125,000
Note principle	664,911	60,593	-	725,504
Interest	608,108	1,131	-	609,239
Fees and commissions	25	-	-	25
Total expenditures	34,814,743	2,875,039	863,675	38,553,457
Revenues over (under) expenditures	(515,015)	(117,922)	(674,318)	(1,307,255)
OTHER FINANCING SOURCES (USES)				
Operating transfers to other funds	(700,000)	-	-	(700,000)
Operating transfer from component unit	66,375	-	-	66,375
Operating transfer to component unit	(20,000)	-	-	(20,000)
Total other financing sources (uses)	(653,625)	-	-	(653,625)
Revenues and other sources over (under) expenditures and other uses	(1,168,640)	(117,922)	(674,318)	(1,960,880)
Fund balance, beginning of year	10,839,308	1,008,763	943,818	12,791,889
Fund balance, end of year	<u>\$ 9,670,668</u>	<u>\$ 890,841</u>	<u>\$ 269,500</u>	<u>\$ 10,831,009</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 1999

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	\$ 15,010,718	\$ 14,691,928	\$ (318,790)
Local option sales tax	5,890,000	6,269,836	379,836
Other taxes, licenses and permits	392,000	506,334	114,334
Intergovernmental	8,387,072	7,716,052	(671,020)
Sales and service	4,468,354	4,251,164	(217,190)
Investment earnings	340,000	494,893	154,893
Miscellaneous	327,497	369,521	42,024
Total revenues	<u>34,815,641</u>	<u>34,299,728</u>	<u>(515,913)</u>
EXPENDITURES			
General government	3,503,104	3,069,933	433,171
Public safety	3,811,309	3,662,131	149,178
Environmental protection	3,453,984	3,390,482	63,502
Economic & physical development	533,676	425,879	107,797
Culture and recreation	183,850	183,832	18
Education	9,629,715	9,629,715	-
Human services	13,153,812	12,054,727	1,099,085
Contingency	27,278	-	27,278
Debt service:			
Bond principal	1,125,000	1,125,000	-
Lease principle	-	-	-
Note principle	672,139	664,911	7,228
Interest	601,940	608,108	(6,168)
Fees and commissions	1,500	25	1,475
Total expenditures	<u>36,697,307</u>	<u>34,814,743</u>	<u>1,882,564</u>
Revenues over (under) expenditures	<u>(1,881,666)</u>	<u>(515,015)</u>	<u>1,366,651</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from (to) other funds	(1,143,170)	(700,000)	443,170
Operating transfer from component unit	50,000	66,375	16,375
Operating transfer to component unit	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>(1,113,170)</u>	<u>(653,625)</u>	<u>459,545</u>
Revenues and other sources over (under) expenditures and other uses	(2,994,836)	(1,168,640)	1,826,196
Appropriated fund balance	<u>2,994,836</u>	<u>-</u>	<u>(2,994,836)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>(1,168,640)</u>	<u>\$ (1,168,640)</u>
Fund balance, beginning of year		<u>10,839,308</u>	
Fund balance, end of year		<u>\$ 9,670,668</u>	

Special Revenue			Variance Favorable (Unfavorable)
Budget	Actual		
\$ 645,980	\$ 632,293	\$	(13,687)
-	-		-
-	-		-
376,442	384,592		8,150
-	-		-
-	44,725		44,725
-	-		-
<u>1,022,422</u>	<u>1,061,610</u>		<u>39,188</u>
-	-		-
764,480	761,426		3,054
-	-		-
168,842	137,897		30,945
-	-		-
1,500	1,031		469
-	-		-
-	-		-
-	-		-
84,000	60,593		23,407
3,600	1,131		2,469
-	-		-
<u>1,022,422</u>	<u>962,078</u>		<u>60,344</u>
-	99,532		99,532
-	-		-
-	-		-
-	-		-
-	99,532		99,532
-	-		-
-	-		-
<u>\$ -</u>	<u>99,532</u>	<u>\$</u>	<u>99,532</u>
	<u>927,783</u>		
	<u>\$ 1,027,315</u>		

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS**
 For the Fiscal Year Ended June 30, 1999

EXHIBIT 4

	Proprietary Fund Type			
	Component Unit			Warren Field Airport Commission
	Enterprise Primary Government	Beaufort County		
	Hospital	ABC Board		
OPERATING REVENUES				
Charges for service and sales	\$ 1,788,603	\$ 30,326,798	\$ 2,186,775	\$ 42,284
Other operating revenue	815,371	782,322	-	-
Total operating revenues	<u>2,603,974</u>	<u>31,109,120</u>	<u>2,186,775</u>	<u>42,284</u>
OPERATING EXPENSES				
Depreciation	194,672	1,381,149	41,451	110,428
Water treatment	78,322	-	-	-
Cost of goods sold	-	-	1,521,526	-
Water distribution	630,690	-	-	-
Store and warehouse	-	-	279,247	-
Administration	258,169	30,411,617	262,490	74,871
Total operating expenses	<u>1,161,853</u>	<u>31,792,766</u>	<u>2,104,714</u>	<u>185,299</u>
Operating income (loss)	<u>1,442,121</u>	<u>(683,646)</u>	<u>82,061</u>	<u>(143,015)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	171,796	122,058	5,805	5,560
Miscellaneous income	210,085	39,280	-	-
Allocated to deferred revenue	-	-	-	(20,000)
Law enforcement/Alcohol education	-	-	(17,090)	-
Interest expense	(628,889)	-	(1,631)	-
Donations/ grants	-	57,318	-	-
Total nonoperating revenue (expenses)	<u>(247,008)</u>	<u>218,656</u>	<u>(12,916)</u>	<u>(14,440)</u>
Income (loss) before operating transfers	<u>1,195,113</u>	<u>(464,990)</u>	<u>69,145</u>	<u>(157,455)</u>
Operating transfers to primary government	-	-	(66,375)	-
Operating transfers from primary government	50,000	-	-	20,000
Total operating transfers	<u>50,000</u>	<u>-</u>	<u>(66,375)</u>	<u>20,000</u>
Net income (loss)	1,245,113	(464,990)	2,770	(137,455)
Add depreciation on contributed capital	-	-	-	76,546
Increase (decrease) in retained earnings	1,245,113	(464,990)	2,770	(60,909)
RETAINED EARNINGS (deficit), beginning of year	<u>(418,739)</u>	<u>15,580,546</u>	<u>774,378</u>	<u>(97,575)</u>
RETAINED EARNINGS (deficit), end of year	<u>\$ 826,374</u>	<u>\$ 15,115,556</u>	<u>\$ 777,148</u>	<u>\$ (158,484)</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999

EXHIBIT 5
Page 1 of 2

	Proprietary			
	Fund Type	Component Unit		
	Enterprise	Beaufort County		Warren Field
	Primary			Airport
	Government	Hospital	ABC Board	Commission
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers / others	\$ 2,944,529	\$ 26,806,712	\$ 2,186,774	\$ 23,955
Cash paid for goods and services	(1,734,508)	(10,311,585)	(1,742,387)	(72,535)
Cash paid to employees for services	-	(16,266,725)	(326,172)	-
Other operating revenue	-	788,739	-	-
Net cash provided by (used in) operating activities	<u>1,210,021</u>	<u>1,017,141</u>	<u>118,215</u>	<u>(48,580)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues				
Law enforcement / Alcohol education	-	-	(17,090)	-
Operating transfers to / from primary government	-	-	(66,375)	-
Gifts and grants	-	57,318	-	-
Other revenue	-	39,280	-	-
Cash payments for recruitment	-	(80,000)	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>16,598</u>	<u>(83,465)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants and local matches	4,574,634	-	-	12,435
Transfer from general fund	700,000	-	-	-
Acquisition and construction of capital assets	(8,623,771)	(2,157,346)	(13,396)	(29,054)
Proceeds / increase of long-term debt	12,599	750,000	-	-
Principal paid on long-term borrowing, including capital lease obligations	(151,425)	(329,316)	(30,968)	-
Interest paid on long-term borrowing, including capital lease obligations	(624,571)	(49,291)	(1,631)	-
Contributed capital	-	-	-	70,636
Net cash provided by (used in) capital and related financing activities	<u>(4,112,534)</u>	<u>(1,785,953)</u>	<u>(45,995)</u>	<u>54,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>167,478</u>	<u>122,058</u>	<u>5,805</u>	<u>5,560</u>
Net increase (decrease) in cash and cash equivalent	(2,735,035)	(630,156)	(5,440)	10,997
Cash and cash equivalents at beginning of year	<u>5,661,731</u>	<u>3,082,845</u>	<u>237,940</u>	<u>135,973</u>
Cash and cash equivalents at end of year	<u>\$ 2,926,696</u>	<u>\$ 2,452,689</u>	<u>\$ 232,500</u>	<u>\$ 146,970</u>

Beaufort County, North Carolina
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 1999

EXHIBIT 5
Page 2 of 2

Proprietary Fund Type	Component Unit		
Enterprise Primary Government	Beaufort County Hospital	ABC Board	Warren Field Airport Commission

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$ 1,442,121	\$ (683,646)	\$ 82,061	\$ (143,015)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	194,672	1,381,149	41,451	110,428
Interest paid	-	49,291	-	-
Non-operating revenue	210,085	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(218,522)	(441,633)	-	(20,897)
(Increase) decrease in due from other funds	105,569	-	-	-
(Increase) decrease in inventories, prepaid expenses, and other current assets	-	(49,588)	(5,297)	2,568
(Decrease) increase in accounts payable and accrued liabilities	(767,327)	761,568	-	2,336
(Decrease) increase in due to other funds	217,545	-	-	-
(Decrease) increase in customer deposits	18,400	-	-	-
(Decrease) increase in compensated absences payable	7,478	-	-	-
Total adjustments	(232,100)	1,700,787	36,154	94,435
Net cash provided by (used in) operating activities	\$ 1,210,021	\$ 1,017,141	\$ 118,215	\$ (48,580)

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Beaufort County, North Carolina 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. The blended component units, although legally separate entities, are in substance, part of the County's operations. The three discretely presented component units presented below are reported in a separate column in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Blended Component Units

County Water District II - Long Acre West
County Water District III - Long Acre East
County Water District IV - Bath Township
County Water District V - Pantego Township
County Water District VI - Southside High School
County Water District VII - Richland Township

The water districts named above (the "Districts") exist to provide and maintain a water system for the County residents within the districts. Under State law [G.S. 162A-89], the County's board of commissioners also serve as the governing board for each District. Therefore, each District is reported as an enterprise fund in the County's financial statements. The Districts do not issue separate financial statements.

Discretely Presented Component Units

Beaufort County Hospital Association, Inc.

Beaufort County Hospital is a public hospital operated by a not-for-profit corporation which leases the hospital facilities from the County. The Beaufort County Commissioners oversight authority is limited to appointing Hospital board members and County ownership of the Hospital physical plant. The Hospital has independent budgeting and accounting functions and is reported as an independent reporting entity. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

Beaufort County ABC Board

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. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Warren Field Airport Commission

The Airport governing board is composed of five members, three of which are appointed by Beaufort County, and two of which are appointed by City of Washington, North Carolina. Beaufort County and City of Washington have an ongoing financial responsibility to the Airport. The Airport which has a June 30 year end, is presented as if it were a proprietary fund.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Complete financial statements for the individual component units which issue financial statements may be obtained at the administrative offices of those entities.

Beaufort County ABC Board
P.O. Box 2552
Washington, NC 27889

Beaufort County Hospital
628 East 12th Street
Washington, NC 27889

Warren Field Airport Commission
P.O. Box 610 Airport Road
Washington, NC 27889

B. Basis of Presentation - Fund Accounting

The accounts of the County are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds.

The County has the following fund categories (further divided by fund type) and account groups:

Governmental funds are used to account for Beaufort County's general governmental activities. Governmental funds included the following fund types:

General Fund - The general fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains Special Revenue Funds as detailed in the supplementary schedules.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County has six Capital Projects Funds within its governmental fund types, County Buildings Renovation, the Beaufort Community College Building Fund, the Health Department Building Fund, Tideland Mental Health Center Expansion, The Farm Services Administration Building, and Fountain Power Boats Water/Sewer Project.

Proprietary Funds include the following fund type:

Enterprise Funds - Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Beaufort County has six Enterprise Funds, Water District II, III, IV, V, VI, and VII.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting (continued)

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

Agency Funds - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets that the County holds on behalf of others. The County maintains three agency funds: the Social Services Fund, which accounts for monies deposited with the Social Services Department; the County Home Fund which accounts for monies deposited with the County Home for patient expenditures; and the Fire Districts Fund which accounts for monies deposited with the finance office for individual fire districts.

Account Groups - The general fixed assets account group is used to account for fixed assets that are not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting. The governmental fund types and agency funds are presented in the financial statements on this same basis. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available") to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgements, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Beaufort County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 1998 through February 1999 apply to the fiscal year ended June 30, 1999. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. For those motor vehicles which are renewed and billed under the annual system, taxes are due on May 1 of each year, and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 1999 because they are intended to finance the County's operations during the 1999-2000 fiscal year.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intangible taxes, 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.

The Proprietary fund is presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, the special revenue (excluding grant project funds), and the enterprise fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects funds. 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, at the departmental level for the special revenue and enterprise funds, and at the object level for the grant project funds. The County Manager is authorized to transfer appropriations within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Data (continued)

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 - Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
- June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 - The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The County has no encumbrances outstanding at year-end and any unencumbered appropriations lapse at year-end.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County, Beaufort County Hospital, Beaufort County ABC Board, and Warren Field Airport Commission are made in board-designated official depositories and are secured as required by [G.S. 159-31]. The County, the Hospital, the ABC Board and the Airport may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, the Hospital, the ABC Board and the Airport 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, the Hospital, the ABC Board, and the Airport 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 banker's acceptances; and the North Carolina Capital Management Trust, an SEC registered mutual fund. Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency Fund, which are recorded at market value.

2. Cash and Cash Equivalents

The County pools monies 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, the Hospital and the Airport consider 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.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, and Fund Equity (continued)

3. Restricted Assets

The unexpended bond proceeds of the Water District Serial Bonds are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued.

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 July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 1998.

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.

6. Inventory

Beaufort County and Warren Field Airport Commission account for inventories using the "purchases method". Under the purchases method, purchases are recorded as expenditures when purchased. The County and the Airport did not have significant amounts of inventory on hand at year-end.

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.

The inventories of the Hospital are valued at the lower of cost or market and consist of materials and supplies held for consumption. The cost of this inventory is recorded as an expense as it is consumed.

7. Fixed assets

The County's general fixed assets are recorded at original cost. Donated assets are listed at the market value at the date of donation. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. The total of such estimates is not considered large enough that the errors would be material when fixed assets are considered as a whole.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, and Fund Equity (continued)

7. Fixed assets (continued)

Public domain or infrastructure general fixed assets are not capitalized because such assets are immovable and of value only to the County. Also, the County has elected not to capitalize those interest costs which are incurred during the construction period of general fixed assets.

Property, plant, and equipment in the proprietary funds of the County and those of the Hospital, the Airport and the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of proprietary fund type fixed assets is reflected in the capitalized value of the asset constructed. Plant assets of the County are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances. Other proprietary fund assets of the County are depreciated on a class life basis at the following rates:

Furniture and office equipment	10%
Automobiles and light trucks	30%

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	25
Furniture and equipment	5-10
Motor Vehicles	4

Property, plant, and equipment of the Airport are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	10-25 years
Cleaning and excavation	25 years
Lighting	10-25 years
Fuel tanks and pumps	5-10 years
Equipment	5-10 years

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Life</u>
Buildings	20 years
Equipment	10 years
Leasehold improvements	10-20 years
Computers	3 years

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, and Fund Equity (continued)

8. Long-term debt

For governmental fund types, bond issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For the proprietary fund types, material bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. The long-term debt for water improvements is carried within the enterprise funds rather than in the General Long-Term Debt Account Group. The debt service requirements for the water debt are being met by water revenues, but the taxing power of the District is pledged to make these payments if water revenues should ever be insufficient. Long-term debt for other purposes is included in the General Long-Term Debt Account Group. Included within the General Long-Term Debt Account Group, are the hospital improvement bonds issued by the County. The debt service requirements for all of the debt carried in the General Long-Term Debt Account Group are appropriated annually in the General Fund.

9. Fund equity

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change. State law [G.S. 159-13(b) (16)] restricts the appropriations of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

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

Reserved for Health Services - portion of fund balance representing the cumulative excess of federal and State revenues and local fees over expenditures, restricted for health service expenses only.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation which has been designated for the adopted 1999-2000 budget ordinance.

Undesignated - portion of total fund balance available for appropriation, which is uncommitted at year-end.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues, Expenditures and Expenses

1. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Operating transfers-out" in the General Fund and "Operating transfers-in" in the receiving fund. The County's General Fund also transfers funds to the Airport. In addition, the ABC Board makes quarterly transfers to the County's General Fund. These transfers represent the County's portion of the ABC Board's surpluses which the ABC Board is required by State statute to distribute to the County.

2. Compensated absences

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the County's governmental funds. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 1999 is recorded in the General Long-term Debt Account Group. For the County's proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

The sick leave policies of the County, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

G. Total (Memorandum Only) Columns

The total columns on the accompanying financial statements are captioned "Total (Memorandum Only) - Primary Government" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles for the primary government. Interfund eliminations have not been made in the aggregation of this data.

H. Comparative Data/Reclassifications

Comparative total data for the prior year is represented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Deposits

All of the County's, the Hospital's, the ABC Board's and the Airport'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, the Hospital's, the Airport'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, the Hospital, the Airport 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, the Hospital, the Airport or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, the Airport 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.

At June 30, 1999, the County's deposits had a carrying amount of \$3,478,076 and a bank balance of \$4,618,961. Of the bank balance, \$200,000 was covered by federal depository insurance and \$1,290,257 in non-interest bearing deposits and \$3,128,704 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 1999, Beaufort County had \$992 in cash on hand.

At June 30, 1999, the carrying amount of deposits for Beaufort County ABC Board was \$229,350 and the bank balance was \$275,563. Of the bank balance, \$237,130 was covered by federal depository insurance and \$38,483 was collateralized under the Pooling Method.

At September 30, 1998, the Hospital's deposits had a balance of \$2,451,417 and a bank balance of \$3,081,573. All of the bank balance was covered by federal depository insurance and collateralization under the Pooling Method.

At June 30, 1999, the Airport's deposits had a carrying amount of \$146,970 and a bank balance of \$156,196 with \$100,000 of the amount being covered by federal depository insurance, and \$56,196 collateralized under the pooling method.

2. Investments

The County's, the Hospital's, the ABC Board's, and the Airport's investments are categorized to give an indication of the level of custodial risk assumed by each of these entities at year-end. In the following tables, Column A includes investments that are insured or registered or for which the securities are held by the County, the Hospital, the ABC Board, or the Airport, or their agents in the entity's name. Column B includes uninsured and unregistered investments for which the securities are

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

2. Investments (continued)

held by the counterparty's trust department or agent in the County's, the Hospital's, the ABC Board's, or the Airport's name. The County's investments in the Deferred Compensation Agency Fund are held by third-party custodians who take delivery of the investments on behalf of the County. The County's, the Hospital's, the ABC Board's, and the Airport's investments in the North Carolina Capital Management Trust and the County's investments in the Deferred Compensation Agency Fund are exempt from risk categorization because the County, the Hospital, the ABC Board, and the Airport, do not own any identifiable securities in these mutual funds.

At June 30, 1999 the County's investment balances were as follows:

	Categories		Reported Value	Fair Value
	A	B		
Repurchase Agreements	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Common Stock	3,764	-	3,764	9,037
	\$ 3,764	\$ 1,500,000		
North Carolina Capital Management Trust Cash portfolio			7,127,133	7,127,133
Total investments			\$ 8,630,897	\$ 8,636,170

The County's repurchase agreements are ineligible because they do not meet the requirements of State law [G.S. 159-30(c) (12)]. The underlying security is held by the financial institution providing the transaction and is not in the County's name. Due to significantly higher cash flows at certain times during the year, the County's investment in overnight repurchase agreements increased significantly. As a result, the amounts of the County moneys that were in Column C at those times were substantially higher than at year-end. Subsequent to year-end, these repurchase agreement investments were transferred to money market accounts which would be allowed under general statutes.

At June 30, 1999, the ABC Board had no money in the above type investments.

At September 30, 1998, the Beaufort County Hospital had no money in the above type investments.

At June 30, 1999, Warren Field Commission had no money in the above type investments.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
1995	\$ 378,171	\$ 123,851	\$ 502,022
1996	362,876	86,183	449,059
1997	341,194	50,326	391,520
1998	<u>353,927</u>	<u>20,351</u>	<u>374,278</u>
	<u>\$ 1,436,168</u>	<u>\$ 280,711</u>	<u>\$ 1,716,879</u>

4. Receivables - Allowance For Doubtful Accounts

For the County, the amounts shown in Exhibit 1, the Combined Balance Sheet are net of the following allowance for doubtful accounts:

<u>Fund</u>	<u>June 30, 1999</u>
Property taxes receivable	
General fund	\$ 346,627
Special revenue fund	10,828
Accounts receivable	
General fund	9,900
Enterprise fund	<u>147,081</u>
	<u>\$ 514,436</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$3,112,366.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

5. Changes in General Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	General Fixed Assets July 1, 1998	Additions and Discoveries	Retirements	General Fixed Assets June 30, 1999
By Type				
Land	\$ 792,532	\$ -	\$ -	\$ 792,532
Buildings and improvements	4,387,020	-	-	4,387,020
Vehicles and equipment	4,098,436	396,242	421,408	4,073,270
Construction in progress	<u>2,810,854</u>	<u>2,379,322</u>	<u>-</u>	<u>5,190,176</u>
Total	<u>\$ 12,088,842</u>	<u>\$ 2,775,564</u>	<u>\$ 421,408</u>	<u>\$ 14,442,998</u>
By Function				
General government	\$ 1,669,418	\$ 124,319	\$ 105,464	\$ 1,688,273
Public safety	3,162,527	158,714	241,011	3,080,230
Human services	3,916,074	98,958	71,090	3,943,942
Environmental protection	409,830	757	1,260	409,327
Economic and physical development	120,139	13,494	2,583	131,050
Construction in progress	<u>2,810,854</u>	<u>2,379,322</u>	<u>-</u>	<u>5,190,176</u>
Total	<u>\$ 12,088,842</u>	<u>\$ 2,775,564</u>	<u>\$ 421,408</u>	<u>\$ 14,442,998</u>
Reconciliation of additions:				
Capital outlay expenditures		\$ 396,242		
Capital Projects - construction in progress		<u>2,379,322</u>		
Total		<u>\$ 2,775,564</u>		

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

6. Proprietary Fund Fixed Assets

The fixed assets of the Water District II Fund at June 30, 1999 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 4,549,677	\$ 329,019	\$ 4,220,658
Furniture & maintenance equipment	46,361	21,431	24,930
Vehicles	29,229	21,489	7,740
Total	<u>\$ 4,625,267</u>	<u>\$ 371,939</u>	<u>\$ 4,253,328</u>

The fixed assets of the Water District III Fund at June 30, 1999 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Land	\$ 2,000	\$ -	\$ 2,000
Plant and distribution system	5,766,393	266,641	5,499,752
Furniture & maintenance equipment	32,530	14,819	17,711
Vehicles	20,333	14,845	5,488
Construction in progress	58,422	-	58,422
Total	<u>\$ 5,879,678</u>	<u>\$ 296,305</u>	<u>\$ 5,583,373</u>

The fixed assets of the Water District IV Fund at June 30, 1999 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 349,098	\$ -	\$ 349,098
Furniture & maintenance equipment	12,356	1,956	10,400
Construction in progress	10,410,774	-	10,410,744
Total	<u>\$ 10,772,228</u>	<u>\$ 1,956</u>	<u>\$ 10,770,272</u>

The fixed assets of the Water District V Fund at June 30, 1999 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 259,871	\$ -	\$ 259,871
Furniture & maintenance equipment	6,176	977	5,199
Construction in progress	7,500,942	-	7,500,942
Total	<u>\$ 7,766,989</u>	<u>\$ 977</u>	<u>\$ 7,766,012</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

6. Proprietary Fund Fixed Assets

The fixed assets of the Water District VI Fund at June 30, 1999 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Construction in progress	\$ 452,426	\$ -	\$ 452,426

The fixed assets of the Water District VII Fund at June 30, 1999 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Maintenance equipment	\$ 9,004	\$ 1,494	\$ 7,510
Construction in progress	7,360,057	-	7,360,057
	<u>\$ 7,369,061</u>	<u>\$ 1,494</u>	<u>\$ 7,367,657</u>

The following is a summary of proprietary fund type fixed assets for the ABC Board at June 30, 1999:

Land	\$ 147,594	
Buildings	470,053	
Furniture and equipment	227,992	
Vehicles	19,614	
Total	<u>865,253</u>	
Less accumulated depreciation	<u>(444,745)</u>	
Fixed assets, net	<u>\$ 420,508</u>	

The following is a summary of fixed assets for Beaufort County Hospital at September 30, 1998.

Land and Improvements	\$ 1,611,407	
Buildings	10,627,055	
Equipment	11,294,705	
Construction in progress	410,655	
Total	<u>23,943,822</u>	
Less accumulated depreciation	<u>(13,585,552)</u>	
Fixed assets, net	<u>\$ 10,358,270</u>	

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

A. Assets (continued)

The following is a summary of fixed assets for Warren Field Airport Commission at June 30, 1999.

Land and easement	\$ 497,226
Terminal building	465,859
Clearing and excavation	2,730
Lighting	2,593,033
Fuel tanks and pumps	43,537
Equipment	347,710
Construction in progress	<u>16,865</u>
Total	3,966,960
Less accumulated depreciation	<u>(2,599,153)</u>
Fixed assets, net	<u>\$ 1,367,807</u>

7. Installment obligation receivable

The facility used by Tideland Mental Health Center for its headquarters in Washington, North Carolina, is owned by Beaufort County. Expansion and renovation began in fiscal year ended June 30, 1998. Beaufort County, as owner of the property, borrowed the sum of \$1.7 million dollars to finance the expansion. Tideland Mental Health Center has agreed to be responsible for and reimburse the County for the debt incurred.

Tideland Mental Health Center has entered into an agreement with Beaufort County to repay the debt in fifteen annual payments of \$166,003, including principal and interest, at the rate of 5.2 %. Prepayments will not reduce the interest included in the established payment schedule.

For Beaufort County the receivable as of June 30, 1999 including \$617,281 of interest is:

<u>Year Ending June 30,</u>	<u>Installment Receivable</u>
1999	\$ 166,003
2000	166,003
2001	166,003
2002	166,003
2003	166,003
Thereafter	<u>1,328,024</u>
Total	<u>\$ 2,158,039</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Beaufort County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.96% and 4.47%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 5.10% and 4.47%, respectively, of annual covered payroll. The contribution requirements of members and of Beaufort County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 1999, 1998, and 1997 were \$358,031, \$347,026, and \$334,801, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 1999 and 1998, were \$13,528 and \$12,636, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description.

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. The Separation Allowance is equal to .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.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

b. Law Enforcement Officers Special Separation Allowance (continued)

(1) Plan Description. (continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 1998, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>42</u>
Total	<u><u>44</u></u>

(2) Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

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

(3) Contributions.

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

The annual required contribution for the current year was determined as part of the December 31, 1998 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.4% to 8.5% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

b. Law Enforcement Officers Special Separation Allowance (continued)

(3) Contributions. (continued)

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

Annual required contribution	\$	18,499
Interest on net pension obligation		4,758
Adjustment to annual required contribution		<u>(5,855)</u>
Annual pension cost		17,402
Contributions made		<u>17,456</u>
Increase (decrease) in net pension obligation		(54)
Net pension obligation beginning of year		<u>65,631</u>
Net pension obligation end of year	\$	<u><u>65,577</u></u>

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/97	\$ 17,445	40.79%	\$ 53,372
6/30/98	18,827	34.89%	65,631
6/30/99	17,402	100.31%	65,577

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 1999 were \$54,413, which consisted of \$51,658 from the County and \$2,755 from the law enforcement officers.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

d. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the County. Effective for the current fiscal year and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is no longer reported within the County's Agency Funds.

e. Registers of Deeds' Supplemental Pension Fund

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 1999, the County's required and actual contributions were \$8,657.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

f. Hospital Defined Contribution Employee Benefit Plans

The Hospital Board of Trustees has approved implementation of a defined contribution employee benefit plan effective October 1, 1996. This plan is to replace the defined benefit pension plan discussed below to provide more flexibility in future funding and a better benefit to the employees. However, plan documents have not been adopted pending a ruling from the Pension Benefit Guaranty Corporation (PBGC) regarding the Hospital's governmental status. The Board has approved an initial funding policy of 2% of earnings for all employees meeting a one-year of service requirement. The Hospital also has a Section 403(b) voluntary supplemental plan to which employees can voluntarily contribute. The Hospital will match employee contributions to this plan in excess of 2% of their earnings up to a maximum of 3%. (An employee contributing 5% would receive a 3% match from the Hospital plus the 2%.)

Estimated contributions to the above plans for the fiscal year ended September 30, 1998 and 1997 have been accrued in the amounts of \$374,910 and \$290,136, respectively. Also, interest has been accrued at the rate of 7.5% annually. These amounts are included in employee benefits expense and retirement plan contributions payable. Funds will be transferred to a trust account after the plan and trust are established by approval of plan documents as noted above.

g. Beaufort County Hospital Pension Plan

The Hospital has a noncontributory defined benefit pension plan covering substantially all employees meeting minimum age and service requirements. Plan benefits are based on the participant's years of service and average annual earnings in the five consecutive highest paid years during the last ten years-proceeding retirement. The Hospital intends to terminate this defined benefit plan and adopt a defined contribution plan (see above paragraph). In contemplation of this termination, the board of trustees froze the plan benefits as of September 30, 1996. Presently, the plan is over funded in the amount of \$921,891; however, the laws and regulations governing defined benefit pension plans required the actuarial present value of accumulated plan benefits to be calculated using the rate for thirty year U.S. Treasury bonds for plan terminations. The actuarial present values are being determined for the plan using assumed rates of return of 7.5%. Use of a substantially lower rate for termination purposes would increase the present value of required benefits and could substantially reduce the over funded amount. The Hospital intends to continue funding the plan in amounts sufficient to cover the present value of all accumulated benefits as determined by the actuary, W.E. Stanley & Company, Inc.; however, it is not expected that the Hospital will have to contribute any additional funding to this plan.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

g. Beaufort County Hospital Pension Plan (continued)

The Hospital has relied upon opinions from legal council since 1991 that the plan is a governmental plan and exempt from: (1) annual filing requirements with the IRS and U.S. Department of Labor (DOL) and (2) payment of insurance premiums to the Pension Benefit Guaranty Corporation (PBGC). The Hospital has received an advisory opinion from DOL that the Hospital is a government agency or instrumentality. Accordingly, the Plan is a governmental plan and is excluded from Title I coverage under ERISA. Title I coverage is the annual filing requirements to the IRS and DOL. However, this advisory opinion does not constitute a ruling as to the Plan's status under Title IV of ERISA administered by PBGC. PBGC supervises termination of most ERISA covered plans other than governmental plans. The Hospital may not seek an advisory opinion from PBGC regarding its' governmental status. If the Plan is not determined to be a governmental plan by PBGC, it could be subject to PBGC insurance premiums for all years since 1991 plus interest and penalties. This ruling is not expected to have a material effect on the Hospital's financial position.

The actuarial present values were determined using assumed rates of return of 7.5% and annual salary increases of 5%.

	October 1	
	1997	1996
Actuarial present value of accumulated plan benefits		
Vested	\$ 4,805,662	4,614,269
Nonvested	48,259	91,634
Accumulated benefit obligation	\$ 4,853,921	4,705,903
Net assets available for benefits:		
Held by First Union National Bank invested		
Primarily in Evergreen Funds Balanced Portfolio:	\$ 5,775,812	\$ 5,557,986
Excess of net assets over accumulated benefits	\$ 921,891	\$ 852,083
Estimated Plan termination liability @ 5.2% and 6.5%	\$ 6,668,000	\$ 6,491,000

There was no expense charged to operations for benefits provided by this pension plan for the year ended September 30, 1998 and 1997.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

Reduction of Frozen Pension Plan Accrual (Hospital)

Total pension expense charged to operations amounted to \$265,034 and \$250,000 for the years ending September 31, 1996 and 1995. This expense included accruals of \$500,000 which were carried as a liability at September 30, 1996. This amount was expected to be sufficient to cover all costs to terminate the plan at that time. However, due to significant increases in plan assets, plan is over funded in the amount of \$852,083 as of October 1, 1997. Therefore, it appears unlikely the Hospital will be required to make any additions to the plan. Consequently, the accruals of \$500,000 were removed and this amount included in income for the year ended September 31, 1997.

h. Beaufort County Hospital Deferred Compensation Agreement

The Hospital entered into a deferred compensation agreement with Kenneth E. Ragland, the Chief Executive Officer of the Hospital. Mr. Ragland may elect to defer salary payments due to him under this agreement. These deferrals are credited to an Account on the records of the Hospital and are not transferred to any separate account for the benefit of Mr. Ragland. The Hospital agreed to credit this Account with \$7,500 each year until Mr. Raglands' employment terminates. The Hospital also agreed to match salary deferrals by Mr. Ragland in excess of \$5,000 annually, up to \$5,000, for a maximum credit by the Hospital of \$12,500. The Account is also credited with earnings computed at the average rate being received by the Hospital on certificates of deposit. Mr. Ragland can receive payments from this Account after his employment terminates at age sixty-five. If he voluntarily resigns before attaining the age of sixty-five for any reason other than death or disability, all rights to this Account shall forfeit. The balance in this account at September 30, 1998 of \$48,066 is included in accrued liabilities on the balance sheet. Annual increases are included in employee benefits expense.

i. Warren Field Airport Commission

The Airport does not belong to any pension or retirement plan.

2. Postemployment Health Care Benefits - Beaufort County

The County will provide individual hospitalization to any retired employee that meets either one of the following criteria:

1. Twenty (20) years of service with Beaufort County and reached age 60; or
2. Thirty (30) years of service with Beaufort County with no age requirement.

This benefit is offered until the individual is eligible for Medicare.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

3. Closure and Postclosure Care cost - Beaufort County Landfill Facility

State and federal laws and 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 thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$335,993 reported as landfill postclosure care liability at June 30, 1999 represents a cumulative amount reported to date. These amounts are based on what it would cost to perform all postclosure care in 1994. Beaufort County closed the facility in the year 1994. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. The County is not currently required to fund the estimated postclosure costs of this facility based upon its present financial stability.

4. Deferred Revenue

The balance in deferred revenues at year-end is comprised of the following elements:

	General	Special Fund Revenue	Fund Total
Property taxes receivable	\$ 1,765,130	\$ 95,080	\$ 1,860,210
Prepaid taxes	248,567	7,862	256,429
Solid waste fees	471,655	-	471,655
Installment obligation receivable	1,540,758	-	1,540,758
Total	<u>\$ 4,026,110</u>	<u>\$ 102,942</u>	<u>\$ 4,129,052</u>

Deferred Revenue – Beaufort County Hospital consists of unspent money advanced by the City of Washington to meet capital grant matching expenditure requirements.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

5. Commitments

The County has commitments of approximately \$4,304,583 for building construction and water district expansion projects. These projects are being funded mainly by debt proceeds, grants and general fund appropriations.

The ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees. For the year ended June 30, 1999 \$0.00 was paid.

6. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to \$2 million limit for general liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property coverage, and single occurrence losses of \$350,000 for workers' compensation.

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; injuries 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.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

6. Risk Management (continued)

Beaufort County Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these risks of loss.

The Warren Field Airport Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Airport carries commercial insurance for risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. Long - Term Obligations

a. Capital Leases

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

The Hospital leases equipment that is used for professional and administrative services. The leases expire in various years through 2002. Leases for the following classes of equipment have been accounted for as capital leases and are classified separately in the Hospital's balance sheet.

Laboratory	\$ 176,460
Radiology	1,163,446
CCU	195,640
Telephone system	136,638
Obstetric	101,716
Patient rooms	49,800
	<u>1,823,695</u>
Less allowances for amortization	1,449,795
	<u>\$ 373,904</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

a. Capital Leases (continued)

Amortization of capital leases is included in depreciation and amortization expense. Future minimum payments, by year and in the aggregate, under the capital leases with initial or remaining terms of one year or more consist of the following at September 30, 1998:

1999	\$	172,270
2000		158,362
2001		132,076
2002		8,241
2003		<u>-</u>
Total minimum lease payments		470,949
Amounts representing interest		<u>(38,956)</u>
Present value of net minimum lease payments		<u>\$ 431,993</u>

b. General Obligations Indebtedness

The County records long-term debt of the governmental funds at face value in the general long-term debt account group. All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Beaufort County Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water District Funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

b. General Obligations Indebtedness (continued)

The County's general obligation bonds payable at June 30, 1999 are comprised of the following individual issues:

Serviced by the County's General fund.

\$2,000,000 1991 Community College Serial bonds, due on May 1 in Installments ranging from \$50,000 to \$200,000 through May, 2009; interest Ranging from 6.4% to 6.5%	\$ 1,400,000
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\$9,405,000 1998 Refunding bonds, due on February 1 in installments Ranging from \$1,095,000 to \$565,000 through February 2006; interest Ranging from 4.0% to 4.4%	6,240,000
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Serviced by Water District II Long Acre West:

\$4,226,000 1998 Water Serial Bond due in annual installments; beginning In 1998; of \$39,500 to \$158,000 through June 1, 2034; interest at 6.125%	4,102,500
---	-----------

\$434,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$4500 to \$18,000 through June 1, 2034; interest at 5.625%	420,500
--	---------

Serviced by Water District III Long Acre East:

\$3,728,000 1998 Serial Bonds due in annual installments; beginning in 1998; of \$35,000 to \$140,000 through June 1, 2034; interest at 6.125%	3,618,000
--	-----------

\$381,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$4000 to \$16,000 through June 1, 2034; interest at 5.625%	369,000
--	---------

\$1,304,000 1998 Water Serial Bond due in annual installments; beginning In 1999; of \$13,500 to \$54,000 through June 1, 2036; with interest only for 1998 and 1998; interest at 5.625%	1,290,500
--	-----------

\$197,000 1998 Water Serial Bond due in annual installments beginning in 1999; of \$2,500 to \$10,000 through June 1, 2036; with interest only for 1998 And 1998; interest at 5.375%	194,500
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Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

b. General Obligations Indebtedness (continued)

Serviced by Water District IV Bath:

\$3,042,000 1999 Water Serial Bond due in annual installments; beginning in 1999; of \$33,000 to \$132,000 through June 1, 2038; with interest only for 1999 and 2000; interest at 4.75% 3,042,000

\$4,491,000 1998A Water Serial Bond due in annual installments; Beginning in 1999; of \$48,500 to \$194,000 through June 1, 2038; with Interest only for 1999 and 2000 4,491,000

\$909,000 1998B Water Serial Bond due in annual installments; Beginning in 1999; of \$11,000 to \$44,000 through June 1, 2038; with Interest only for 1999 and 2000 909,000

Serviced by Water District V Pantego:

\$3,223,000 1998A Water Serial Bond due in annual installments; Beginning in 1999; of \$35,000 to \$140,000 through June 1, 2038; with Interest only for 1999 and 2000 3,223,000

\$777,000 1998B Water Serial Bond due in annual installments; Beginning in 1999; of \$9,000 to \$36,000 through June 1, 2038; with Interest only for 1999 and 2000 777,000

Serviced by Water District VII Richland:

\$2,692,000 Series A Water Bond due in annual installments; Beginning in 1999; of \$28,500 to \$114,000 through June 1, 2038; with Interest only for 1999 and 2000 2,692,000

\$3,308,000 Series B Water Bond due in annual installments; Beginning in 1999; of \$35,000 to \$140,000 through June 1, 2038; with Interest only for 1999 and 2000 3,308,000

TOTAL \$ 36,077,000

Annual debt service requirements to maturity for the County's general obligation bonds including interest of \$1,576,275 for General Long-Term Debt Account Group and \$35,173,006 for the Water Fund are as follows:

Year Ending June 30	Water Districts	General Long-Term Debt Account Group	Total
2000	\$ 1,585,955	\$ 1,456,975	\$ 3,042,930
2001	1,755,601	1,385,275	3,140,876
2002	1,786,019	1,314,575	3,100,594
2003	1,784,684	1,248,920	3,033,604
2004	1,784,997	1,178,150	2,963,147
Next 5 years	8,919,722	2,632,380	11,552,102
Thereafter	45,993,028	-	45,993,028
	<u>\$ 63,610,006</u>	<u>\$ 9,216,275</u>	<u>\$ 72,826,281</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations

Beaufort County has entered into a loan agreement with Southern Bank in order to purchase and renovate a building to be used for the Department of Social Services. The principal borrowed was \$2,172,237. The terms call for 14 semi-annual payments of \$174,211.30 bearing interest at 3.68%. The first payment is a principal only payment. This debt is included in the General Long-Term Debt Account Group.

Beaufort County has entered into a loan agreement with Nations Bank to borrow \$715,000 to finance the acquisition of the enhanced 911-telephone system. The agreement requires monthly payments bearing interest at 3.66% for 59 months. This debt is included in the General Long-Term Debt Account Group.

Beaufort County has entered into a loan agreement with Nations Bank to borrow \$315,000 to finance the acquisition of the high band radio system. The agreement requires equal annual installments of \$45,000 plus interest at 5.39% for seven years. This debt is included in the General Long-Term Debt Account Group.

Beaufort County has entered into a loan agreement with Southern Bank for building expansions for Tideland Mental Health Center. The principal borrowed was \$1,700,000. The terms call for 15 annual payments of \$166,003 bearing interest at 5.20%. This debt is included in the General Long-Term Debt Account Group.

Beaufort County has entered into a loan agreement with Nations Bank in order to purchase and renovate a building to be used for the Health Department. The principal borrowed was \$2,000,000. The terms call for 8 annual payments of \$301,664 bearing interest at 4.40%. This debt is included in the General Long-Term Debt Account Group.

Beaufort County Water District III has entered into a loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for construction of a water distribution system. The total amount financed is \$485,995. The agreement requires equal annual installments of \$24,300 plus interest at 5.85% for 20 years. This debt is included in the enterprise fund.

Beaufort County Water District V has entered into a loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for construction of a water distribution system. The total to be borrowed is \$644,506. Terms call for a 20 year repayment at 3.215% interest. The entire amount of this loan is treated as a construction loan until the project is completed. This debt is included in the enterprise fund.

Beaufort County has entered into an agreement with the City of Washington to finance water tap-on fees for water districts IV and V. Terms call for one principal only payment of \$585,000 followed by eight annual installments of \$25,850. The installments include a principal amount of \$165,000 with interest at 5.31% per year.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations (continued)

For Beaufort County, the future minimum payments as of June 30, 1999, including interest of \$895,483 for the General Long-Term Debt Account Group and \$495,963 for the Water Fund are as follows:

Year Ending June 30	Water Districts	General Long-Term Debt Account Group	Total
2000	\$ 814,348	\$ 868,365	\$ 1,682,713
2001	123,768	691,729	815,497
2002	121,311	515,092	636,403
2003	118,853	467,667	586,520
2004	116,396	467,667	584,063
Next 5 years	441,716	1,131,679	1,573,395
Thereafter	546,549	498,009	1,044,558
	<u>\$ 2,282,941</u>	<u>\$ 4,640,208</u>	<u>\$ 6,923,149</u>

The Hospital issued an installment note payable to First Citizens Bank & Trust Company on August 25, 1993. This note is payable in monthly installments of \$15,225.38 including interest at 4.97% annually. Computer equipment and software secure this note. This note was paid off during the year ended September 30, 1998.

The Hospital issued an installment note payable to NationsBank, N.A. on January 25, 1996. This note is payable in monthly installments of \$2,691.61 plus interest at 5.25% annually, and one final payment of \$91,195 due January 24, 2001. This note is secured by real estate located in the Town of Aurora. The proceeds of this note were used to purchase the Aurora Medical Center building and surrounding 5.09 acres, Town of Aurora, North Carolina.

The Hospital issued an installment note payable to NationsBank, N.A. on July 28, 1998. This note is payable in monthly installments of \$7,269.08 including interest at 4.10% annually. This note is secured by real estate located adjacent to the Hospital. The proceeds of this note were used to purchase approximately 16.4 acres of unimproved real estate adjacent to the Hospital.

Aggregate maturities of these notes payable in each of the next five years ended September 30 follows:

1999	\$ 94,678
2000	97,329
2001	166,970
2002	70,528
2003	73,475
Thereafter	400,783
Total payable	903,763
Less current maturities	(94,678)
Long-term portion	<u>\$ 809,085</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations (continued)

The ABC Board has entered into a loan agreement with Wachovia Bank. The note is unsecured and requires quarterly installments of \$8,149.68 including interest at 5.98%. Final payment is due September 1, 1999. Maturities of long-term debt as of June 30:

2000	\$ <u>8,018</u>
Total	\$ <u><u>8,018</u></u>

The following is a summary of changes in the County's general long-term debt for the fiscal year ended June 30, 1999:

	Balance July 1, 1998	Additions	Retirements	Balance June 30, 1999
By type				
General obligation bonds	\$ 8,765,000	\$ -	\$ 1,125,000	\$ 7,640,000
Capitalized leases	-	-	-	-
Installment purchase	4,467,934	-	723,209	3,744,725
Compensated absences	484,368	-	85,438	398,930
Landfill postclosure care	<u>367,671</u>	<u>-</u>	<u>31,678</u>	<u>335,993</u>
Total	<u>\$ 14,084,973</u>	<u>\$ -</u>	<u>\$ 1,965,325</u>	<u>\$ 12,119,648</u>
By Function				
General government	\$ -	\$ -	\$ -	\$ -
Economic and physical development	60,593	-	60,593	-
Education	7,166,700	-	899,500	6,267,200
Human services	4,227,341	-	617,616	3,609,725
Environmental protection	367,671	-	31,678	335,993
Public safety	180,000	-	45,000	135,000
Compensated absences	484,368	-	85,438	398,930
Hospital	<u>1,598,300</u>	<u>-</u>	<u>225,500</u>	<u>1,372,800</u>
Total	<u>\$ 14,084,973</u>	<u>\$ -</u>	<u>\$ 1,965,325</u>	<u>\$ 12,119,648</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)

B. Liabilities (continued)

7. Long - Term Obligations (continued)

d. Capitalized Interest

Construction period interest in the Water District Capital Projects was capitalized as follows:

Water District IV	\$	462,574
Water District V		256,714
Water District VII		<u>313,196</u>
Total	\$	<u>1,032,484</u>

8. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 1998 are as follows:

Due to/from primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government General Fund	Component unit: Beaufort County ABC Board Required distributions	\$ <u>19,600</u>

C. Fund Equity

Enterprise Funds - Contributed Capital

Grants, entitlements, and shared revenues restricted for the acquisition or construction of capital assets are recorded as contributed capital. The County utilizes an option allowed under NCGA Statement 2 for the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings (Exhibit 4) whereby it closes depreciation expense on assets acquired or constructed through grants, entitlements, or shared revenues to the contributed capital account rather than to retained earnings.

The following is a summary of the changes in the contributed capital of the County for the fiscal year ended June 30, 1999.

<u>Sources</u>	<u>Water District III</u>	<u>Water District IV</u>	<u>Water District V</u>	<u>Water District VI</u>	<u>Water District VII</u>	<u>Total</u>
Beginning balance, July 1, 1998	\$ 100,000	\$ -	\$ 1,815,527	\$ -	\$ -	\$ 1,915,527
Additions	-	2,155,500	887,134	100,000	1,532,000	4,674,634
Less Amortization	-	-	-	-	-	-
Ending balance, June 30, 1999	\$ <u>100,000</u>	\$ <u>2,155,500</u>	\$ <u>2,702,661</u>	\$ <u>100,000</u>	\$ <u>1,532,000</u>	\$ <u>6,590,161</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 3 RELATED ORGANIZATIONS

The chairman of the County's governing board is also responsible for appointing the members of the board of the Beaufort County Industrial Control Facility, but the County's accountability for this organization does not extend beyond making these appointments. The Facility exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Facility and the Facility's debt is not included in determining the County's legal debt limit.

The County's governing board serves along with the County Nursing Home's governing board as directors of the Beaufort County Home Foundation. The Foundation is a non-profit organization created to raise funds for the County's Nursing Home. The Foundation's revenues are from gifts and grants.

NOTE 4 JOINT VENTURES

The County participates in a joint venture to operate BHM Regional Library with three other local governments. Beaufort County appoints three board 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 have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 1999. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$103,000 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library offices, at 158 North Market Street, Washington, NC 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. Each of the three participants appoints five members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. 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 financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$976,509 and \$340,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 1999. In addition, the County made debt service payments of \$100,000 during the fiscal year on general obligation bonds issued for community college capital facilities. 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, 1999. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 4 JOINT VENTURES (continued)

The County, in conjunction with four other counties, participates in the Tideland Mental Health Center. The County Commissioners appoint four members to the twenty-member board of the Center. In addition, one County Commissioner also serves on the Center's board. The Center, a multi-county public mental health authority, is a separate and distinct subdivision charged by State law with the responsibility of providing treatment for persons suffering from emotional, mental, or neurological handicaps and to provide services for drug and mental health prevention, treatment and rehabilitation services. The County contributed \$137,000 to the Center during fiscal year ended June 30, 1998. Complete financial statements for the Center can be obtained from the Center's administrative offices at 1308 Highland Drive, Washington, NC 27889.

NOTE 5 JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Commission (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 Commission's governing board. The County paid membership fees of \$12,047 to the Commission during the fiscal year ended June 30, 1999. The County was the subrecipient of a grant for \$365,525 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources which was passed through the Commission.

NOTE 6 SUPPLEMENTAL & ADDITIONAL SUPPLEMENTAL 1/2 OF 1% LOCAL GOVERNMENT SALES AND USE TAXES

State law (Chapter 105, Articles 40 & 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 1999, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

NOTE 7 PUBLIC SCHOOL BUILDING BOND ACT OF 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The Department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve-month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each county.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. Beaufort County's matching requirement of \$.50 for each dollar of allocated bond proceeds has been fulfilled.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1999

NOTE 7 PUBLIC SCHOOL BUILDING BOND ACT OF 1996 (continued)

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Beaufort County requests bond funds by project to be transferred to an account established by Beaufort County Board of Education for payment of invoices. To date, the County has expended \$8,672,833 of their total allocation of \$11,585,308.

NOTE 8 SCHOOL FACILITIES FINANCE ACT OF 1987

The General Assembly passed the School Facilities Finance Act of 1987 (Act) to assist county governments in meeting their public school facility capital needs. The Act created two State-funded programs for the construction and renewal of school facilities: the Public School Building Capital Fund administered by the office of State Budget and Management and the Critical School Facilities Needs Fund administered by the State Board of Education.

1. Public School Building Capital Fund

This program is funded using a portion of the corporate income taxes, which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue makes quarterly deposits into the fund of two thirty-first (2/31) of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund. (See below.)

The corporate income taxes deposited into the fund are allocated to Beaufort County on the basis of the average daily membership (ADM) for Beaufort County Board of Education as determined by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 1999, the balance of the County's ADM allocation account was \$1,355,937. The County must match this balance on the basis of one dollar for every three dollars of State funds.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 1999, the County had a balance in its disbursing account of \$0.00.

Funds in the allocation and disbursing accounts are considered State moneys until the County issues warrants to disburse them. At that time, they are recognized in the County's General Fund as a restricted intergovernmental revenue.

2. Critical School Facilities Needs Fund

This program is funded by the net collections of State income taxes imposed on corporations and received by the Department of Revenue. Each quarter, the Department of Revenue deposits \$2.5 million into the fund.

Grants are awarded by the State Board of Education based on the grant priority list established in 1988 by the Commission on School Facility Needs. A joint application must be made by the Beaufort County Board of Commissioners and the Beaufort County Board of Education. At June 30, 1999, the Boards had not submitted a grant application to the Commission on School Facility Needs.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 9 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

1. Federal and State Assisted Programs

The County and Warren Field Airport Commission have 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.

2. Airport Contaminants

In January, 1991 it was discovered that the Airport had an underground leak from one of its fuel tanks. Initial cleanup efforts concentrated on removal and remediation of contaminated soil. A plan for corrective action, which provided for a natural lessening of the contaminants with monitoring, has been submitted to the State of North Carolina for approval. Future costs have not been determined. No provision has been made in the financial statements for this contingency.

NOTE 10 MAJOR TAXPAYER

Beaufort County had property tax revenue from one taxpayer in 1999 of approximately \$2,330,413, which accounted for approximately 16 percent of net property tax levied.

NOTE 11 BUDGET-TO-GAAP RECONCILIATION

Exhibit 3, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, compares the budget and actual data by fund type for those governmental funds that adopt annual budgets. Therefore, only those Special Revenue Funds that adopt annual budgets are included on Exhibit 3. A budget-to-GAAP reconciliation for the Special Revenue Fund is included below:

Special Revenue Fund	Excess of Revenues and Other Sources over (under) Expenditures and Other Uses
Per Exhibit 3 - Budgetary basis	\$ 99,532
Timing difference	
Transactions of funds with multi-year budgets	
Revenues	1,695,507
Expenditures	<u>(1,912,961)</u>
Per Exhibit 2 - GAAP basis	<u>\$ (117,922)</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1999

NOTE 12 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit in Retained Earnings

There is a deficit in retained earnings of the following individual funds:

Water District II	\$	162,243
Water District III		306,962

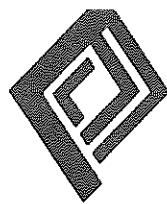
NOTE 13 BENEFIT PAYMENTS ISSUED BY THE STATE

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 which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

1. Benefit Payments Issued by the State

	<u>Federal</u>	<u>State</u>
Food Stamp Program	\$ 3,893,025	\$ -
TANF Aid to Families with Dependent Children	1,819,953	61,431
Medical Assistance Program	23,546,814	11,755,526
Special Supplemental Food Program for Women, Infants and Children	813,197	-
Energy Assistance Payment	62,960	-
CWS Adopt Subsidy & Vendor	5,839	9,230
IV-E Adopt Subsidy & Vendor	85,865	25,135
Special Assistance - Aged and Disabled		401,387
IV-E Foster Care	102,035	27,066
State Foster Home	-	15,671

SUPPLEMENTARY INFORMATION



Pittard Perry
Crone, INCORPORATED
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Supplementary Information

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the general-purpose financial statements of Beaufort County as of and for the year ended June 30, 1999, and have issued our report thereon dated September 9, 1999. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The year 2000 supplementary information labeled "Year 2000 Issue," is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and therefore do not express an opinion on it. In addition, we do not provide assurance that Beaufort County is or will become year 2000 compliant, that the County's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the County does business are or will become year 2000 compliant.

The combining and individual fund financial statements and schedules, the accompanying schedule of expenditures of federal and State awards as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information contained therein is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
September 9, 1999

Beaufort County, North Carolina
Required Supplementary Information
Year 2000 Issue

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. Due to the elimination of the first two digits from a year in many software programs, programs will not be able to distinguish between the year 2000 and the year 1900, which may cause the programs to process data incorrectly or stop processing data altogether. The stages of work needed to achieve compliance are identified as: awareness, assessment, remediation, and validation/testing.

During fiscal year 1998, the County began converting its mission critical computer systems to be year 2000 compliant. At June 30, 1999, approximately 80% of the County's mission critical systems have completed the validation/testing stage, with all mission critical systems expected to have completed this stage by December 1, 1999. The conversion plan includes a risk assessment process, identifying those systems determined to be crucial for the uninterrupted provision of services to residents of the County. Some of these mission critical systems include law enforcement and dispatch for E911, tax assessment and billing system, and general ledger accounting system. All water operating systems are radio controlled using no computers. Tested mission critical systems are expected to be implemented by December 1, 1999. The total cost of the project is being funded through operating cash flows. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the County is or will be Year 2000 ready, that the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business will be year 2000 ready.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Analysis of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance

Beaufort County, North Carolina
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

EXHIBIT A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/91	-	68,172	68,172	0%	515,292	13.23%
12/31/92	-	72,119	72,119	0%	553,888	13.02%
12/31/93	-	87,049	87,049	0%	737,811	11.80%
12/31/94	-	90,208	90,208	0%	794,597	11.35%
12/31/95	-	113,791	113,791	0%	844,751	13.47%
12/31/96	-	126,204	126,204	0%	865,459	14.58%
12/31/97	-	114,269	114,269	0%	955,671	11.96%
12/31/98	-	167,493	167,493	0%	998,974	16.77%

Beaufort County, North Carolina
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS**

EXHIBIT A-2

Year ended June 30	Annual Required Contribution	Percentage Contributed
1998	\$ 18,827	34.89%
1999	\$ 17,402	100.31%

Notes to the Required Schedules:

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

Valuation date	12/31/98
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed
Remaining amortization period	21 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	4.4 % to 8.5% per year
Includes inflation at	3.75%
Cost-of living adjustments	N/A

**INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Beaufort County, North Carolina
GENERAL FUND
COMPARATIVE BALANCE SHEET
 June 30, 1999
 With Comparative Totals for June 30, 1998

EXHIBIT B-1

	June 30, 1999	June 30, 1998
ASSETS		
Cash and investments	\$ 7,281,781	\$ 9,562,422
Receivables:		
Taxes	1,765,130	1,713,198
Accounts	2,489,130	2,335,019
Due from other funds	1,361,321	760,484
Due from component unit	19,600	14,253
Installment obligation receivable		
Current	85,884	81,639
Noncurrent	1,454,874	1,540,758
Total assets	\$ 14,457,720	\$ 16,007,773
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 740,788	\$ 1,153,593
Deferred revenues	4,026,110	3,995,143
Due to other funds	20,154	19,729
Total liabilities	4,787,052	5,168,465
Fund balances:		
Reserved by state statute	3,870,051	3,109,759
Unreserved:		
Designated for subsequent year's expenditures	1,757,831	1,700,000
Undesignated	4,042,786	6,029,549
Total fund balances	9,670,668	10,839,308
Total liabilities and fund balances	\$ 14,457,720	\$ 16,007,773

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
Page 1 of 6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes				
Current year	\$ 13,909,686	\$ 13,742,361	\$ (167,325)	\$ 13,547,615
Prior years	901,032	712,007	(189,025)	754,586
Interest and penalties	200,000	237,395	37,395	230,248
Animal taxes	-	165	165	317
Total	<u>15,010,718</u>	<u>14,691,928</u>	<u>(318,790)</u>	<u>14,532,766</u>
Local option sales tax				
Article 39 one percent	2,590,000	2,731,975	141,975	2,475,004
Article 40 one-half of one percent	1,650,000	1,775,977	125,977	1,672,337
Article 42 one-half of one percent	1,650,000	1,761,884	111,884	1,657,662
Total	<u>5,890,000</u>	<u>6,269,836</u>	<u>379,836</u>	<u>5,805,003</u>
Other taxes and licenses				
Documentary stamps	75,000	96,709	21,709	136,424
Scrap tire disposal tax	30,000	38,979	8,979	37,369
White goods disposal tax	30,000	35,891	5,891	32,820
Privilage license	10,000	10,448	448	10,248
Total	<u>145,000</u>	<u>182,027</u>	<u>37,027</u>	<u>216,861</u>
Restricted intergovernmental				
Federal and state grants	6,510,368	5,820,849	(689,519)	5,302,240
Court facility fees / court costs	158,000	158,835	835	143,154
Tideland loan reimbursement	166,004	166,003	(1)	166,003
ABC education / rehabilitation distribution	2,700	842	(1,858)	1,341
ABC bottle tax distributions	14,000	13,716	(284)	13,771
Total	<u>6,851,072</u>	<u>6,160,245</u>	<u>(690,827)</u>	<u>5,626,509</u>
Unrestricted intergovernmental				
Intangibles tax	515,000	513,272	(1,728)	513,121
Beer and wine tax	120,000	122,269	2,269	119,940
Sales and gas tax refunds	1,000	29,253	28,253	34,803
Senior citizens exemption	30,000	38,514	8,514	38,514
Food stamp tax reimbursement	45,000	43,686	(1,314)	44,079
Inventories tax reimbursement	825,000	808,813	(16,187)	809,556
Total	<u>1,536,000</u>	<u>1,555,807</u>	<u>19,807</u>	<u>1,560,013</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
Page 2 of 6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Permits and fees				
Building inspection fees	100,000	141,709	41,709	116,216
Register of Deeds	147,000	182,598	35,598	169,638
Total	<u>247,000</u>	<u>324,307</u>	<u>77,307</u>	<u>285,854</u>
Sales and services				
Patient fees - Nursing Home	1,100,000	977,108	(122,892)	1,105,785
Patient fees - other	60,400	65,972	5,572	54,424
CAP fees	280,594	230,838	(49,756)	241,718
Personal care - medicaid fees	329,945	194,594	(135,351)	320,121
Rescue squad	50,000	35,037	(14,963)	49,614
Prisoners' reimbursement	10,000	85,761	75,761	123,647
Vending concessions	20,000	9,253	(10,747)	9,175
Rent of public building	90,000	78,056	(11,944)	32,793
Environmental fees	45,000	61,567	16,567	41,800
Landfill fees / availability fee	2,260,000	2,340,608	80,608	2,266,427
Cable TV franchise fees	30,000	45,314	15,314	52,178
Candidate filing fees	-	-	-	5,684
Collection fees - town taxes	54,500	58,596	4,096	63,563
Sheriff's fees	132,915	34,159	(98,756)	67,894
Animal control fees	5,000	3,700	(1,300)	4,749
School resource officer	-	30,601	30,601	-
Total	<u>4,468,354</u>	<u>4,251,164</u>	<u>(217,190)</u>	<u>4,439,572</u>
Investment earnings	<u>340,000</u>	<u>494,893</u>	<u>154,893</u>	<u>534,691</u>
Miscellaneous				
Sale of fixed assets	10,000	-	(10,000)	8,850
Donations & contributions	18,605	22,614	4,009	20,462
Insurance claims & reimbursements	10,000	26,698	16,698	11,588
Hospital share of service	18,000	14,169	(3,831)	11,593
Reimbursement from VFDs	100,000	76,028	(23,972)	62,544
IV-D travel	-	13,061	13,061	4,840
DWI fines - Safe Roads Act	-	1,839	1,839	-
Other	170,892	215,112	44,220	82,117
Total	<u>327,497</u>	<u>369,521</u>	<u>42,024</u>	<u>201,994</u>
Total revenues	<u>34,815,641</u>	<u>34,299,728</u>	<u>(515,913)</u>	<u>33,203,263</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
 Page 3 of 6

	1999		1998	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures:				
General Government				
Governing body	86,231	82,224	4,007	69,538
Elections	186,455	130,826	55,629	119,869
Finance	200,746	184,398	16,348	202,737
County manager	532,377	479,223	53,154	503,680
Court facilities	199,931	176,986	22,945	161,280
Tax collector	272,610	235,120	37,490	225,729
Land records	282,729	215,096	67,633	220,310
Tax assessor	808,916	677,948	130,968	531,894
Legal	33,568	26,183	7,385	25,007
Register of deeds	211,515	203,630	7,885	207,402
Public buildings	688,026	658,299	29,727	557,239
Total general government	<u>3,503,104</u>	<u>3,069,923</u>	<u>433,171</u>	<u>2,824,685</u>
Public Safety				
Sheriff	1,853,129	1,788,813	64,316	1,618,413
Jail	924,021	878,704	45,317	748,988
Emergency communications	303,934	289,784	14,150	341,864
Emergency management	65,102	62,796	2,306	67,681
Fire protection	112,645	98,111	14,534	98,164
Inspections	169,954	168,360	1,594	152,484
Medical examiner	24,500	19,550	4,950	10,900
Ambulance / Rescue service	255,929	255,653	276	202,378
Animal control	102,095	100,360	1,735	88,911
Total public safety	<u>3,811,309</u>	<u>3,662,131</u>	<u>149,178</u>	<u>3,329,783</u>
Economic and physical development				
Agricultural extension	198,836	173,302	25,534	149,202
Economic development	213,700	185,810	27,890	169,977
Road sign maintenance	50,000	-	50,000	40,000
Soil / water conservation	71,140	66,767	4,373	59,778
Total economic and physical development	<u>533,676</u>	<u>425,879</u>	<u>107,797</u>	<u>418,957</u>
Culture and recreation				
Libraries	111,800	111,800	-	108,629
Recreation	38,150	38,132	18	38,515
Special appropriations	33,900	33,900	-	28,900
Total culture and recreation	<u>183,850</u>	<u>183,832</u>	<u>18</u>	<u>176,044</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
Page 4 of 6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Education				
Public schools - current	6,743,500	6,743,500	-	6,450,000
Public schools - capital outlay	1,569,706	1,569,706	-	100,000
Community colleges - current	976,509	976,509	-	926,554
Community colleges - capital outlay	340,000	340,000	-	293,332
Total education	9,629,715	9,629,715	-	7,769,886
Human services				
Health				
Administration - general	722,185	547,714	174,471	693,918
Immunization	75,468	64,637	10,831	15,259
Adult health-hypertension	-	-	-	10,755
Child health	73,519	66,317	7,202	73,160
Maternal health	297,127	212,689	84,438	248,571
WIC - Administration	177,379	177,174	205	151,096
TB program	47,111	44,859	2,252	25,307
Health promotion	86,473	78,055	8,418	25,401
Environmental health	10,241	10,114	127	8,368
Aids control	32,480	25,941	6,539	26,212
Family planning	223,122	221,660	1,462	167,733
Total health	1,745,105	1,449,160	295,945	1,445,780
Mental health				
General appropriation	162,000	160,440	1,560	136,141
Alcohol rehab	24,000	24,000	-	24,000
Total mental health	186,000	184,440	1,560	160,141
Mental retardation				
Beaufort County Development Center	95,000	95,000	-	90,000
N.C. Elderly handicapped transportation	18,500	17,435	1,065	17,808
Total mental retardation	113,500	112,435	1,065	107,808

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
Page 5 of 6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Social services				
Administration	3,578,548	3,368,920	209,628	3,489,212
Work first program	165,400	83,175	82,225	34,225
State In-Home Aging Services	419,557	297,159	122,398	298,656
AFDC program	1,000	640	360	106,179
Medical assistance	2,258,260	2,230,798	27,462	1,879,789
Special assistance	403,216	404,021	(805)	352,773
Aid to the blind program	20,468	15,381	5,087	19,515
Foster care	18,697	22,330	(3,633)	7,725
Transportation - elderly	36,447	37,550	(1,103)	15,256
Other assistance	144,884	114,389	30,495	82,410
County provided services	6,600	4,916	1,684	3,159
Day care	1,657,650	1,587,201	70,449	1,274,078
Child support enforcement	936,000	799,245	136,755	19,208
Total support services	<u>9,646,727</u>	<u>8,965,725</u>	<u>681,002</u>	<u>7,582,185</u>
Other human services				
County home	1,208,002	1,089,980	118,022	1,099,029
Veterans services	27,411	26,486	925	25,138
Youth services	148,241	148,217	24	159,396
Total other human services	<u>1,383,654</u>	<u>1,264,683</u>	<u>118,971</u>	<u>1,283,563</u>
Total human services	<u>13,153,812</u>	<u>12,054,727</u>	<u>1,099,085</u>	<u>10,579,477</u>
Environmental protection				
Solid waste	3,453,984	3,390,482	63,502	3,197,511
Non-departmental / Contingency				
Contingency	27,278	-	27,278	-
Total	<u>27,278</u>	<u>-</u>	<u>27,278</u>	<u>-</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT B-2
Page 6 of 6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Debt service				
Bond principle	1,125,000	1,125,000	-	1,145,000
Lease principle - tax department	-	-	-	43,324
Note principle - DSS building	321,500	320,769	731	309,593
Note principle - VFD radio system	45,000	45,000	-	45,000
Note principle - Health Department	223,000	215,209	7,791	217,744
Note principle - Tideland renovation	82,639	81,639	1,000	77,603
Note principle - telephone system	-	2,294	(2,294)	2,220
Interest	601,940	608,108	(6,168)	672,697
Fees and commissions	1,500	25	1,475	264
Total debt service	<u>2,400,579</u>	<u>2,398,044</u>	<u>2,535</u>	<u>2,513,445</u>
 Total expenditures	<u>36,697,307</u>	<u>34,814,743</u>	<u>1,882,564</u>	<u>30,809,788</u>
 Revenue over (under) expenditures	<u>(1,881,666)</u>	<u>(515,015)</u>	<u>1,366,651</u>	<u>2,393,475</u>
 Other financing sources (uses)				
Operating transfers from (to) other funds				
Capital Projects	(493,170)	-	493,170	-
Capital Reserve	-	-	-	(650,000)
Water Districts	(650,000)	(700,000)	(50,000)	(31,856)
NC Housing Finance	-	-	-	(15,000)
Water District IV	-	-	-	(100,000)
Special revenue fund - revaluation	-	-	-	140,000
Special revenue fund - CDBG	-	-	-	(60,000)
Operating transfer from component unit	50,000	66,375	16,375	75,222
Operating transfer to component unit	(20,000)	(20,000)	-	(5,000)
Total other financing sources (uses)	<u>(1,113,170)</u>	<u>(653,625)</u>	<u>459,545</u>	<u>(646,634)</u>
 Revenues and other sources over (under) expenditures and other uses	<u>(2,994,836)</u>	<u>(1,168,640)</u>	<u>1,826,196</u>	<u>1,746,841</u>
 Appropriated fund balance	<u>2,994,836</u>	<u>-</u>	<u>(2,994,836)</u>	<u>-</u>
 Revenues , other sources, and appropriated fund balance over (under) expenditures and other use \$	<u>-</u>	<u>(1,168,640)</u>	<u>\$ (1,168,640)</u>	<u>1,746,841</u>
 Fund balance, beginning of year		<u>10,839,308</u>		<u>9,092,467</u>
 Fund balance, end of year		<u>\$ 9,670,668</u>		<u>\$ 10,839,308</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specified revenue sources (other than Special Assessments) or to finance specified activities as required by law or administrative regulation.

Beaufort County, North Carolina
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
 June 30, 1999
 With Comparative Totals for June 30, 1998

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service
ASSETS						
Cash and investments	\$ 11,701	\$ 178,132	\$ -	\$ -	\$ 152,514	\$ 48,073
Receivables:						
Property taxes receivable	-	-	14,758	80,323	-	-
Accounts receivable	-	1,055	-	-	-	19,050
Due from General Fund	-	48	-	19,662	-	-
Total assets	\$ 11,701	\$ 179,235	\$ 14,758	\$ 99,985	\$ 152,514	\$ 67,123
LIABILITIES AND EQUITY						
Liabilities						
Accounts payable	\$ -	\$ 11,290	\$ -	\$ 11,801	\$ -	\$ 19,072
Due to other funds	-	86,701	-	-	-	-
Deferred revenue	-	-	14,758	88,184	-	-
Total liabilities	-	97,991	14,758	99,985	-	19,072
Equity (deficit)						
Reserved by state statute	-	1,102	-	-	-	19,050
Unreserved	11,701	80,142	-	-	152,514	29,001
Total	11,701	81,244	-	-	152,514	48,051
Total liabilities and equity	\$ 11,701	\$ 179,235	\$ 14,758	\$ 99,985	\$ 152,514	\$ 67,123

EXHIBIT C-1

CDBG Grant	NC Housing Finance Agency	Hazard Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals	
						June 30, 1999	June 30, 1998
\$ 344	\$ -	\$ 18,000	\$ 234,748	\$ -	\$ 733,805	\$ 1,377,317	\$ 950,112
-	-	-	-	-	-	95,081	69,610
-	36,000	-	-	-	-	56,105	187,814
-	18,000	-	-	-	-	37,710	207,288
<u>\$ 344</u>	<u>\$ 54,000</u>	<u>\$ 18,000</u>	<u>\$ 234,748</u>	<u>\$ -</u>	<u>\$ 733,805</u>	<u>\$ 1,566,213</u>	<u>\$ 1,414,824</u>
\$ -	\$ 10,019	\$ 122,992	\$ 33,988	\$ -	\$ -	\$ 209,162	\$ 33,147
1	38,528	18,000	-	220,038	-	363,268	293,599
-	-	-	-	-	-	102,942	79,315
<u>1</u>	<u>48,547</u>	<u>140,992</u>	<u>33,988</u>	<u>220,038</u>	<u>-</u>	<u>675,372</u>	<u>406,061</u>
-	5,453	-	-	-	-	25,605	395,102
343	-	(122,992)	200,760	(220,038)	733,805	865,236	613,661
343	5,453	(122,992)	200,760	(220,038)	733,805	890,841	1,008,763
<u>\$ 344</u>	<u>\$ 54,000</u>	<u>\$ 18,000</u>	<u>\$ 234,748</u>	<u>\$ -</u>	<u>\$ 733,805</u>	<u>\$ 1,566,213</u>	<u>\$ 1,414,824</u>

Beaufort County, North Carolina
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS**
 For the Fiscal Year Ended June 30, 1999
 With Comparative Totals for the Fiscal Year Ended June 30, 1998

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service
Revenue:						
Ad valorem taxes	\$ -	\$ -	1,031	\$ 631,262	\$ -	-
Intergovernmental	-	168,644	-	-	-	215,948
Investment earnings	295	1,764	-	-	7,338	-
Total revenue	295	170,408	1,031	631,262	7,338	215,948
Expenditures:						
Public safety	-	-	-	631,262	-	130,164
Economic & physical development	-	137,897	-	-	-	-
Education	-	-	1,031	-	-	-
Debt service	-	-	-	-	-	61,724
Total expenditures	-	137,897	1,031	631,262	-	191,888
Revenue over (under) expenditures	295	32,511	-	-	7,338	24,060
Other financing sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Revenue and other financing sources over (under) expenditures and other financing uses	295	32,511	-	-	7,338	24,060
Fund balance (deficit)						
Beginning of year	11,406	48,733	-	-	145,176	23,991
End of year	\$ 11,701	\$ 81,244	\$ -	\$ -	\$ 152,514	\$ 48,051

EXHIBIT C-2

CDBG Grant	NC Housing Finance Agency	Hazard Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals	
						June 30, 1999	June 30, 1998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	632,293	\$ 619,769
-	243,191	430,189	418,671	603,456	-	2,080,099	945,396
-	-	-	-	-	35,328	44,725	16,624
-	243,191	430,189	418,671	603,456	35,328	2,757,117	1,581,789
-	-	-	-	-	-	761,426	653,811
64,820	262,151	546,868	215,628	823,494	-	2,050,858	680,248
-	-	-	-	-	-	1,031	1,702
-	-	-	-	-	-	61,724	151,198
64,820	262,151	546,868	215,628	823,494	-	2,875,039	1,486,959
(64,820)	(18,960)	(116,679)	203,043	(220,038)	35,328	(117,922)	94,830
-	-	-	-	-	-	-	895,000
-	-	-	-	-	-	-	(310,000)
-	-	-	-	-	-	-	585,000
(64,820)	(18,960)	(116,679)	203,043	(220,038)	35,328	(117,922)	679,830
65,163	24,413	(6,313)	(2,283)	-	698,477	1,008,763	328,933
\$ 343	\$ 5,453	\$ (122,992)	\$ 200,760	\$ (220,038)	\$ 733,805	\$ 890,841	\$ 1,008,763

Beaufort County, North Carolina
REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT C-3

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ 295	\$ 295	\$ 6,664
Expenditures:				
Revenue over (under) expenditures	-	295	295	6,664
Other financing sources (uses)				
Transfer from general fund	-	-	-	-
Transfer to general fund	-	-	-	140,000
	-	-	-	(140,000)
Revenue and other sources over (under) expenditures and other (uses)	\$ -	\$ 295	\$ 295	(133,336)
Fund balance, beginning of year		11,406		144,742
Fund balance, end of year		\$ 11,701		\$ 11,406

Beaufort County, North Carolina
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999

EXHIBIT C-4

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Restricted intergovernmental				
Washington appropriation	\$ 168,842	\$ 168,644	\$ (198)	\$ 48,733
Investment earnings	-	1,764	1,764	-
Total revenue	<u>168,842</u>	<u>170,408</u>	<u>1,566</u>	<u>48,733</u>
Expenditures:				
Economic and physical development	<u>168,842</u>	<u>137,897</u>	<u>30,945</u>	<u>-</u>
Revenue over expenditures	<u>\$ -</u>	<u>32,511</u>	<u>\$ 32,511</u>	<u>48,733</u>
Fund balances				
Beginning of year		<u>48,733</u>		<u>-</u>
End of year		<u>\$ 81,244</u>		<u>\$ 48,733</u>

Beaufort County, North Carolina
WASHINGTON ADMINISTRATIVE UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT C-5

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes				
Current year	\$ 1,500	\$ -	\$ (1,500)	\$ 1,702
Prior year	-	1,031	1,031	-
Total revenue	<u>1,500</u>	<u>1,031</u>	<u>(469)</u>	<u>1,702</u>
Expenditures:				
Education				
School current expense	<u>1,500</u>	<u>1,031</u>	<u>469</u>	<u>1,702</u>
Revenue over (under) expenditures	<u>\$ -</u>		<u>- \$ -</u>	-
Fund balances				
Beginning of year		-		-
End of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
FIRE TAX DISTRICTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT C-6

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes	\$ 644,480	\$ 631,262	\$ (13,218)	\$ 618,067
Expenditures:				
Public Safety				
Contracted services	644,480	631,262	13,218	618,067
Revenue over expenditures	<u>\$ -</u>		<u>- \$ -</u>	-
Fund balances				
Beginning of year		-		-
End of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
ARBITRAGE RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT C-7

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ 7,338	\$ 7,338	\$ 7,535
Expenditures:	-	-	-	-
Revenue over expenditures	\$ -	\$ 7,338	\$ 7,338	7,535
Fund balances				
Beginning of year		145,176		137,641
End of year		\$ 152,514		\$ 145,176

Beaufort County, North Carolina
E911 SURCHARGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

EXHIBIT C-8

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Restricted Intergovernmental				
E911 Surcharge	\$ 207,600	\$ 215,948	\$ 8,348	\$ 210,933
Expenditures:				
Public safety				
E911 service	117,800	120,147	2,347	35,744
Capital outlay	2,200	10,017	7,817	-
Debt service				
Note principle	84,000	60,593	23,407	145,424
Interest	3,600	1,131	2,469	5,774
Total expenditures	207,600	191,888	15,712	186,942
Revenues over (under) expenditures	\$ -	24,060	\$ 24,060	23,991
Fund balance, beginning of year		23,991		-
Fund balance, end of year		\$ 48,051		\$ 23,991

Beaufort County, North Carolina
COMMUNITY DEVELOPMENT BLOCK GRANT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 1999

EXHIBIT C-9

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenue:					
Restricted intergovernmental revenue:					
Community development block grant	\$ 850,000	\$ 793,376	\$ -	\$ 793,376	\$ (56,624)
Martin County Community Action	19,200	-	-	-	(19,200)
Local funds	60,000	60,000	-	60,000	-
Total revenues	929,200	853,376	-	853,376	(75,824)
Expenditures:					
Economic and physical development	1,099,200	958,213	64,820	1,023,033	76,167
Revenue over (under) expenditures	(170,000)	(104,837)	(64,820)	(169,657)	343
Other financing sources (uses)					
Operating transfer from Disaster Relief	170,000	170,000	-	170,000	-
Revenue and other financing sources over (under) expenditures	\$ -	\$ 65,163	(64,820)	\$ 343	\$ 343
Fund balances					
Beginning of year			65,163		
End of year			\$ 343		

Beaufort County, North Carolina
NC HOUSING FINANCE AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 1999

EXHIBIT C-10

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 300,000	\$ 39,639	\$ 243,191	\$ 282,830	\$ (17,170)
Expenditures:					
Economic and physical development	315,000	30,226	262,151	292,377	22,623
Revenue over (under) expenditures	(15,000)	9,413	(18,960)	(9,547)	5,453
Other financing sources (uses)					
Operating transfer from general fund	15,000	15,000	-	15,000	-
Revenue and other financing sources over (under) expenditures	\$ -	\$ 24,413	(18,960)	\$ 5,453	\$ 5,453
Fund balances					
Beginning of year			24,413		
End of year			\$ 5,453		

Beaufort County, North Carolina
HAZARD MITIGATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 1999

EXHIBIT C-11

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 1,931,349	\$ 11,162	\$ 331,294	\$ 342,456	\$ (1,588,893)
State grants	<u>1,017,299</u>	<u>19,085</u>	<u>98,895</u>	<u>117,980</u>	<u>(899,319)</u>
Total revenue	2,948,648	30,247	430,189	460,436	(2,488,212)
Expenditures:					
Economic and physical development	<u>2,948,648</u>	<u>36,560</u>	<u>546,868</u>	<u>583,428</u>	<u>2,365,220</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>\$ (6,313)</u>	<u>(116,679)</u>	<u>\$ (122,992)</u>	<u>\$ (122,992)</u>
Fund balance (deficit)					
Beginning of year			<u>(6,313)</u>		
End of year			<u>\$ (122,992)</u>		

Beaufort County, North Carolina
DISASTER RELIEF INITIATIVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 1999

EXHIBIT C-12

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 1,421,128	\$ 170,000	\$ 418,671	\$ 588,671	\$ (832,457)
Expenditures:					
Economic and physical development	<u>1,421,128</u>	<u>2,283</u>	<u>215,628</u>	<u>217,911</u>	<u>1,203,217</u>
Revenue over expenditures	-	167,717	203,043	370,760	370,760
Other financing sources (uses):					
Transfer to CDBG grant fund	<u>-</u>	<u>(170,000)</u>	<u>-</u>	<u>(170,000)</u>	<u>(170,000)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (2,283)</u>	203,043	<u>\$ 200,760</u>	<u>\$ 200,760</u>
Fund balance (deficit) Beginning of year			<u>(2,283)</u>		
End of year			<u>\$ 200,760</u>		

Beaufort County, North Carolina
STATE DISASTER RELIEF INITIATIVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 1999

EXHIBIT C-13

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 850,000	\$ -	\$ 603,456	\$ 603,456	\$ (246,544)
Expenditures:					
Economic and physical development	850,000	-	823,494	823,494	26,506
Revenue over (under) expenditures	-	-	(220,038)	(220,038)	(220,038)
Other financing sources (uses):					
Transfer to CDBG grant fund	-	-	-	-	-
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(220,038)</u>	<u>\$ (220,038)</u>	<u>\$ (220,038)</u>
Fund balance (deficit)					
Beginning of year			-		
End of year			<u>\$ (220,038)</u>		

Beaufort County, North Carolina
CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

EXHIBIT C-14

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ 35,328	\$ 35,328	\$ 2,425
Expenditures:				
Revenue over expenditures	-	35,328	35,328	2,425
Other financing sources:				
Transfer from general fund	-	-	-	650,000
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>35,328</u>	<u>\$ 35,328</u>	<u>652,425</u>
Fund balances				
Beginning of year		<u>698,477</u>		<u>46,052</u>
End of year		<u>\$ 733,805</u>		<u>\$ 698,477</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 and trust funds.

County Buildings Renovation Project - This fund is used to account for the renovation of the administrative offices and the administrative building.

Health Department Capital Project - This fund is used to account for the construction of the building which houses the Health Department. The new building will be financed primarily by a long-term note.

BCCC Capital Project - This fund is used to account for construction of Beaufort County Community College Building. The building was financed primarily by general obligation bond proceeds.

Tideland Mental Health Center - This fund is used to account for expansion of Tideland Mental Health Center. The new building will be financed primarily by a long-term note paid back through an installment agreement with Tideland.

Beaufort County, North Carolina
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
 June 30, 1999
 With Comparative Totals for June 30, 1998

	County Buildings Renovation	Health Department
ASSETS		
Cash and cash equivalents	\$ 74	\$ 2,878
Accounts receivable (net)	1,514	-
Total assets	\$ 1,588	\$ 2,878
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Due to General Fund	-	-
Total liabilities	-	-
Fund balances		
Reserved by state statute	1,514	-
Unreserved		
Designated for subsequent year	74	2,878
Total fund balances	1,588	2,878
Total liabilities and fund balance	\$ 1,588	\$ 2,878

EXHIBIT D-1

BCCC Fund	Tideland Mental Health Center Expansion	Farm Services Administration Building	Fountain Power Boats Water/Sewer	Totals	
				1999	June 30 1998
\$ 131,559	\$ 194,527	\$ -	\$ -	\$ 329,038	\$ 948,647
-	-	-	-	1,514	1,514
<u>\$ 131,559</u>	<u>\$ 194,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,552</u>	<u>\$ 950,161</u>
\$ -	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ 6,345
-	-	38,052	-	38,052	-
-	-	61,052	-	61,052	6,345
-	-	-	-	1,514	1,514
131,559	194,527	(61,052)	-	267,986	942,302
<u>131,559</u>	<u>194,527</u>	<u>(61,052)</u>	<u>-</u>	<u>269,500</u>	<u>943,816</u>
<u>\$ 131,559</u>	<u>\$ 194,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,552</u>	<u>\$ 950,161</u>

Beaufort County, North Carolina
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
 For the Fiscal Year Ended June 30, 1999
 With Comparative Actual Amounts for the Year Ended June 30, 1998

	County Buildings Renovation	Health Department
Revenues:		
Intergovernmental revenue	\$ -	\$ -
Investment earnings	-	-
Total revenues	-	-
Expenditures:		
Capital projects	-	(375,570)
Revenues over (under) expenditures	-	(375,570)
Other financing sources (uses)		
Proceeds from long-term debt	-	-
Revenues & other sources over (under) expenditures and uses	-	(375,570)
Fund balances:		
Beginning of year	1,588	378,448
End of year	\$ 1,588	\$ 2,878

EXHIBIT D-2

BCCC Fund	Tideland Mental Health Center Expansion	Farm Services Administration Building	Fountain Power Boats Water/Sewer	Totals	
				1999	June 30 1998
\$ -	\$ 16,753	\$ -	\$ 160,263	\$ 177,016	\$ -
6,329	6,012	-	-	12,341	92,992
6,329	22,765	-	160,263	189,357	92,992
-	266,790	61,052	160,263	(863,675)	(2,379,322)
6,329	(244,025)	(61,052)	-	(674,318)	(2,286,330)
-	-	-	-	-	-
6,329	(244,025)	(61,052)	-	(674,318)	(2,286,330)
125,230	438,552	-	-	943,818	3,230,146
\$ 131,559	\$ 194,527	\$ (61,052)	\$ -	\$ 269,500	\$ 943,816

Beaufort County, North Carolina
CAPITAL PROJECT FUND - COUNTY BUILDINGS RENOVATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 1999

EXHIBIT D-3

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Investment earnings	\$ -	\$ 1,158	\$ -	\$ 1,158	\$ 1,158
Expenditures:					
Architect	11,835	11,835	-	11,835	-
Construction	1,028,266	1,027,870	-	1,027,870	396
Contingency	34	-	-	-	34
Total expenditures	<u>1,040,135</u>	<u>1,039,705</u>	<u>-</u>	<u>1,039,705</u>	<u>430</u>
Revenues under expenditures	<u>(1,040,135)</u>	<u>(1,038,547)</u>	<u>-</u>	<u>(1,038,547)</u>	<u>1,588</u>
Other financing sources:					
Transfer from DSS capital project	58,182	58,182	-	58,182	-
Transfer from capital reserve	355,784	355,784	-	355,784	-
Transfer from general fund	626,169	626,169	-	626,169	-
Total other financing sources	<u>1,040,135</u>	<u>1,040,135</u>	<u>-</u>	<u>1,040,135</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 1,588</u>	<u>-</u>	<u>\$ 1,588</u>	<u>\$ 1,588</u>
Fund balances:					
Beginning of year			<u>1,588</u>		
End of year			<u>\$ 1,588</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 1999

EXHIBIT D-4

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Investment earnings	\$ 64,691	\$ 89,594	\$ -	\$ 89,594	\$ 24,903
Expenditures:					
Architect	75,000	71,731	-	71,731	3,269
Construction	1,873,333	1,639,415	232,038	1,871,453	1,880
Furniture	150,000	-	143,532	143,532	6,468
Contingency	-	-	-	-	-
Total expenditures	<u>2,098,333</u>	<u>1,711,146</u>	<u>375,570</u>	<u>2,086,716</u>	<u>11,617</u>
Revenues under expenditures	<u>(2,033,642)</u>	<u>(1,621,552)</u>	<u>(375,570)</u>	<u>(1,997,122)</u>	<u>36,520</u>
Other financing sources:					
Proceeds from long-term debt	2,000,000	2,000,000	-	2,000,000	-
Health department escrow funds	33,642	-	-	-	(33,642)
Total other financing sources	<u>2,033,642</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>(33,642)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 378,448</u>	<u>(375,570)</u>	<u>\$ 2,878</u>	<u>\$ 2,878</u>
Fund balances:					
Beginning of year			<u>378,448</u>		
End of year			<u>\$ 2,878</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - BCCC
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 1999

EXHIBIT D-5

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenue:					
Investment earnings	\$ -	\$ 120,017	\$ 6,329	\$ 126,346	\$ 126,346
Expenditures:					
Architect	99,673	99,673	-	99,673	-
Construction	1,761,330	1,761,329	-	1,761,329	1
Administration	29,156	29,156	-	29,156	-
Contingency	741	-	-	-	741
Furnishings/ equipment	107,792	106,920	-	106,920	872
Total expenditures	<u>1,998,692</u>	<u>1,997,078</u>	<u>-</u>	<u>1,997,078</u>	<u>1,614</u>
Revenues under expenditures	<u>(1,998,692)</u>	<u>1,877,061</u>	<u>6,329</u>	<u>(1,870,732)</u>	<u>127,960</u>
Other financing sources:					
Proceeds from long-term debt	<u>1,998,692</u>	<u>2,002,291</u>	<u>-</u>	<u>2,002,291</u>	<u>3,599</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 125,230</u>	<u>6,329</u>	<u>\$ 131,559</u>	<u>\$ 131,559</u>
Fund balances:					
Beginning of year			<u>125,230</u>		
End of year			<u>\$ 131,559</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - TIDELAND MENTAL HEALTH CENTER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 1999

EXHIBIT D-6

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total to Date	
Revenue:					
Intergovernmental revenue	\$ -	\$ 1,000,000	\$ 16,753	\$ 1,016,753	\$ 1,016,753
Investment earnings	59,719	114,933	6,012	120,945	61,226
Total revenues	59,719	1,114,933	22,765	1,137,698	1,077,979
Expenditures:					
Architect	45,000	36,238	2,993	39,231	5,769
Construction	2,383,972	2,124,669	251,919	2,376,588	7,384
Administration	17,500	-	-	-	17,500
Contingency	-	-	-	-	-
Furnishings/ equipment	230,000	215,474	11,878	227,352	2,648
Total expenditures	2,676,472	2,376,381	266,790	2,643,171	33,301
Revenues under expenditures	(2,616,753)	(1,261,448)	(244,025)	(1,505,473)	1,111,280
Other financing sources:					
Proceeds from long-term debt	1,600,000	1,700,000	-	1,700,000	100,000
Fund balance appropriated	1,016,753	-	-	-	(1,016,753)
Total other financing sources	2,616,753	1,700,000	-	1,700,000	(916,753)
Revenues and other sources over (under) expenditures	\$ -	\$ 438,552	(244,025)	\$ 194,527	\$ 194,527
Fund balances:					
Beginning of year			438,552		
End of year			\$ 194,527		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - FARM SERVICES ADMINISTRATION BUILDING
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 1999

EXHIBIT D-7

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total to Date	
Revenue:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Architect	33,000	-	7,520	7,520	25,480
Construction	894,700	-	53,532	53,532	841,168
Contingency	25,470	-	-	-	25,470
Total expenditures	<u>953,170</u>	<u>-</u>	<u>61,052</u>	<u>61,052</u>	<u>892,118</u>
Revenues under expenditures	<u>(953,170)</u>	<u>-</u>	<u>(61,052)</u>	<u>(61,052)</u>	<u>892,118</u>
Other financing sources:					
Transfer from capital reserve	460,000	-	-	-	(460,000)
Transfer from general fund	493,170	-	-	-	(493,170)
Total other financing sources	<u>953,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(953,170)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(61,052)</u>	<u>\$ (61,052)</u>	<u>\$ (61,052)</u>
Fund balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ (61,052)</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - FOUNTAIN POWER BOATS WATER/SEWER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 From Inception and for the Year Ended June 30, 1999

EXHIBIT D-8

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Economic Development Administration Grants	\$ 925,000	-	\$ 71,150	\$ 71,150	\$ 853,850
CDBG Grant	<u>432,512</u>	-	<u>89,113</u>	<u>89,113</u>	<u>343,399</u>
Total revenue	<u>1,357,512</u>	-	<u>160,263</u>	<u>160,263</u>	<u>1,197,249</u>
Expenditures:					
Administration	42,800	-	16,221	16,221	26,579
Construction	<u>1,314,712</u>	-	<u>144,042</u>	<u>144,042</u>	<u>1,170,670</u>
Total expenditures	<u>1,357,512</u>	-	<u>160,263</u>	<u>160,263</u>	<u>1,197,249</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year			-		
End of year			<u>\$ -</u>		

ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing board is that the costs of providing goods or 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
ENTERPRISE FUND
COMBINING BALANCE SHEET
 June 30, 1999
 With Comparative Totals For June 30, 1998

	Water Districts	
	II	III
ASSETS		
Current assets		
Cash and cash equivalents	\$ 722,373	\$ 62,642
Accounts receivable (net)	100,313	102,453
Due from other Water Districts	4,166	144,238
Due from General Fund	67	43
Total current assets	<u>826,919</u>	<u>309,376</u>
Restricted assets		
Cash and cash equivalents	-	101,255
Fixed assets (net)	<u>4,253,328</u>	<u>5,583,373</u>
Total assets	<u>\$ 5,080,247</u>	<u>\$ 5,994,004</u>
LIABILITIES AND FUND EQUITY (DEFICIT)		
Current liabilities		
Accounts payable & accrued liabilities	\$ 12,714	\$ 64,967
Due to other Water Districts	224,763	4,166
Due to General Fund	462,778	331,105
Customer deposits	18,525	14,225
Notes payable	-	24,300
General obligation bonds payable	51,000	61,000
Total	<u>769,780</u>	<u>499,763</u>
Noncurrent liabilities		
Compensated absences payable	1,210	907
Notes payable	-	388,796
General obligation bonds payable	4,471,500	5,411,500
Total	<u>4,472,710</u>	<u>5,801,203</u>
Total liabilities	<u>5,242,490</u>	<u>6,300,966</u>
Fund equity (deficit)		
Contributed capital	-	100,000
Retained earnings (deficit), unreserved	(162,243)	(406,962)
Total fund equity (deficit)	<u>(162,243)</u>	<u>(306,962)</u>
Total liabilities and fund equity	<u>\$ 5,080,247</u>	<u>\$ 5,994,004</u>

EXHIBIT E-1

Water Districts				Totals	
IV	V	VI	VII	June 30, 1999	June 30, 1998
\$ 294,524	\$ 198,412	\$ -	\$ 168,714	\$ 1,446,665	\$ 765,091
115,641	55,506	-	79,648	453,561	235,039
-	14,380	-	70,870	233,654	233,627
-	75	-	150	335	105,931
410,165	268,373	-	319,382	2,134,215	1,339,688
432,579	569,681	202,066	174,450	1,480,031	4,896,640
10,770,272	7,766,012	447,934	7,367,657	36,188,576	27,759,477
\$ 11,613,016	\$ 8,604,066	\$ 650,000	\$ 7,861,489	\$ 39,802,822	\$ 33,995,805
\$ 168,715	\$ 85,610	\$ -	\$ 24,594	\$ 356,600	\$ 1,123,927
425	-	-	4,300	233,654	233,627
50,862	25,431	-	107,826	978,002	760,484
1,500	900	-	1,425	36,575	18,175
369,488	385,945	-	-	779,733	24,300
-	-	-	-	112,000	106,500
590,990	497,886	-	138,145	2,496,564	2,267,013
1,815	907	-	2,639	7,478	-
60,880	557,569	-	-	1,007,245	1,795,004
8,442,000	4,000,000	-	6,000,000	28,325,000	28,437,000
8,504,695	4,558,476	-	6,002,639	29,339,723	30,232,004
9,095,685	5,056,362	-	6,140,784	31,836,287	32,499,017
2,155,500	2,702,661	650,000	1,532,000	7,140,161	1,915,527
361,831	845,043	-	188,705	826,374	(418,739)
2,517,331	3,547,704	650,000	1,720,705	7,966,535	1,496,788
\$ 11,613,016	\$ 8,604,066	\$ 650,000	\$ 7,861,489	\$ 39,802,822	\$ 33,995,805

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

	Water Districts	
	II	III
Operating revenues		
Charges for service	\$ 609,246	\$ 566,110
Tap fees	9,395	16,175
Reconnect fees	7,419	5,774
Occupancy fee	-	-
Meter pay off	-	-
Sales tax refund	2,540	2,540
Total operating revenues	<u>628,600</u>	<u>590,599</u>
Operating expenses		
Administration	51,531	29,594
Water treatment	15,520	11,658
Water distribution	115,615	86,437
Depreciation	112,733	77,608
Total operating expenses	<u>295,399</u>	<u>205,297</u>
Operating income	<u>333,201</u>	<u>385,302</u>
Nonoperating revenues (expenses)		
Miscellaneous revenue	195	3,478
Investment earnings	26,185	4,694
Interest expense	(275,259)	(352,403)
Total nonoperating revenues (expenses)	<u>(248,879)</u>	<u>(344,231)</u>
Net income before transfer from general fund	84,322	41,071
Transfer from General Fund	<u>10,139</u>	<u>7,849</u>
Net income (loss)	94,461	48,920
Retained earnings (deficit), beginning of year	<u>(256,704)</u>	<u>(455,882)</u>
Retained earnings (deficit), end of year	<u>\$ (162,243)</u>	<u>\$ (406,962)</u>

EXHIBIT E-2

Water Districts				Totals	
IV	V	VI	VII	June 30, 1999	June 30, 1998
\$ 172,513	\$ 166,510	\$ -	\$ 274,224	\$ 1,788,603	\$ 926,417
13,625	616,785	-	28,460	684,440	299,375
850	1,018	-	1,362	16,423	1,675
-	-	-	-	-	9,135
-	-	-	-	-	1,259
38,195	3,289	-	67,944	114,508	-
225,183	787,602	-	371,990	2,603,974	1,237,861
48,975	39,081	-	88,988	258,169	86,610
23,026	11,378	-	16,740	78,322	50,190
172,873	86,437	-	169,328	630,690	405,354
1,956	977	-	1,398	194,672	188,675
246,830	137,873	-	276,454	1,161,853	730,829
(21,647)	649,729	-	95,536	1,442,121	507,032
126,942	79,430	-	40	210,085	7,447
110,683	10,874	-	19,360	171,796	36,198
(1,227)	-	-	-	(628,889)	(640,372)
236,398	90,304	-	19,400	(247,008)	(596,727)
214,751	740,033	-	114,936	1,195,113	(89,695)
14,717	6,829	-	10,466	50,000	31,856
229,468	746,862	-	125,402	1,245,113	(57,839)
132,363	98,181	-	63,303	(418,739)	(360,900)
\$ 361,831	\$ 845,043	\$ -	\$ 188,705	\$ 826,374	\$ (418,739)

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 1999
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1998

	Water Districts	
	II	III
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers / others	\$ 622,217	\$ 563,155
Cash paid for goods and services	(187,589)	(74,564)
Net cash provided by operating activities	434,628	488,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and local matches	-	-
Transfer from general fund	10,139	107,849
Acquisition and construction of capital assets	(8,237)	(64,599)
Proceeds / increase of long-term debt	-	-
Principal paid on long-term borrowing, including capital lease obligations	(48,000)	(82,800)
Interest paid on long-term borrowing, including capital lease obligations	(275,259)	(352,403)
Net cash provided by (used in) capital and related financing activities	(321,357)	(391,953)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	26,185	4,694
Net increase (decrease) in cash and cash equivalents	139,456	101,332
Cash and cash equivalents at beginning of year	582,917	62,565
Cash and cash equivalents at end of year	\$ 722,373	\$ 163,897
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 333,201	\$ 385,302
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	112,733	77,608
Non-operating revenue	195	3,478
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(49,017)	(64,586)
(Increase) decrease in due from other funds	(29)	(1)
(Decrease) increase in accounts payable and accrued liabilities	(4,923)	53,125
(Decrease) increase in due to other funds	33,908	25,458
(Decrease) increase in customer deposits	7,350	7,300
(Decrease) increase in compensated absences payable	1,210	907
Total adjustments	101,427	103,289
Net cash provided by (used in) operating activities	\$ 434,628	\$ 488,591

EXHIBIT E-3

Water Districts				Totals	
IV	V	VI	VII	June 30, 1999	June 30, 1998
\$ 349,265	\$ 993,376	\$ -	\$ 416,516	\$ 2,944,529	\$ 1,303,275
(702,145)	(264,000)	-	(506,210)	(1,734,508)	546,624
(352,880)	729,376	-	(89,694)	1,210,021	1,849,899
2,055,500	887,134	100,000	1,532,000	4,574,634	1,007,966
14,717	6,829	550,000	10,466	700,000	131,856
(5,844,514)	(1,106,588)	(447,934)	(1,151,899)	(8,623,771)	(15,370,361)
1	12,598	-	-	12,599	12,689,567
(12,169)	(8,456)	-	-	(151,425)	(109,800)
(1,227)	-	-	-	(628,889)	(640,372)
(3,787,692)	(208,483)	202,066	390,567	(4,116,852)	(2,291,144)
110,683	10,874	-	19,360	171,796	36,198
(4,029,889)	531,767	202,066	320,233	(2,735,035)	(405,047)
4,756,992	236,326	-	22,931	5,661,731	6,066,778
\$ 727,103	\$ 768,093	\$ 202,066	\$ 343,164	\$ 2,926,696	\$ 5,661,731
\$ (21,647)	\$ 649,729	\$ -	\$ 95,536	\$ 1,442,121	\$ 507,032
1,956	977	-	1,398	194,672	188,675
126,942	79,430	-	40	210,085	7,447
(57,037)	(6,493)	-	(41,389)	(218,522)	(15,086)
-	105,599	-	-	105,569	(232,273)
(457,271)	(127,104)	-	(231,154)	(767,327)	1,088,778
50,862	25,431	-	81,886	217,545	296,401
1,500	900	-	1,350	18,400	8,925
1,815	907	-	2,639	7,478	-
(331,233)	79,647	-	(185,230)	(232,100)	1,342,867
\$ (352,880)	\$ 729,376	\$ -	\$ (89,694)	\$ 1,210,021	\$ 1,849,899

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999

With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-4
Page 1 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 550,000	\$ 609,246	\$ 59,246	\$ 469,675
Tap fees	20,000	9,395	(10,605)	15,065
Reconnect fees	5,000	7,419	2,419	950
Occupancy fee	3,000	-	(3,000)	5,175
Meter pay off	1,000	-	(1,000)	833
Sales tax refund	-	2,540	2,540	-
Total operating revenue	<u>579,000</u>	<u>628,600</u>	<u>49,600</u>	<u>491,698</u>
Nonoperating revenue				
Miscellaneous revenue	1,000	195	(805)	20
Investment earnings	10,000	26,185	16,185	29,072
Total nonoperating revenue	<u>11,000</u>	<u>26,380</u>	<u>15,380</u>	<u>29,092</u>
Total revenues	<u>590,000</u>	<u>654,980</u>	<u>64,980</u>	<u>520,790</u>
Expenditures				
Administration				
Printing	507	808	(301)	246
Office supplies	811	649	162	894
Audit	3,000	762	2,238	769
Travel	4,055	2,703	1,352	4,670
Telephone	4,867	4,065	802	6,053
Postage and freight	304	25	279	37
Utilities and insurance	12,572	14,209	(1,637)	7,607
Advertising	101	109	(8)	121
Bad debts	10,000	28,201	(18,201)	-
Total	<u>36,217</u>	<u>51,531</u>	<u>(15,314)</u>	<u>20,397</u>
Water treatment				
Testing	7,989	4,482	3,507	4,274
Supplies	10,139	11,038	(899)	19,878
Total	<u>18,128</u>	<u>15,520</u>	<u>2,608</u>	<u>24,152</u>
Water Distribution				
Salaries and employee benefits	38,917	38,409	508	86,366
Billing service	17,236	19,243	(2,007)	30,428
Maintenance	3,042	3,782	(740)	3,602
Uniforms	446	390	56	-
Water purchase	72,000	53,791	18,209	99,237
Total	<u>131,641</u>	<u>115,615</u>	<u>16,026</u>	<u>219,633</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-4
Page 2 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Debt service				
Principle retirement	48,000	48,000	-	45,500
Interest	277,819	275,259	2,560	280,583
Total	<u>325,819</u>	<u>323,259</u>	<u>(2,560)</u>	<u>326,083</u>
Capital outlay				
Equipment	8,112	8,237	(125)	10,374
Total expenditures	<u>519,917</u>	<u>514,162</u>	<u>5,755</u>	<u>600,639</u>
Revenues over (under) expenditures	<u>70,083</u>	<u>140,818</u>	<u>70,735</u>	<u>(79,849)</u>
Other financing sources (uses)				
Transfer from general fund	10,139	10,139	-	15,928
Appropriated fund balance	(80,222)	-	80,222	-
Total other financing sources (uses)	<u>(70,083)</u>	<u>10,139</u>	<u>(80,222)</u>	<u>15,928</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 150,957</u>	<u>150,957</u>	<u>\$ (63,921)</u>

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue under expenditures	\$ 150,957	\$ (63,921)
Reconciling items		
Capital outlay	8,237	10,374
Depreciation	(112,733)	(102,455)
Principle retirement	<u>48,000</u>	<u>45,500</u>
Net income (loss), full accrual basis	<u>\$ 94,461</u>	<u>\$ (110,502)</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999

With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-5
Page 1 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 539,413	\$ 566,110	\$ 26,697	\$ 432,559
Tap fees	20,000	16,175	(3,825)	18,125
Reconnect fees	3,000	5,774	2,774	625
Occupancy fee	2,000	-	(2,000)	3,960
Meter pay off	1,000	-	(1,000)	426
Sales tax refund	-	2,540	2,540	-
Total operating revenue	<u>565,413</u>	<u>590,599</u>	<u>25,186</u>	<u>455,695</u>
Nonoperating revenue				
Miscellaneous	2,000	3,478	1,478	2,072
Investment earnings	4,000	4,694	694	1,531
Total nonoperating revenue	<u>6,000</u>	<u>8,172</u>	<u>(2,172)</u>	<u>3,603</u>
Total revenues	<u>571,413</u>	<u>598,771</u>	<u>(27,358)</u>	<u>459,298</u>
Expenditures				
Administration				
Printing	392	606	(214)	164
Office supplies	628	573	55	808
Audit	2,500	572	1,928	513
Travel	3,140	1,996	1,144	8,951
Telephone	3,768	3,049	719	4,036
Postage and freight	235	19	216	28
Utilities	8,948	7,490	1,458	5,070
Advertising	78	100	(22)	81
Bad debts	5,000	12,567	(7,567)	-
Refunds	-	2,337	(2,337)	144
Insurance and bonds	785	285	500	217
Total	<u>25,474</u>	<u>29,594</u>	<u>(4,120)</u>	<u>20,012</u>
Water treatment				
Testing	6,185	3,361	2,824	2,969
Supplies	7,849	8,297	(448)	13,255
Total	<u>14,034</u>	<u>11,658</u>	<u>2,376</u>	<u>16,224</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-5
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	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Water distribution				
Salaries and employee benefits	30,131	28,806	1,325	57,543
Billing service	13,344	14,432	(1,088)	20,285
Maintenance	2,355	2,562	(207)	2,309
Uniforms	345	293	52	-
Water purchase	50,000	40,344	9,656	60,418
Total	<u>96,175</u>	<u>86,437</u>	<u>9,738</u>	<u>140,555</u>
Debt service				
Principle retirement	82,800	82,800	-	64,300
Interest	354,499	352,403	2,096	359,789
Total	<u>437,299</u>	<u>435,203</u>	<u>(2,096)</u>	<u>424,089</u>
Capital outlay				
Equipment	6,280	6,178	102	6,916
Total expenditures	<u>579,262</u>	<u>569,070</u>	<u>10,192</u>	<u>607,796</u>
Revenues over (under) expenditures	<u>(7,849)</u>	<u>29,701</u>	<u>37,550</u>	<u>(148,498)</u>
Other financing sources (uses)				
Transfer from general fund	7,849	7,849	-	15,928
Total other financing sources (uses)	<u>7,849</u>	<u>7,849</u>	<u>-</u>	<u>15,928</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 37,550</u>	<u>37,550</u>	<u>\$ (132,570)</u>

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue under expenditures	\$ 37,550	\$ (132,570)
Reconciling items		
Capital outlay	6,178	6,916
Depreciation	(77,608)	(86,124)
Principle retirement	82,800	64,300
Net loss, full accrual basis	<u>\$ 48,920</u>	<u>\$ (147,478)</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999

With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-6
Page 1 of 2

	1999		1998	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenue				
Charges for service:				
Water fees	\$ 425,000	\$ 172,513	\$ (252,487)	\$ 550
Tap fees	5,000	13,625	8,625	145,550
Reconnect fees	-	850	850	-
Sales tax refund	-	38,195	38,195	-
Total operating revenue	<u>430,000</u>	<u>225,183</u>	<u>(204,817)</u>	<u>146,100</u>
Nonoperating revenue				
Miscellaneous revenue	-	126,942	126,942	-
Investment earnings	5,000	110,683	105,683	(17)
Total nonoperating revenue	<u>5,000</u>	<u>237,625</u>	<u>232,625</u>	<u>(17)</u>
Total revenues	<u>435,000</u>	<u>462,808</u>	<u>27,808</u>	<u>146,083</u>
Expenditures				
Administration				
Printing	736	1,824	(1,088)	2,496
Office supplies	1,177	1,896	(719)	341
Audit	1,000	4,890	(3,890)	-
Travel	5,887	3,490	2,397	-
Telephone	7,064	6,109	955	-
Postage and freight	441	42	399	-
Utilities	16,778	868	15,910	-
Advertising	147	54	93	33
Bad debts	2,000	25,725	(23,725)	-
Administrative services	-	640	(640)	8,386
Refunds	-	2,935	(2,935)	-
Insurance and bonds	1,472	502	970	-
Total	<u>36,702</u>	<u>48,975</u>	<u>(12,273)</u>	<u>11,256</u>
Water treatment				
Testing	11,597	6,454	5,143	1,709
Supplies	14,717	16,572	(1,855)	-
Total	<u>26,314</u>	<u>23,026</u>	<u>3,288</u>	<u>1,709</u>
Water Distribution				
Salaries and employee benefits	56,494	57,612	(1,118)	-
Billing service	25,020	28,865	(3,845)	1,648
Maintenance	4,415	5,124	(709)	-
Uniforms	997	585	412	-
Water purchase	60,000	80,687	(20,687)	-
Total	<u>146,926</u>	<u>172,873</u>	<u>(25,947)</u>	<u>1,648</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-6
Page 2 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Debt service				
Principle retirement	-	12,169	(12,169)	-
Interest	228,000	1,227	226,773	-
Total	<u>228,000</u>	<u>13,396</u>	<u>214,604</u>	<u>-</u>
Capital outlay				
Equipment	11,775	12,356	(581)	-
Total expenditures	<u>449,717</u>	<u>270,626</u>	<u>179,091</u>	<u>14,613</u>
Revenues over (under) expenditures	<u>(14,717)</u>	<u>192,182</u>	<u>206,899</u>	<u>131,470</u>
Other financing sources (uses)				
Transfer from general fund	14,717	14,717	-	-
Total other financing sources (uses)	<u>14,717</u>	<u>14,717</u>	<u>-</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 206,899</u>	<u>206,899</u>	<u>\$ 131,470</u>

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue under expenditures	\$ 206,899	\$ 131,470
Reconciling items		
Capital outlay	12,356	-
Depreciation	(1,956)	-
Principle retirement	<u>12,169</u>	<u>-</u>
Net income (loss), full accrual basis	<u>\$ 229,468</u>	<u>\$ 131,470</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-7
Page 1 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 225,000	\$ 166,510	\$ (58,490)	\$ 20,608
Tap fees	5,000	4,497	(503)	86,040
Reconnect fees	-	1,018	1,018	100
Sales tax refund	-	3,289	3,289	-
Total operating revenue	<u>230,000</u>	<u>175,314</u>	<u>(54,686)</u>	<u>106,748</u>
Nonoperating revenue				
Miscellaneous revenue	-	79,430	79,430	5,355
Investment earnings	5,000	10,874	5,874	(80)
Total nonoperating revenue	<u>5,000</u>	<u>90,304</u>	<u>85,304</u>	<u>5,275</u>
Total revenues	<u>235,000</u>	<u>265,618</u>	<u>30,618</u>	<u>112,023</u>
Expenditures				
Administration				
Printing	341	606	(265)	1,377
Office supplies	546	691	(145)	-
Audit	1,000	4,318	(3,318)	-
Travel	2,732	1,745	987	-
Telephone	3,278	3,609	(331)	1,076
Postage and freight	205	24	181	-
Utilities	7,785	119	7,666	2,042
Advertising	68	27	41	-
Bad debts	2,000	25,602	(23,602)	-
Administrative services	-	640	(640)	16,416
Refunds	-	947	(947)	75
Insurance and bonds	683	753	(70)	-
Total	<u>18,638</u>	<u>39,081</u>	<u>(20,443)</u>	<u>20,986</u>
Water treatment				
Professional services	5,381	3,092	2,289	1,889
Supplies	7,129	8,286	(1,157)	-
Total	<u>12,510</u>	<u>11,378</u>	<u>1,132</u>	<u>1,889</u>
Water Distribution				
Salaries and employee benefits	33,170	28,806	4,364	-
Billing service	11,608	14,432	(2,824)	430
Maintenance	-	2,563	(2,563)	-
Uniforms	-	292	(292)	-
Water purchase	50,000	40,344	9,656	-
Total	<u>94,778</u>	<u>86,437</u>	<u>8,341</u>	<u>430</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-7
Page 2 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Debt service				
Principle retirement	-	8,456	(8,456)	-
Interest expense (reimbursement)	110,440	-	110,440	-
Total	<u>110,440</u>	<u>8,456</u>	<u>101,984</u>	<u>-</u>
Capital outlay				
Equipment	5,463	6,178	(715)	-
Total expenditures	<u>241,829</u>	<u>151,530</u>	<u>90,299</u>	<u>23,305</u>
Revenues over (under) expenditures	<u>(6,829)</u>	<u>114,088</u>	<u>120,917</u>	<u>88,718</u>
Other financing sources (uses)				
Transfer from general fund	6,829	6,829	-	-
Total other financing sources (uses)	<u>6,829</u>	<u>6,829</u>	<u>-</u>	<u>-</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 120,917</u>	<u>120,917</u>	<u>\$ 88,718</u>

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue under expenditures	\$ 120,917	\$ 88,718
Reconciling items		
Water tap fees from capital project fund	612,288	-
Capital outlay	6,178	-
Depreciation	(977)	-
Principle retirement	<u>8,456</u>	<u>-</u>
Net income (loss), full accrual basis	<u>\$ 746,862</u>	<u>\$ 88,718</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-8
Page 1 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 350,000	\$ 274,224	\$ (75,776)	\$ 3,025
Tap fees	5,000	28,460	23,460	34,595
Reconnect fees	-	1,362	1,362	-
Sales tax refund	-	67,944	67,944	-
Total operating revenue	<u>355,000</u>	<u>371,990</u>	<u>16,990</u>	<u>37,620</u>
Nonoperating revenue				
Miscellaneous revenue	-	40	40	-
Investment earnings	5,000	19,360	14,360	5,692
Total nonoperating revenue	<u>5,000</u>	<u>19,400</u>	<u>14,400</u>	<u>5,692</u>
Total revenues	<u>360,000</u>	<u>391,390</u>	<u>31,390</u>	<u>43,312</u>
Expenditures				
Administration				
Printing	523	808	(285)	2,361
Office supplies	837	1,170	(333)	109
Audit	1,500	16,287	(14,787)	-
Travel	4,186	2,606	1,580	114
Telephone	5,024	4,065	959	2,718
Postage and freight	314	30	284	63
Utilities	11,931	17,449	(5,518)	7,903
Advertising	105	36	69	16
Bad debts	2,000	29,985	(27,985)	-
Refunds	-	16,050	(16,050)	675
Insurance and bonds	1,047	502	545	-
Total	<u>27,467</u>	<u>88,988</u>	<u>(61,521)</u>	<u>13,959</u>
Water treatment				
Professional services	8,247	5,692	2,555	1,164
Supplies	10,466	11,048	(582)	5,052
Total	<u>18,713</u>	<u>16,740</u>	<u>1,973</u>	<u>6,216</u>
Water Distribution				
Salaries and employee benefits	94,739	92,489	2,250	26,042
Billing service	17,792	19,243	(1,451)	14,198
Maintenance	3,140	3,415	(275)	23
Uniforms	460	390	70	-
Water purchase	40,408	53,791	(13,383)	2,825
Total	<u>156,539</u>	<u>169,328</u>	<u>(12,789)</u>	<u>43,088</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 1999
With comparative Actual Amounts For the Year Ended June 30, 1998

EXHIBIT E-8
Page 2 of 2

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Debt service				
Interest	159,375	-	159,375	-
Total	159,375	-	159,375	-
Capital outlay				
Equipment	8,372	8,237	135	764
Total expenditures	370,466	283,293	87,173	64,027
Revenues over (under) expenditures	(10,466)	108,097	118,563	(20,715)
Other financing sources (uses)				
Transfer from general fund	10,466	10,466	-	-
Total other financing sources (uses)	10,466	10,466	-	-
Revenue and other financing sources (uses) over (under) expenditures	\$ -	\$ 118,563	118,563	\$ (20,715)

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue under expenditures	\$ 118,563	\$ (20,715)
Reconciling items		
Capital outlay	8,237	764
Depreciation	(1,398)	(96)
Net income (loss), full accrual basis	\$ 125,402	\$ (20,047)

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT III - WATER SYSTEM IMPROVEMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Year Ended June 30, 1999

EXHIBIT E-9

	Actual			Total to Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Year	Current Year		
Revenue:					
Restricted intergovernmental:					
State grant	\$ 46,280	\$ -	\$ -	\$ -	(46,280)
Expenditures:					
Engineering	4,194	-	256	256	3,938
Construction	117,250	-	58,166	58,166	59,084
Contingency	34,893	-	-	-	34,893
Interest	-	-	-	-	-
Total expenditures	<u>156,337</u>	<u>-</u>	<u>58,422</u>	<u>58,422</u>	<u>97,915</u>
Revenues under expenditures	110,057	-	58,422	58,422	51,635
Other financing sources:					
Transfer from general fund	<u>110,057</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>(10,057)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,578</u>	<u>\$ 41,578</u>	<u>\$ 41,578</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 1999

EXHIBIT E-10

	Actual			Total to Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Year	Current Year		
Revenue:					
Restricted intergovernmental:					
State grant	\$ 1,005,500	\$ -	\$ 1,005,500	\$ 1,005,500	\$ -
Tap fees	47,700	-	-	-	(47,700)
Investment earnings	-	74,514	-	74,514	74,514
Total revenues	<u>1,053,200</u>	<u>74,514</u>	<u>1,005,500</u>	<u>1,080,014</u>	<u>26,814</u>
Expenditures:					
Engineering	356,669	311,105	23,440	334,545	22,124
Construction	4,148,181	3,053,037	1,095,144	4,148,181	-
Contingency	451,896	-	-	-	451,896
Interest	604,252	-	347,752	347,752	256,500
Administrative services	700	-	700	700	-
Legal and Accounting	51,354	28,504	22,850	51,354	-
Land purchase	35,000	30,000	5,000	35,000	-
Water district I expenses	442,536	360,431	-	360,431	82,105
Water district V expenses	362,612	-	362,612	362,612	-
Initial operation / maintenance	-	-	-	-	-
Total expenditures	<u>6,453,200</u>	<u>3,783,077</u>	<u>1,857,498</u>	<u>5,640,575</u>	<u>812,625</u>
Revenues under expenditures	(5,400,000)	(3,708,563)	(851,998)	(4,560,561)	839,439
Other financing sources:					
Proceeds from long-term debt	<u>5,400,000</u>	<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,691,437</u>	<u>\$ (851,998)</u>	<u>\$ 839,439</u>	<u>\$ 839,439</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV - LINE EXTENSION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Year Ended June 30, 1999

EXHIBIT E-11

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Engineering	12,966	10,069	2,247	12,316	650
Construction	76,977	56,635	20,342	76,977	-
Contingency	-	-	-	-	-
Total expenditures	<u>89,943</u>	<u>66,704</u>	<u>22,589</u>	<u>89,293</u>	<u>650</u>
Revenues under expenditures	(89,943)	(66,704)	(22,589)	(89,293)	650
Other financing sources:					
Transfer from general fund	<u>89,943</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>10,057</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 33,296</u>	<u>\$ (22,589)</u>	<u>\$ 10,707</u>	<u>\$ 10,707</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV - PHASE II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Year Ended June 30, 1999

EXHIBIT E-12

	Actual			Total to Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Year	Current Year		
Revenue:					
Restricted intergovernmental					
State grant	\$ 2,194,000	\$ -	\$ 1,050,000	\$ 1,050,000	\$ (1,144,000)
Investment earnings	-	18,924	-	18,924	18,924
Total revenues	<u>2,194,000</u>	<u>18,924</u>	<u>1,050,000</u>	<u>1,068,924</u>	<u>(1,125,076)</u>
Expenditures:					
Engineering	358,500	203,323	106,018	309,341	49,159
Construction	4,321,073	516,610	3,447,475	3,964,085	356,988
Interest	263,769	-	114,822	114,822	148,947
Legal	41,982	8,902	33,080	41,982	-
Land purchase	1,000	-	1,000	1,000	-
Water district V expenses	249,676	-	249,676	249,676	-
Total expenditures	<u>5,236,000</u>	<u>728,835</u>	<u>3,952,071</u>	<u>4,680,906</u>	<u>555,094</u>
Revenues under expenditures	(3,042,000)	(709,911)	(2,902,071)	(3,611,982)	(569,982)
Other financing sources:					
Proceeds from long-term debt	<u>3,042,000</u>	<u>3,042,000</u>	<u>-</u>	<u>3,042,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>-\$ -</u>	<u>\$ 2,332,089</u>	<u>\$ (2,902,071)</u>	<u>\$ (569,982)</u>	<u>\$ (569,982)</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT V - CLEAN WATER
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 1999

EXHIBIT E-13

	Actual			Total to Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Year	Current Year		
Revenue:					
Restricted intergovernmental:					
State grant	\$ 807,561	\$ 807,561	\$ -	\$ 807,561	\$ -
Investment earnings	-	493	55	548	548
Total revenues	807,561	808,054	55	808,109	548
Expenditures:					
Engineering	152,846	150,418	-	150,418	2,428
Construction	1,285,027	1,203,436	81,591	1,285,027	-
Contingency	-	-	-	-	-
Legal	5,000	5,037	-	5,037	(37)
Land purchase	9,000	8,100	-	8,100	8,100
Audit / accounting	194	-	-	-	-
Total expenditures	1,452,067	1,366,991	81,591	1,448,582	3,485
Revenues under expenditures	(644,506)	(558,937)	(81,536)	(640,473)	4,033
Other financing sources:					
Proceeds from long-term debt	644,506	631,908	12,598	644,506	-
Revenues and other sources over (under) expenditures	\$ -	\$ 72,971	\$ (68,938)	\$ 4,033	\$ 4,033

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 1999

EXHIBIT E-14

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Year	Current Year		
Revenue:					
Restricted intergovernmental					
State grant	\$ 1,895,100	\$ 1,007,966	\$ 887,134	\$ 1,895,100	\$ -
Tap fees	645,388	-	612,288	612,288	(33,100)
Investment earnings	-	32,736	-	32,736	32,736
Total revenues	<u>2,540,488</u>	<u>1,040,702</u>	<u>1,499,422</u>	<u>2,540,124</u>	<u>(364)</u>
Expenditures:					
Engineering	475,435	420,795	25,693	446,488	28,947
Construction	5,256,888	4,315,766	699,242	5,015,008	241,880
Contingency	-	-	-	-	-
Interest	416,971	-	256,714	256,714	160,257
Administrative services	905	906	-	906	(1)
Legal	45,015	24,565	20,450	45,015	-
Land purchase	37,810	21,035	16,775	37,810	-
Audit / accounting	-	-	-	-	-
Water district I expenses	307,464	250,419	-	250,419	57,045
Initial operation / maintenance	-	-	-	-	-
Total expenditures	<u>6,540,488</u>	<u>5,033,486</u>	<u>1,018,874</u>	<u>6,052,360</u>	<u>488,128</u>
Revenues under expenditures	(4,000,000)	(3,992,784)	480,548	(3,512,236)	487,764
Other financing sources:					
Proceeds from long-term debt	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 7,216</u>	<u>\$ 480,548</u>	<u>\$ 487,764</u>	<u>\$ 487,764</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT VI - SOUTHSIDE SCHOOL
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From Inception and for the Year Ended June 30, 1999

EXHIBIT E-15

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
Investment earnings	-	-	4,492	4,492	4,492
Total revenues	100,000	-	104,492	104,492	4,492
Expenditures:					
Engineering	57,500	-	25,716	25,716	31,784
Construction	471,859	-	426,710	426,710	45,149
Legal	2,500	-	-	-	2,500
Contingency	118,141	-	-	-	118,141
Total expenditures	650,000	-	452,426	452,426	197,574
Revenues under expenditures	(550,000)	-	(347,934)	(347,934)	202,066
Other financing sources (uses):					
Transfer from general fund	550,000	-	550,000	550,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ 202,066	\$ 202,066	\$ 202,066

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 1999

EXHIBIT E-16

	Actual			Total to Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Year	Current Year		
Revenue:					
Tap fees	\$ 31,000	\$ -	\$ -	\$ -	(31,000)
Investment earnings	-	178,963	-	178,963	178,963
Restricted intergovernmental:					
State grant	1,532,000	-	1,532,000	1,532,000	-
Total revenues	<u>1,563,000</u>	<u>178,963</u>	<u>1,532,000</u>	<u>1,710,963</u>	<u>147,963</u>
Expenditures:					
Engineering	572,042	518,626	49,491	568,117	3,925
Construction	6,404,050	5,634,867	759,265	6,394,132	9,918
Contingency	-	-	-	-	-
Interest	524,506	212,370	313,196	525,566	(1,060)
Legal	60,457	38,747	21,710	60,457	-
Audit / accounting	1,945	1,945	-	1,945	-
Initial operation / maintenance	-	-	-	-	-
Total expenditures	<u>7,563,000</u>	<u>6,406,555</u>	<u>1,143,662</u>	<u>7,550,217</u>	<u>12,783</u>
Revenues over (under) expenditures	<u>(6,000,000)</u>	<u>(6,227,592)</u>	<u>388,338</u>	<u>(5,839,254)</u>	<u>160,746</u>
Other financing sources:					
Proceeds from long-term debt	6,000,000	6,000,000	-	6,000,000	-
Bond anticipation note payment	-	100,000	-	100,000	100,000
Total other financing sources	<u>6,000,000</u>	<u>6,100,000</u>	<u>-</u>	<u>6,100,000</u>	<u>100,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (127,592)</u>	<u>\$ 388,338</u>	<u>\$ 260,746</u>	<u>\$ 260,746</u>

AGENCY FUND

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

Beaufort County, North Carolina
AGENCY FUNDS
COMBINING BALANCE SHEET
 June 30, 1999
 With Comparative Totals For June 30, 1998

EXHIBIT F-1

	Social Services	County Home	Fire Districts	Totals	
				June 30 1999	1998
ASSETS					
Cash and cash equivalents	\$ 48,577	\$ 2,290	\$ 144,291	\$ 195,158	\$ 362,583
Due from other funds	-	109	-	109	109
Total assets	\$ 48,577	\$ 2,399	\$ 144,291	\$ 195,267	\$ 362,692
LIABILITIES AND FUND BALANCE					
Miscellaneous liabilities	\$ 48,577	\$ 2,399	\$ 144,291	\$ 195,267	\$ 277,201
Deferred compensation benefits	-	-	-	-	85,491
Total liabilities	48,577	2,399	144,291	195,267	362,692
Fund Balance	-	-	-	-	-
Total liabilities and fund balance	\$ 48,577	\$ 2,399	\$ 144,291	\$ 195,267	\$ 362,692

Beaufort County, North Carolina
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 1999

EXHIBIT F-2

	Balance July 1, 1998	Deposits	Disbursements	Balance June 30, 1999
Social Services Fund:				
Assets				
Cash and cash equivalents	\$ 35,545	\$ 274,602	\$ 261,570	\$ 48,577
Liabilities				
Miscellaneous liabilities	\$ 35,545	\$ 274,602	\$ 261,570	\$ 48,577
County Home Fund:				
Assets				
Cash and cash equivalents	\$ 1,292	\$ 12,944	\$ 11,946	\$ 2,290
Due from other funds	109	-	-	109
Total Assets	\$ 1,401	\$ 12,944	\$ 11,946	\$ 2,399
Liabilities				
Miscellaneous liabilities	\$ 1,401	\$ 12,944	\$ 11,946	\$ 2,399
Fire District Fund:				
Assets				
Cash and cash equivalents	\$ 240,255	\$ 602,301	\$ 698,265	\$ 144,291
Liabilities				
Miscellaneous liabilities	\$ 240,255	\$ 602,301	\$ 698,265	\$ 144,291
Total - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 277,092	\$ 889,847	\$ 971,781	\$ 195,158
Due from other funds	109	-	-	109
Total Assets	\$ 277,201	\$ 889,847	\$ 971,781	\$ 195,267
Liabilities				
Miscellaneous liabilities	\$ 277,201	\$ 889,847	\$ 971,781	\$ 195,267

OTHER SCHEDULES

This section includes additional information on property taxes, transfers, and cash and investments.

- Schedule of Ad Valorem Taxes Receivable
- Summary of Current Tax Levy
 - Analysis of Current Tax Levy
 - Schedule of Ten Largest Taxpayers
- Schedules of Transfers
- Schedule of Cash and Investment Balances

Beaufort County, North Carolina
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 1999

EXHIBIT G-1

<u>Fiscal Year</u>	Uncollected Balance June 30, 1998	Additions	Collections and Credits	Uncollected Balance June 30, 1999
1998-1999	\$ -	\$ 14,629,882	\$ 13,752,815	\$ 877,067
1997-1998	823,429		470,333	353,096
1996-1997	356,794		126,906	229,888
1995-1996	235,264		60,973	174,291
1994-1995	157,669		35,606	122,063
1993-1994	127,095		22,309	104,786
1992-1993	90,591		9,486	81,105
1991-1992	100,717		7,134	93,583
1990-1991	27,817		4,040	23,777
1989-1990	54,515		2,414	52,101
1988-1989	41,162		41,162	-
	<u>\$ 2,015,053</u>	<u>\$ 14,629,882</u>	<u>\$ 14,533,178</u>	2,111,757
Less: allowance for uncollectible taxes				<u>(346,627)</u>
Ad valorem taxes - General Fund				<u>\$ 1,765,130</u>
Reconcilement with revenue: Ad valorem taxes - General Fund				\$ 14,691,928
Reconciling items				(205,722)
Interest collected				40,699
Taxes written off per statute of limitations				10,503
Abatements - prior years				(4,230)
Miscellaneous adjustments				<u>(158,750)</u>
Total collections and credits				<u>\$ 14,533,178</u>

Beaufort County, North Carolina
SUMMARY OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 1999

EXHIBIT G-2

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property	\$ 2,425,828,051	\$.60	\$ 14,536,907	\$ 12,797,797	\$ 1,739,110
Penalties			16,523	16,523	-
Advertising			16,587	16,587	-
			14,570,017	12,830,907	1,739,110
Discoveries					
Current year taxes	7,278,146	.60	74,072	74,072	-
Prior year taxes			39,894	39,894	-
Penalties			11,912	11,912	-
			125,878	125,878	-
Abatements					
Tax	(10,827,356)		(64,981)	(19,885)	(45,096)
Penalty			(1,032)	(1,032)	-
			(66,013)	(20,917)	(45,096)
Total property valuation	\$ 2,422,278,841				
Net levy			14,629,882	12,935,868	1,694,014
Uncollected taxes at June 30, 1999			877,067	655,821	221,246
Current years taxes collected			\$ 13,752,815	\$ 12,280,047	\$ 1,472,768
Current levy collection percentage			94.00%	94.93%	86.94%

Beaufort County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 1999

EXHIBIT G-2a

Secondary Market Disclosures

Assessed Valuation		100%
Assessment Ratio	\$	1,527,603,366
Real Property		837,440,434
Personal Property		57,235,041
Public service companies	\$	<u>2,422,278,841</u>
Total assessed valuation		
 		 .60
Tax rate per \$100		
 	\$	<u>14,629,882</u>
Levy (includes discoveries, releases, and abatements)		
In addition to the county-Wide rate, the following table lists the levies by the county on behalf of fire protection districts for the fiscal year ended June 30:		
Fire protection districts	\$	<u>638,548</u>

Beaufort County, North Carolina
TEN LARGEST TAXPAYERS
 For the Fiscal Year Ended June 30, 1999

EXHIBIT G-2b

Taxpayer	Type of Business	1998 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate mining/ Acid production	\$ 375,655,713	15.51%
Weyerhaeuser Co.	Tree farm operation	47,009,479	1.94
Purified Acid Partnership	Acid production	25,969,940	1.07
National Spinning Co., Inc.	Textiles	19,023,048	.79
Carolina Telephone & Telegraph	Communications	16,880,782	.70
Tideland Electric Membership	Utilities	12,288,758	.51
Stanadyne Automotive Corp.	Automotive Diesel components	11,393,510	.47
Hamilton Beach/Proctor-Silex	Appliances	11,304,207	.47
Carolina Power & Light Co.	Utilities	9,019,088	.37
Norfolk Southern	Railroad	8,892,815	.37
		<u>\$ 537,437,340</u>	<u>22.20%</u>

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
For the Fiscal Year Ended June 30, 1999

EXHIBIT G-3
Page 1 of 2

	Transfers	
	From	To
OPERATING TRANSFERS FROM/TO OTHER FUNDS		
General Fund		
Enterprise		
Water District II	-	10,139
Water District III	-	7,849
Water District III Capital Project	-	100,000
Water District IV	-	14,717
Water District V	-	6,829
Water District VI Capital Project	-	550,000
Water District VII	-	10,466
Enterprise Fund		
Water District II		
General Fund	10,139	-
Water District III		
General Fund	7,849	-
Water District III Capital Project		
General Fund	100,000	-
Water District IV		
General Fund	14,717	-
Water District V		
General Fund	6,829	-
Water District VI Capital Project		
General Fund	550,000	-
Water District VII		
General Fund	10,466	-
Total operating transfers from / to other funds	\$ 700,000	\$ 700,000

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
For the Fiscal Year Ended June 30, 1998

EXHIBIT G-3
Page 2 of 2

	Transfers	
	From	To
OPERATING TRANSFERS FROM/TO COMPONENT UNITS		
General Fund		
Component units - discretely presented		
Beaufort County ABC Board	\$ 66,375	\$ -
Warren Field Airport Commission	-	20,000
Component units discretely presented		
Beaufort County ABC Board	-	66,375
General Fund		
Warren Field Airport Commission		
General Fund	20,000	-
Total operating transfers from / to component units	\$ 86,375	\$ 86,375

Beaufort County, North Carolina
SCHEDULE OF CASH AND INVESTMENT BALANCES
 June 30, 1998

EXHIBIT G-4

	Reported Value	Fair Value
Cash:		
On hand	\$ 992	\$ 992
In demand deposits	356,249	356,249
NOW, SuperNOW, and money market	3,029,002	3,029,002
Certificates of deposits	92,850	92,850
Total Cash	3,479,093	3,479,093
Other investments:		
North Carolina Capital Management Trust	7,127,133	7,127,133
Common stock	3,764	9,037
Commercial Paper	1,500,000	1,500,000
Total other investments	8,630,897	8,636,170
Total cash and investments	\$ 12,109,990	\$ 12,115,263
Distribution by funds:		
General Fund	\$ 7,281,781	\$ 7,287,054
Special Revenue Fund:		
Revaluation	11,701	11,701
Economic Development	178,132	178,132
Arbitrage Reserve	152,514	152,514
E911 Service	48,073	48,073
CDBG Grant	344	344
Hazard Mitigation	18,000	18,000
Disaster Relief Initiative	234,748	234,748
Capital Reserve	733,805	733,805
Capital Project Fund:		
County Buildings Renovation	74	74
Health Department	2,878	2,878
BCCC	131,559	131,559
Tideland Mental Health Center Expansion	194,527	194,527
Enterprise Fund:		
Water District II-Long Acre West	722,373	722,373
Water District III-Long Acre East	163,897	163,897
Water District IV-Bath	727,103	727,103
Water District V-Pantego	768,093	768,093
Water District VI-Chocowinity	202,066	202,066
Water District VII-Richlands	343,164	343,164
Agency Funds:		
Fire Districts	144,291	144,291
Social Services	48,577	48,577
County Home	2,290	2,290
	\$ 12,109,990	\$ 12,115,263
	\$ 12,109,990	\$ 12,115,263

COMPLIANCE SECTION



Pittard Perry
Crone, INCORPORATED
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the general purpose financial statements of Beaufort County, North Carolina as of and for the year ended June 30, 1999, and have issued our report thereon dated September 9, 1999. We did not audit the financial statements of the Beaufort County ABC Board or Beaufort County Hospital Association, Inc., or Warren Field Airport Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, and Beaufort County Hospital Association, Inc., and Warren Field Airport Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Beaufort County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beaufort County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of Beaufort County in a separate letter dated September 9, 1999.

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

Pittard Perry & Crone, Inc.
Belhaven, North Carolina
September 9, 1999



Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of Beaufort County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 1999. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beaufort County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Beaufort County's compliance with those requirements.

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

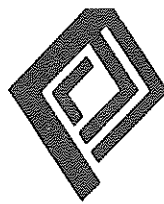
The management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beaufort County's internal control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

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

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

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
September 9, 1999



Pittard Perry
Crone, INCORPORATED
CERTIFIED PUBLIC ACCOUNTANTS

Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of Beaufort County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 1999. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Beaufort County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Beaufort County's compliance with those requirements.

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

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

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
September 9, 1999

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended June 30, 1999

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:				Unqualified
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Reportable condition(s) identified that are not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to financial statements noted	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Reportable condition(s) identified that are not considered to be material weaknesses	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to federal awards	_____	Yes	_____ <u>X</u> _____	No
Type of auditor's report issued on compliance for major federal programs:				Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	_____	Yes	_____ <u>X</u> _____	No

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program
10.551	Food Stamp Cluster
10.561	
10.418	Water System Development

Dollar threshold used to distinguish between type A and type B programs \$ 1,182,092

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended June 30, 1999

Auditee qualified as low-risk Auditee? _____ Yes X No

State Awards

Internal control over major State programs:

Material weakness(es) identified? _____ Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses _____ Yes X None Reported

Noncompliance material to State Awards _____ Yes X No

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

Any audit findings disclosed that are required to be reported in accordance with Audit Manual for Governmental auditors in North Carolina _____ Yes X No

Identification of major State programs:

- Names of State Program or Cluster
- Public School Bond Fund
- Special Assistance - Aged and Disabled
- NC Clean Water Revolving Loan Fund

The Medical Assistance Program which is a State match on a federal program also meets the criteria for a major State program, but has been included in the list of major federal programs above.

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 1999

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None

Beaufort County, North Carolina
CORRECTIVE ACTION PLAN
For The Year Ended June 30, 1999

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None

Beaufort County, North Carolina
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended June 30, 1999

Status: **Finding: 96 – 2, 96-3, 97-3, 98-1 Accounting Procedures**
 Corrected

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 1999

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
FEDERAL AWARDS:			
Cash Programs:			
<u>U.S. Department of Health and Human Services</u>			
Passed through N.C. Dept. of Health and Human Services			
Division of Aging:			
Passed through Mid-East Commission			
Aging Cluster:			
In home services:			
Title III-B	93.044	34,192	2,011
Title III-D	93.046	2,170	128
SSBG	93.667	17,617	503
Access:			
Title III-B	93.044	6,362	374
Nutrition Services:			
Title III-C	93.045	95,758	5,633
		156,099	8,649
Passed through NC Dept. of Health and Human Services			
Division of Social Services:			
IV-E Foster care	93.658	169,305	42,538
Medical transportation	93.778	15,414	-
Adult care home case management	93.778	22,711	11,355
Permanency planning	93.645	17,233	3,893
Independent living supplement	93.674	1,750	-
Independent living initiative	93.674	3,080	-
Other services and training	93.667	220,333	-
IV - D offset fees	93.563	3,471	-
In-home services	93.667	10,854	-
Crisis intervention program	93.568	99,981	-
Carolina Access	93.778	15,172	15,172
CCDF	93.596	52,607	-
Work first service	93.558	-	456,321
NC Health Choice	93.767	8,622	3,799
		640,533	533,078
Administration:			
TANF/Work first	93.558	36,101	-
Low-income energy	93.568	30,717	-
IV-D administration	93.563	470,255	-
Eligible workers	93.778	14,237	14,237
Medical assistance /transportation	93.778	303,492	-
		854,802	14,237
Passed through NC Dept. of Health and Human Services:			
Direct Benefit Payments			
TANF Aid	93.558	1,563,254	-
Energy Assistance	93.568	62,960	-
IV-E Foster care	93.658	102,035	27,066

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 1999

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
IV-E Adoption subsidy	93.659	85,865	25,135
CWS Adoption subsidy	93.645	5,839	9,230
		1,819,953	61,431
Division of Medical Assistance:			
Direct Benefit Payments			
Title XIX - Medicaid	93.778	23,546,814	11,755,526
Division of Child Development:			
Subsidized Child Care Cluster:			
Child care & development block grant	93.575	485,445	-
Social services block grant	93.667	22,547	-
Foster Care IV-E	93.658	3,042	1,781
Child Care Development fund	93.596	573,178	75,764
		1,084,212	77,545
Division of Women and Children:			
Family planning Title X	93.217	37,840	-
Maternal & child health block grant	93.994	56,940	-
Temporary Assistance for Needy Families	93.558	9,460	-
		104,240	-
Division of Epidemiology			
Aids prevention	93.118	6,888	-
Immunization Action	93.268	12,523	-
		19,411	-
Division of Community Health			
Preventive health block grant	93.991	29,761	-
Breast & cervical cancer	93.919	13,260	-
		43,021	-
		28,269,085	12,450,466
Total U.S. Dept. of Health & Human Services			
<u>U.S. Dept. of Agriculture</u>			
Rural Development			
Direct Program			
Water system development	10.418	4,384,634	-
Division of Aging			
Passed through Mid-East Commission			
USDA Supplement	10.570	16,711	-
Passed through NC Dept. of Health and Human Services:			
Special supplemental food program for women, infants and children	10.557	152,543	-
Direct Benefit Payments			
Special supplemental food program for women, infants, and children	10.557	813,197	-

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For The Year Ended June 30, 1999

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
Passed through NC Dept. of Social Services Direct Benefit Payments Food Stamp Cluster:			
Food Stamp Program (Noncash program)	10.551	3,893,025	-
Passed through NC Dept. of Health and Human Services Food stamp administration (Cash program)	10.561	262,569	-
		4,155,594	-
Total U.S. Dept. of Agriculture		9,522,679	-
 <u>U.S. Dept. of Housing and Urban Development</u>			
Passed through NC Dept. of Commerce Community Development Block Grant States program	14.228	757,389	-
Passed through NC Housing Finance Agency Single Family Rehab Program	14.239	189,191	-
 <u>Federal Emergency Management Agency</u>			
Passed Through NC Dept. of Crime Control and Public Safety:			
Federal disaster assistance	83.516	41,507	-
Hazard Mitigation	83.535	331,293	-
State and Local Assistance	83.534	9,780	-
		382,580	-
 <u>US Department of Energy</u>			
Passed through NC Housing Finance Agency Energy Assistance	81.000	66,500	-
 Other Federal Assistance:			
 <u>U.S. Dept. of Housing and Urban Development</u>			
Direct Benefit Payments Special Assistance DRI	NONE	215,627	-
 STATE AWARDS:			
Cash programs:			
 <u>NC Dept. of Health and Human Services</u>			
Division of Social Services:			
Aid to counties		-	48,410
Core training CPS		-	1,269
Food stamp tax intercept		-	10,763
CP & L Energy program		-	4,007
		-	64,449

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For The Year Ended June 30, 1999

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
Direct Benefit Payments			
State/County Special Assistance for Adults		-	401,387
State Foster Home		-	15,671
Division of Youth Services:			
Community based alternatives		-	123,128
		-	540,186
Division of Child Development			
Temporary Assistance for Needy Families		-	30,838
TANF - Maintenance of Effort		-	230,843
State Funding		-	122,391
		-	384,072
Passed Through Mid-East Commission			
In-home services		-	13,162
Access services		-	132,974
Nutrition services		-	54,641
		-	200,777
Division of Human Services:			
Local health services		-	28,025
Tuberculosis		-	24,356
Communicable Disease		-	274
Maternal health		-	50,096
Child health		-	1,449
Child care coordinator		-	26,711
HIV grant		-	16,692
Aids Prevention		-	2,941
Medicaid Maximization		-	38,832
Immunization		-	3,698
Rural OB care		-	17,718
Women's preventive health		-	14,312
		-	225,104
Division of Environmental Health			
Clean Water revolving loan		-	644,506
White Goods Management		-	12,600
Food / Lodging Program		-	2,592
		-	659,698
Direct Grants:			
State appropriation - soil and water		-	19,161
		-	2,093,447
Total NC Dept. of Health and Human Services			
NC Dept. of Public Instruction			
Public School Bond Fund		-	2,520,311
Public School Capital Building Fund		-	189,700
		-	2,710,011

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 1999

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
<u>NC Dept. of Transportation</u> Elderly/disabled transportation assistance (EDTAP)		-	43,587
<u>NC Industrial Development Fund</u> Economic Development		-	71,150
<u>NC Dept. of Commerce</u> State Acquisition and Relocation Fund		-	97,231
<u>NC Rural Center</u> Rural Development		-	90,000
<u>NC Dept. of Correction</u> Criminal Justice Partnership Program		-	7,000
<u>NC Dept. of Administration</u> Veterans		-	2,000
TOTAL ASSISTANCE		<u>\$ 39,403,051</u>	<u>\$ 17,564,892</u>

Notes to the preceding schedule:

1. Basis of Presentation

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

2. Subrecipients

Of the federal and State expenditures presented in the schedule, Beaufort County provided State awards to subrecipients as follows:

Subrecipient	Program Name	State
Beaufort County Board of Education	Public School Bond Fund	\$ 2,520,311



To the Board of Commissioners
Beaufort County, North Carolina

In connection with our audit of the general purpose financial statements of Beaufort County, North Carolina, as of and for the year ended June 30, 1999, we reviewed various administrative and financial procedures and controls of the County but did not make a comprehensive review for the purpose of submitting detailed recommendations.

As a result of our review, we noted certain areas where administrative and financial matters should be considered, procedures improved, and administrative controls strengthened. This memorandum summarizes our comments and suggestions. We have separately communicated internal control structure reportable conditions in the Single Audit Reports included with the audited financial statements.

Child Support Enforcement Contracted Service

The Child Support Enforcement Program was administered by a private contractor during fiscal year ended June 30, 1999. Under the terms of the contract, the contractor is required to make a payment to the county above and beyond a calculated baseline amount. According to an official opinion from the Federal Department of Health and Human Services, any payment received must be reported as an applicable credit to the program, thus returning 66% of the payment to the federal government. This opinion is in accordance with federal guidelines found in OMB Circular A-87.

At June 30, the contractor owes the county approximately \$88,000. When these funds are received by the County, they should also be reported as a credit to the Child Support Enforcement Program on the monthly 1571 report filed by the Department of Social Services.

The requirements of the contract and the method of reporting the payment received, results in a reporting cycle that was not remedied by the contract. Since total costs are reduced by any credits received, the federal share of program cost decreases, and according to the letter of the contract, the contractor would owe an additional amount to the County. As you can see, the contract was poorly written and creates reporting and accounting difficulties that were not anticipated. We strongly suggest that the County pursue a new contract for a fixed fee as soon as possible.

Water Districts

Several water Districts again operated at a loss. This decreases the resources of the funds and indicates that fees charged are not sufficient to cover the full cost of providing services to the customer base. Management should consider available options for implementing changes to turn around the operations of these funds. The deficits of these funds should be funded immediately to improve the financial condition of the Districts.

This report is intended solely for the information and use of the Beaufort County, North Carolina Board of Commissioners, management, and others within the administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
September 9, 1999



Kelly S. King
Chairman

Billy Ray Hall
President

December 3, 1999

Mr. Donald L. Davenport
Beaufort County
PO Box 1027
Washington, NC 27889

RE: C-86 Pantego Twp Wastewater Feasibility Study & Capital Improvement Plan

Dear Mr. Davenport:

On behalf of our Board of Directors, I am pleased to announce that the Rural Economic Development Center, Inc. has awarded a **Capacity Building Grant** in the amount of \$27,999.00 to Beaufort County in our first round of applications funded under the 1998 Clean Water Bond Act. The purpose of this grant program is to assist qualified local governments with the planning efforts that are necessary to support critically needed water and wastewater projects. Typically these funds are used by communities to prepare capital improvement plans, master water and sewer plans, water resource studies and preliminary engineering reports and the like.

We extend our best wishes to you for continued success and look forward to hearing about your accomplishments during the year. If you have any questions, please do not hesitate to contact your Program Director whose name appears below.

Sincerely,

A handwritten signature in cursive script that reads "Billy Ray Hall".

Billy Ray Hall

North Carolina

Rural Economic

Development Center, Inc.

4021 Cary Drive

Raleigh, NC 27610

Phone: (919) 250-4314

FAX: (919) 250-4325

CC: Tina Murphrey, Program Director
Peter M. Kittany



Kelly S. King
Chairman

Billy Ray Hall
President

December 3, 1999

Mr. Frank Bonner
Beaufort County Water District V
PO Box 1027
Washington, NC 27889

RE: U-20 Beaufort County Water District V Unsewered Communities Application

Dear Mr. Bonner:

On behalf of our Board of Directors, I am pleased to announce that the Rural Economic Development Center, Inc. has awarded an **Unsewered Communities Grant** in the amount of \$1,719,365.00 to Beaufort County Water District V in our first round of applications funded under the 1998 Clean Water Bond Act. The purpose of this new program is to provide qualified unsewered local governments with funds necessary to address critical environmental and health effects from failing septics, straight piping and pit privies. Each community funded will construct a new, central and publicly-owned sewer collection and/or treatment system. Congratulations on being among the first grantees awarded under this new program.

We extend our best wishes to you for continued success and look forward to hearing about your accomplishments during the year. If you have any questions, please do not hesitate to contact your Program Director whose name appears below.

Sincerely,

Billy Ray Hall

North Carolina

Rural Economic

CC: Tina Murphrey, Program Director
Peter M. Kittany

Development Center, Inc.

4021 Cary Drive

Raleigh, NC 27610

Phone: (919) 250-4314

FAX: (919) 250-4325



Kelly S. King
Chairman

Billy Ray Hall
President

December 3, 1999

Mr. Frank Bonner
Beaufort County Water District VI
PO Box 1027
Washington, NC 27889

RE: S-29 BCWD VI 1999 Water System Improvements

Dear Mr. Bonner:

On behalf of our Board of Directors, I am pleased to announce that the Rural Economic Development Center, Inc. has awarded a **Supplemental Grant** in the amount of \$200,000.00 to Beaufort County Water, District VI in our first round of applications funded under the 1998 Clean Water Bond Act. The purpose of these funds is to assist qualified local governments with the construction of critically needed water and wastewater projects. These funds are targeted to assist communities with projects that will improve the public health, reduce environmental risk or create or retain critically needed jobs.

We extend our best wishes to you for continued success and look forward to hearing about your accomplishments during the year. If you have any questions, please do not hesitate to contact your Program Director whose name appears below.

Sincerely,

Billy Ray Hall

North Carolina

Rural Economic

Development Center, Inc.

4021 Cary Drive

Raleigh, NC 27610

Phone: (919) 250-4314

FAX: (919) 250-4325

CC: Tina Murphrey, Program Director
Richard B. Moore



December 3, 1999

Kelly S. King
Chairman

Billy Ray Hall
President

Mr. Frank Bonner
Beaufort County
PO Box 1027
Washington, NC 27889

RE: S-20 Whichard's Beach Water Extension

Dear Mr. Bonner:

The Rural Economic Development Center, Inc. has made final determinations of award for projects to be funded under our first round of grants made available through the 1998 Clean Water Bond Act. The application submitted by your jurisdiction under the **Supplemental Grants** category was not selected for funding at this time.

The center appreciates the time and effort you took to prepare the application. We had many more applications than funds available and addressed, in rank order, projects with critical needs. Our staff is available to consult with you on how your application may be improved.

The center will have other funds, made available from state appropriation, to which you may submit this unfunded application or an application from another project. We have recently mailed to all local governments an announcement and the application forms and guidelines. Applications for the first round of these funds are due **December 17, 1999**.

In order to submit this application for consideration under the 1999-2000 Appropriation Round please do the following:

- Request re-submittal of the application in writing to us by December 17, 1999.
- Include an update of budget or timeline information as may be necessary.
- Provide any additional information that may improve the priority ranking points for this application.
- Keep in mind that we will use the NC Department of Commerce's new Tier Designations which become effective January 1, 2000 during the ranking of this project.

Should you have any questions regarding your application and review, or the upcoming funding round, please do not hesitate to contact us.

Sincerely,

Tina Murphrey
Program Director

CC: Mr. Richard B. Moore

North Carolina

Rural Economic

Development Center, Inc.

4021 Cary Drive

Raleigh, NC 27610

Phone: (919) 250-4314

FAX: (919) 250-4325

FYI

HURRICANE FLOYD RECOVERY
GOVERNOR'S UPDATE
December 2, 1999

(Information is current as of close of business December 1, 1999, unless otherwise noted)

HUMAN SERVICES

National Telecommunications Center Registrations

75,746 individuals have registered for federal assistance.

Individual & Family Grant Program (IFG)

The IFG program has received 39,409 applications. Five hundred thirty individuals and families received the maximum amount of assistance (\$13,600).

The following chart shows the itemized figures approved by county:

County	Amount Approved	County	Amount Approved	County	Amount Approved
Alamance	\$838	Gates	\$24,312	Orange	\$1,390
Beaufort	\$1,060,852	Granville	\$664	Pamlico	\$288,776
Bertie	\$673,894	Greene	\$780,614	Pasquotank	\$159,698
Bladen	\$960,778	Gulford	\$736	Pender	\$2,005,892
Brunswick	\$1,037,597	Hallfax	\$610,975	Perquimans	\$45,425
Camden	\$32,055	Harnett	\$27,935	Pitt	\$9,109,729
Carteret	\$429,557	Hertford	\$428,342	Randolph	\$6,998
Chatham	\$2,209	Hoke	\$4,114	Robeson	\$610,324
Columbus	\$2,375,324	Hyde	\$456,783	Rockingham	\$7,048
Craven	\$1,015,264	Johnston	\$346,861	Sampson	\$433,266
Cumberland	\$90,957	Jones	\$711,797	Stanly	\$56,965
Currituck	\$6,959	Lee	\$6,293	Tyrell	\$10,578
Dare	\$71,283	Lenoir	\$4,250,646	Vance	\$7,314
Duplin	\$2,269,184	Martin	\$321,861	Wake	\$145,646
Durham	\$55,245	Moore	\$1,744	Warren	\$52,299
Edgecombe	\$11,496,976	Nash	\$3,066,534	Washington	\$10,775
Forsyth	\$11,993	New Hanover	\$3,234,463	Wayne	\$2,262,400
Franklin	\$25,816	Northampton	\$191,562	Wilson	\$2,097,060
		Onslow	\$552,446	TOTAL	\$53,946,846

Source: NEMIS, FEMA Human Services

Disaster Recovery Victims' Advocacy Team

The Advocacy Team reports 617 cases have received attention; 570 are resolved and 47 remain open.

Temporary Housing

UNITS PURCHASED (TT=1,970) (MH=566)	TOTAL	2,536
UNITS RECEIVED (TT=1,887) (MH=419)	TOTAL	2,306
UNITS @ STAGING (Rocky Mt=122/Kinley=146)	TOTAL	268
UNITS ON SITE (TT=1,745; Private=1,138 Group=583, Commercial=24) (MH=294; Private=13 Group=266 Commercial=15)	TOTAL	2,039
UNITS OCCUPIED (TT=1,498; Private=980, Group=500, Commercial=18) (MH=117; Private=8, Group=99, Commercial=10)	TOTAL	1,615
UNITS VACATED (TT=102; MH=1)	TOTAL	103

TT—Travel Trailers; MH—Mobile Homes

Expenditures for temporary housing total \$18,271,351.

Disaster Housing

Disaster Housing received a total of 56,346 applications and approved 29,803 applications for \$51,315,025. As of close of business November 30, a total of \$53,602,844 has been disbursed.

Minimal Home Repair provides grants to homeowners when repairs to restore a home to safe, secure and sanitary conditions do not exceed \$10,000. This program has approved 16,933 applications for a total of \$37,986,016.

Rental Assistance has approved 16,257 applications for a total of \$15,903,525.

North Carolina Permanent Housing Initiative

Volunteers will begin constructing the remaining eight homes in Kinston on Saturday, December 4, 1999. Kinston Area Recovery Effort (KARE) is continuing to recruit volunteers to build the homes. If you are interested in volunteering, contact KARE at (252) 939-3415 or dwilliams@eastlink.net.

Small Business Administration (SBA)

SBA has approved 5,664 home loans for a total of \$231,303,800. Business and economic injury loans have been approved for 1,887 applicants, totaling \$74,608,300*. *(Yesterday's total of \$76,140,200 was incorrect due to clerical error.)

The following chart shows the itemized figures disbursed.

County	# of Loans Approved	Amount Approved	County	# of Loans Approved	Amount Approved	County	# of Loans Approved	Amount Approved
Alamance	1	\$93,000	Gates	3	\$23,900	Onslow	90	\$2,447,000
Beaufort	191	\$5,499,300	Granville	2	\$53,800	Orange	3	\$85,300
Bertie	118	\$4,775,200	Greene	170	\$7,916,600	Pamlico	55	\$966,200
Bladen	107	\$1,691,300	Guilford	1	\$12,200	Pasquotank	24	\$690,300
Brunswick	211	\$6,607,400	Halifax	55	\$1,326,000	Pender	357	\$15,492,600
Camden	13	\$279,800	Hamett	8	\$173,300	Perquimans	2	\$18,000
Carteret	71	\$1,556,800	Hertford	98	\$4,902,100	Pitt	1,093	\$50,370,300
Chatham	4	\$40,900	Hoke	5	\$38,300	Richmond	1	\$15,500
Chowan	6	\$114,600	Hyde	83	\$1,723,200	Robeson	58	\$892,100
Columbus	155	\$3,529,700	Johnston	59	\$1,182,300	Sampson	52	\$1,163,300
Craven	180	\$6,910,900	Jones	121	\$5,554,200	Scotland	1	\$3,300
Cumberland	16	\$257,700	Lee	3	\$101,500	Stanly	3	\$222,700
Currituck	11	\$91,800	Lenoir	527	\$21,152,100	Tyrrell	7	\$107,600
Dare	58	\$846,000	Martin	43	\$1,415,800	Vance	3	\$103,200
Duplin	335	\$14,943,800	Moore	1	\$7,500	Wake	52	\$776,600
Durham	5	\$85,300	Nash	699	\$35,569,600	Warren	2	\$36,200
Edgecombe	1,254	\$65,526,600	New Hanover	245	\$5,076,300	Wayne	531	\$19,799,800
Franklin	9	\$351,100	Northampton	29	\$296,300	Wilson	320	\$12,995,900
						Total	7,551	305,912,100

Source: Small Business Administration

DISASTER UNEMPLOYMENT

The State Employment Commission received 5,655 claims for assistance and approved 5,233. A total of \$2,177,412 has been disbursed.

INFRASTRUCTURE

Public Assistance

As of close of business November 30, State Public Assistance has approved 522 Requests for Public Assistance (RPA) and completed 275 (53%) of applications for a total of \$97,768,238. The deadline for RPA submission has been extended to December 14, 1999.

Transportation Systems

The State DOT web page reports four (4) road sections closed due to Hurricane Irene and 39 closures from Hurricane Floyd. Ten bridge closures due to damage or settling are attributed to Hurricane Floyd.

MITIGATION

Hazard Mitigation Grant Program (HMGP)

The city of Kinston's HGMP application for 100 homes was approved today.