

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2010



BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2010

FINANCIAL SECTION	<u>Page(s)</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12-13
Fund Financial Statements:	
Balance Sheet-Governmental Funds	14
Reconciliation of Governmental Funds Balance Sheet to the Statement of net Assets	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Fund to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	17
Combining Statement of Fund Net Assets - Proprietary Funds	18-19
Statement of Revenues, Expenses, and Changes in Fund Net assets - Proprietary Funds	20-21
Statements of Cash Flows - Proprietary Funds	22-23
Statement of Fiduciary Net Assets - Agency Funds	24
Notes to the Financial Statements	25-49
Required Supplemental Financial Data:	
Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress	50

Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions Notes to the Required Schedules	51
Other Postemployment Benefits - Schedule of Funding Progress	52
Other Postemployment Benefits - Schedule of Employer Contributions	53

SUPPLEMENTARY STATEMENTS

Combining and Individual Fund Statements and Schedules:

Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund - Budget and Actual	54-58
Schedule of Revenues, Expenditures, and Changes in Fund Balances - 05-E-1411 - Budget and Actual	59
Combining Balance Sheet - Nonmajor Governmental Funds	60-61
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	62

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Revaluation Fund	63
Economic Development Fund	64
Fire District Funds (All Fire Districts)	65
E911 Fund	66
Capital Reserve Fund	67
State and Federal Seizure Fund	68
CDBG Fund - 04-C-1222	69
Hurricane Fund	70
Capital Project Fund - Pantego Sewer	71
Capital Project Fund - Economic Development Industrial Ready Building	72

Capital Project Fund - Hospital Renovations	73
Capital Project Fund - Public Schools	74
Capital Project Fund - BCCC Project	75

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Enterprise Fund - Water District I	76-77
Enterprise Fund - Water District II	78-79
Enterprise Fund - Water District III	80-81
Enterprise Fund - Water District IV	82-83
Enterprise Fund - Water District V	84-85
Enterprise Fund - Water District VI	86-87
Enterprise Fund - Water District VII	88-89
Water District Capital Project Fund - Water District I	90
Water District Capital Project Fund - Water District II	91
Water District Capital Project Fund - Water District III	92
Water District Capital Project Fund - Water District IV	93
Water District Capital Project Fund - Water District IV - Phase II	94
Water District Capital Project Fund - Water District V - Clean Water	95
Water District Capital Project Fund - Water District V - Pantego Capital Project	96
Water District Capital Project Fund - Water District VI - Southside HS	97
Water District Capital Project Fund - Water District VI - Chocowinity	98
Water District Capital Project Fund - Water District VII	99

Combining Statement of Fiduciary Assets and Liabilities:

Agency Funds	100
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Other Schedules:

Schedule of Ad Valorem Taxes Receivable	101
Analysis of Current Tax Levy County-Wide Levy Secondary Market Disclosures	102-103
Schedule of Ten Largest Taxpayers	104

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	105-106
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	107-108
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	109-110
Schedule of Findings and Questioned Costs	111-113
Corrective Action Plan	114
Summary Schedule of Prior Year Audit Findings	115
Schedule of Expenditures of Federal and State Awards	116-120

Financial Section





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Independent Auditor's Report

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaufort County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Beaufort County Hospital Association or Beaufort County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Beaufort County Hospital Association and Beaufort County ABC Board is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Beaufort County Hospital Association and Beaufort County ABC Board were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2010 on our consideration of Beaufort County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information have not been subjected to the auditing procedures applied by us and other auditors in the audit of basic financial statements and, accordingly, we express no opinion on them.

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

Thompson, Price, Scott, Adams & Co., P.A.
October 26, 2010

Management's Discussion and Analysis

As management of Beaufort County, we offer readers of Beaufort County's financial statements this narrative overview and analysis of the financial activities of Beaufort County for the fiscal year ended June 30, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

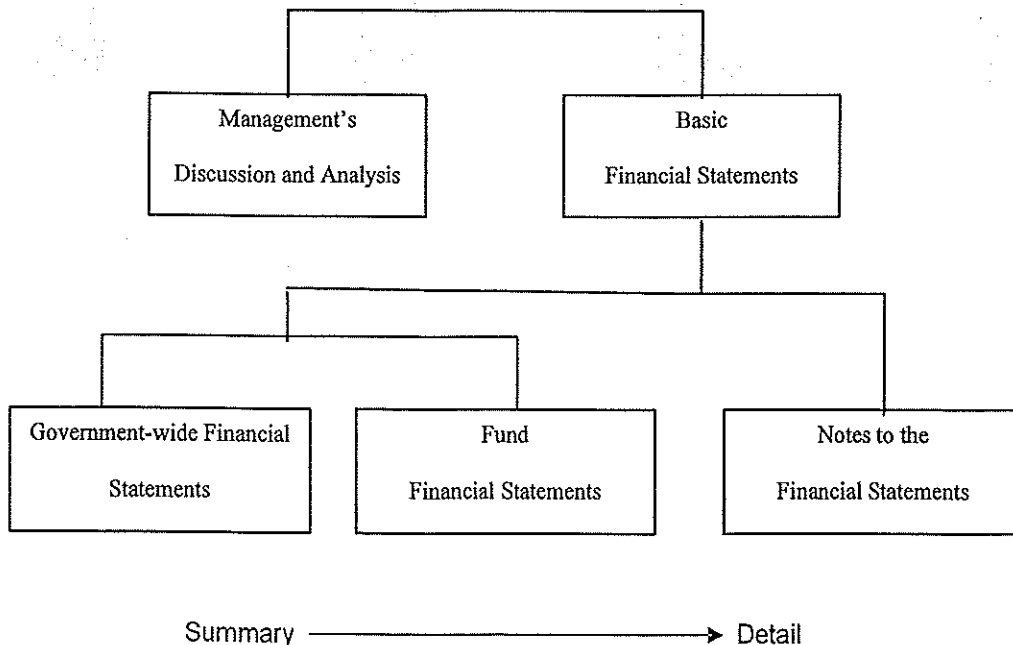
Financial Highlights

- The assets of Beaufort County exceeded its liabilities at the close of the fiscal year by \$12,714,997 (*net assets*).
- The County's total net assets for Governmental activities and Business-type activities were \$(18,669,598) and \$31,384,595 respectively.
- At the close of the current fiscal year, Beaufort County's governmental funds reported combined ending fund balances of \$14,067,042, a decrease of \$1,866,535. Approximately 63 percent of this total amount, or \$8,029,960 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,902,322 or 18 percent of total general fund expenditures for the fiscal year.
- Beaufort County's total debt decreased by \$2,288,145 during the current fiscal year. The key factors in this decrease was the retirement debt.

Overview of the Financial Statements

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

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Beaufort County. The final category is the component units. Beaufort County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County the Board by appointing its members. Also, the ABC Board is important to the County because the Board is required to distribute its profits to the County.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaufort County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance

(or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Beaufort County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

Proprietary Funds – Beaufort County has one kind of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Beaufort County uses enterprise funds to account for its water operations. These funds are the same as those shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Beaufort County has several agency funds.

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Beaufort County exceeded liabilities by \$12,820,277 as of June 30, 2010. The County's net assets increased by \$1,894,353 for the fiscal year ended June 30, 2010. One of the largest portions reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Beaufort County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaufort County's

investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of \$(26,136,532) is unrestricted.

Figure 2

BEAUFORT COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2009	2010	2009	2010	2010
Current and other assets	\$ 20,969,499	\$ 19,682,334	\$ 2,047,932	\$ 1,905,439	\$ 21,587,773
Capital assets	9,806,723	9,837,309	70,249,520	70,168,797	\$ 80,006,106
Total assets	30,776,222	29,519,643	72,297,452	72,074,236	101,593,879
Long-term liabilities outstanding	48,132,884	43,809,171	40,796,512	39,986,402	83,795,573
Other liabilities	2,572,291	4,382,070	646,062	703,239	5,085,309
Total liabilities	50,705,175	48,191,241	41,442,574	40,689,641	88,880,882
Net assets:					
Invested in capital assets, net of related debt	8,640,342	8,636,090	29,669,417	30,256,686	38,892,776
Restricted	68,401	64,033	-	-	64,033
Unrestricted	(28,637,696)	(27,369,721)	1,185,461	1,127,909	(26,241,812)
Total net assets	\$ (19,928,953)	\$ (18,669,598)	\$ 30,854,878	\$ 31,384,595	\$ 12,714,997

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Beaufort County exceeded liabilities by \$12,714,997 as of June 30, 2010. The County's net assets increased by \$1,789,073 for the fiscal year ended June 30, 2010. One of the largest portions reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Beaufort County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaufort County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of \$(27,369,721) is unrestricted.

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

- Expenditure decreases within the Governmental Activities as well as a decrease reliance on State-shared revenues.
- Increased charges for services in Business-Type activities.

BEAUFORT COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2009	2010	2009	2010	2010
Revenues:					
Program revenues:					
Charges for services	\$ 3,678,597	\$ 3,553,998	\$ 5,500,550	\$ 5,741,297	\$ 9,295,295
Operating grants and contributions	11,991,379	12,861,852			12,861,852
Capital grants and contributions	2,190,613	1,541,685	18,352	60,610	1,602,295
General revenues:					-
Property taxes	25,998,764	27,708,936	-	-	27,708,936
Other taxes	9,633,258	7,667,078	-	-	7,667,078
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other	293,723	48,262	11,725	543	48,805
Total revenues	53,786,334	53,381,811	5,530,627	5,802,450	59,184,261
Expenses:					
General government	1,030,514	4,434,879	-	-	4,434,879
Public safety	9,593,779	9,246,767	-	-	9,246,767
Economic and physical development	463,144	2,742,484	-	-	2,742,484
Human services	6,165,086	15,047,965	-	-	15,047,965
Cultural and recreation	15,694,526	514,412	-	-	514,412
Education	15,117,976	15,451,104	-	-	15,451,104
Interest on long-term debt	2,985,194	1,832,625	-	-	1,832,625
Environmental Protection	2,001,381	2,852,219	-	-	2,852,219
Water and sewer	-	-	5,104,838	5,272,733	5,272,733
Total expenses	53,051,600	52,122,455	5,104,838	5,272,733	57,395,188
Increase in net assets before transfers and special items	734,734	1,259,356	425,789	529,717	1,789,073
Transfers	-	-	-	-	-
Increase in net assets	734,734	1,259,356	425,789	529,717	1,789,073
Net assets, July 1	(20,663,687)	(19,928,954)	30,429,089	30,854,878	10,925,924
Net assets, June 30	\$ (19,928,953)	\$ (18,669,598)	\$ 30,854,878	\$ 31,384,595	\$ 12,714,997

Figure 3

Governmental activities: Governmental activities increased the County's net assets by \$1,259,356, thereby accounting for 72% of the total growth in the net assets of Beaufort County. Key elements of this increase are as follows:

- Decrease in expenditures.

Business-type activities: Business-type activities increased Beaufort County's net assets by \$529,717. Key elements of this increase are as follows:

- Water and sewer fee collections and grant revenues that helped cover the cost of providing the service

Financial Analysis of the County's Funds

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

Governmental Funds: The focus of Beaufort County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Beaufort County's financing requirements. Specifically, unreserved fund

balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Beaufort County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,902,322, while total fund balance reached \$13,488,582. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18% of total General Fund expenditures, while total fund balance represents 30% of that same amount.

At June 30, 2010, the governmental funds of Beaufort County reported a combined fund balance of \$14,067,042, a \$1,866,535 decrease from last year. The primary reason for this decrease is the decrease in fund balance in the Hospital Renovations Fund as well as the continued budgeted and planned use of General Fund Fund Balance.

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

Proprietary Funds: Beaufort County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water and Sewer District equaled \$1,127,909. The total growth in net assets was \$529,717. Other factors concerning the finances of this fund have already been addressed in the discussion of Beaufort County's business-type activities.

Capital Asset and Debt Administration

Capital assets: Beaufort County's capital assets for its governmental and business -type activities as of June 30, 2010, totals \$80,006,106 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Server, Software & Copier
- Vehicles
- Generator

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

	Governmental Activities		Business-type Activities		Total
	2009	2010	2009	2010	2010
Land	\$ 3,382,879	\$ 3,855,275	\$ 75,961	\$ 75,961	\$ 3,931,236
Buildings and system Improvements other than buildings	5,470,535	5,258,925	9,989,760	9,628,057	14,886,982
Equipment and vehicles	953,309	723,109	30,569	80,357	803,466
Infrastructure					
Construction in progress	-	-	60,153,230	60,384,422	60,384,422
Total	\$ 9,806,723	\$ 9,837,309	\$ 70,249,520	\$ 70,168,797	\$ 80,006,106

Figure 4

Additional information on the County's capital assets can be found in the notes to the financial statements of this audited financial report.

Long-term Debt. As of June 30, 2010 Beaufort County had total bonded debt outstanding of \$69,372,800 all of which is debt backed by the full faith and credit of the County.

Beaufort County's Outstanding Debt General Obligation and Revenue Bonds						
Governmental Activities		Business-type Activities		Total	Total	
2009	2010	2009	2010	2010	2009	
General obligation bonds	\$ 29,950,000	\$ 29,790,000	\$ 40,283,300	\$ 39,582,800	\$ 69,372,800	\$ 70,233,300

Figure 5

Beaufort County's total debt decreased by \$2,288,145 during the past fiscal year, primarily due to the retirement of bonds.

As mentioned in the financial highlights section of this document, Beaufort County maintained its A bond rating from Moody's Investor Service. This bond rating is a clear indication of the sound financial condition of Beaufort County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Beaufort County is \$284,255,205. The County has no in bonds authorized but un-issued at June 30, 2010.

Additional information regarding Beaufort County's long-term debt can be found in the notes to the financial statements of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the outlook of the County.

- Through the past 12 months of unsure market instability the County has chosen to be conservative in projecting revenues. A drop in retail sales and a spike in the unemployment rate reflect the current economic times, and closely match that of similar sized counties.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: Budgetary cuts across the board reflect the County's anticipation of the potential decrease in revenues as a result of market instability. Property tax growth predications have been more conservative than in prior years due to decreased activity in commercial and single family home real estate development.

Budgeted expenditures in the General Fund are expected to remain constant.

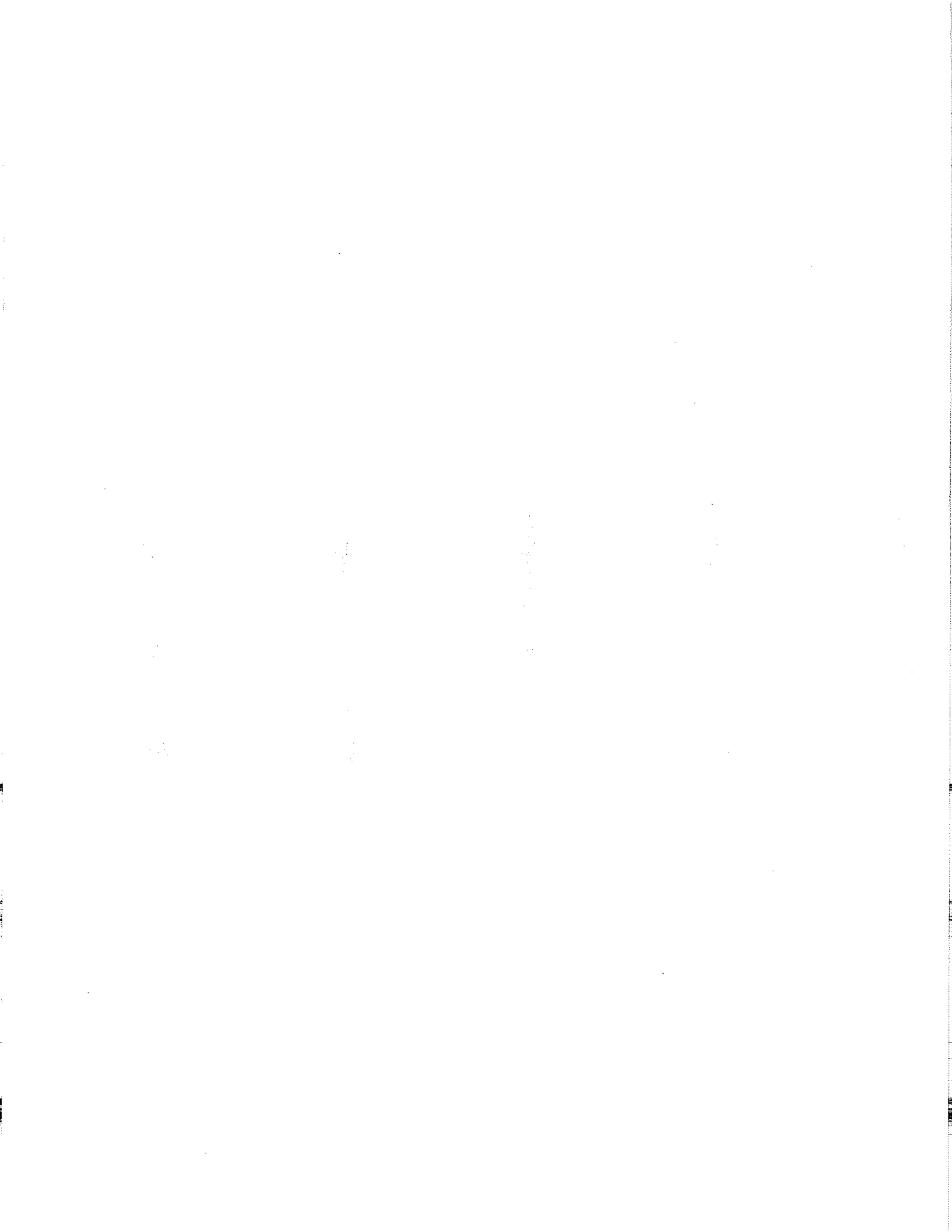
Business – type Activities: The water and sewer rates in the County will remain constant. Revenues should increase along with increased usage. General operating expenses will increase to cover increased personnel costs, costs of material, supplies, and other operating expenses.

Requests for Information

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

County Manager
121 West 3rd Street
Washington, NC 27889

Basic Financial Statements



Beaufort County, North Carolina
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Beaufort County Hospital Inc.	Beaufort County ABC Board
ASSETS					
Cash and cash equivalents	\$ 11,389,852	\$ 1,337,564	\$ 12,727,416	\$ 2,239,328	\$ 721,038
Receivables (net)	7,856,486	929,580	8,786,066	16,794,371	-
Other assets	-	-	-	1,039,929	133
Inventories	-	-	-	2,586,424	349,880
Prepaid items	-	-	-	432,791	-
Internal balances	435,996	(435,996)	-	-	-
Restricted cash and cash equivalents	-	74,291	74,291	-	-
Capital assets:					
Land, improvements, and construction in progress	3,855,275	-	3,855,275	1,753,715	-
Other capital assets, net of depreciation	5,982,034	70,168,797	76,150,831	31,504,309	501,186
Total capital assets	<u>9,837,309</u>	<u>70,168,797</u>	<u>80,006,106</u>	<u>33,258,024</u>	<u>501,186</u>
Total assets	<u>29,519,643</u>	<u>72,074,236</u>	<u>101,593,879</u>	<u>56,350,867</u>	<u>1,572,237</u>
LIABILITIES					
Accounts payable and accrued expenses	2,855,478	503,637	3,359,115	11,383,715	738,455
Accrued interest payable	-	-	-	248,237	-
Compensated absences payable	764,109	50,789	814,898	1,638,108	-
Post closure landfill costs payable	189,343	-	189,343	-	-
Net pension obligation	373,726	-	373,726	1,196,169	-
Other postemployment benefits payable	197,414	13,726	211,140	-	-
Customer deposits	-	76,900	76,900	-	-
Liabilities to be paid from restricted assets	-	58,187	58,187	-	-
Long-term liabilities:					
Due within one year	3,196,784	790,025	3,986,809	1,593,675	-
Due in more than one year	40,612,387	39,196,377	79,808,764	16,741,712	-
Total liabilities	<u>48,189,241</u>	<u>40,689,641</u>	<u>88,878,882</u>	<u>32,801,616</u>	<u>738,455</u>
NET ASSETS					
Invested in capital assets, net of related debt	8,636,090	30,256,686	38,892,776	14,922,637	501,186
Restricted for:					
Register of Deeds	64,033	-	64,033	-	-
Other purposes	-	-	-	596,654	-
Unrestricted (deficit)	<u>(27,369,721)</u>	<u>1,127,909</u>	<u>(26,241,812)</u>	<u>8,029,960</u>	<u>332,596</u>
Total net assets	<u>\$ (18,669,598)</u>	<u>\$ 31,384,595</u>	<u>\$ 12,714,997</u>	<u>\$ 23,549,251</u>	<u>\$ 833,782</u>

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

Beaufort County, North Carolina
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 4,434,879	\$ 692,403	\$ 1,637,197	\$ -
Public safety	9,246,767	765,959	323,075	-
Cultural and recreation	514,412	-	-	-
Economic and physical development	2,742,484	-	-	1,541,685
Human services	15,047,965	231,578	10,813,453	-
Education	15,451,104	-	-	-
Environmental protection	2,852,219	1,864,058	88,127	-
Interest on long-term debt	1,832,625	-	-	-
Total governmental activities	52,122,455	3,553,998	12,861,852	1,541,685
Business-type activities:				
Water	5,272,733	5,741,297	-	60,610
Total business-type activities	5,272,733	5,741,297	-	60,610
Total primary government	\$ 57,395,188	\$ 9,295,295	\$ 12,861,852	\$ 1,602,295
Component units:				
Hospital	\$ 77,219,898	\$ 75,414,956	\$ 178,074	\$ -
ABC Board	4,203,014	4,207,350	-	-
Total component units	\$ 81,422,912	\$ 79,622,306	\$ 178,074	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, unrestricted

Total general revenues

Change in net assets

Net assets-beginning

Net assets-ending

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Beaufort County Hospital Inc.	Beaufort County ABC Board
\$ (2,105,279)	\$ -	\$ (2,105,279)		
(8,157,733)	-	(8,157,733)		
(514,412)	-	(514,412)		
(1,200,799)	-	(1,200,799)		
(4,002,934)	-	(4,002,934)		
(15,451,104)	-	(15,451,104)		
(900,034)	-	(900,034)		
(1,832,625)	-	(1,832,625)		
<u>(34,164,920)</u>	<u>-</u>	<u>(34,164,920)</u>		
	529,174	529,174		
	529,174	529,174		
\$ <u>(34,164,920)</u>	\$ <u>529,174</u>	\$ <u>(33,635,746)</u>		
			\$ (1,626,868)	\$ -
			<u>-</u>	<u>4,336</u>
			<u>(1,626,868)</u>	<u>4,336</u>
27,708,936	-	27,708,936	-	-
7,163,109	-	7,163,109	-	-
503,969	-	503,969	-	-
-	-	-	44,541	-
1,334	543	1,877	200,566	5,473
46,928	-	46,928	48,632	-
<u>35,424,276</u>	<u>543</u>	<u>35,424,819</u>	<u>293,739</u>	<u>5,473</u>
1,259,356	529,717	1,789,073	(1,333,129)	9,809
(19,928,954)	30,854,878	10,925,924	24,882,380	823,973
\$ <u>(18,669,598)</u>	\$ <u>31,384,595</u>	\$ <u>12,714,997</u>	\$ <u>23,549,251</u>	\$ <u>833,782</u>

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds		Non-Major Other Governmental Funds	Total
	General	2005 CDBG Fund		
ASSETS				
Cash and cash equivalents	\$ 10,242,892	\$ -	\$ 1,146,960	\$ 11,389,852
Receivables, net	6,653,900	343,388	592,770	7,590,058
Due from other governments	-	-	-	-
Due from other funds	442,954	-	-	442,954
Total assets	<u>\$ 17,339,746</u>	<u>\$ 343,388</u>	<u>\$ 1,739,730</u>	<u>\$ 19,422,864</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	1,269,579	601,004	668,310	2,538,893
Miscellaneous liabilities	-	-	-	-
Due to other funds	6,958	-	-	6,958
Other liability	316,585	-	-	316,585
Deferred revenue	2,258,042	-	235,344	2,493,386
Total liabilities	<u>3,851,164</u>	<u>601,004</u>	<u>903,654</u>	<u>5,355,822</u>
Fund balances:				
Reserved for:				
State statute	4,522,227	343,388	338,558	5,204,173
Register of Deeds	64,033	-	-	64,033
Unreserved, undesignated	8,902,322	-	-	8,902,322
Unreserved, designated for subsequent years expenditures	-	-	-	-
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	1,109,464	1,109,464
Capital projects funds	-	(601,004)	(611,946)	(1,212,950)
Total fund balances	<u>13,488,582</u>	<u>(257,616)</u>	<u>836,076</u>	<u>14,067,042</u>
Total liabilities and fund balances	<u>\$ 17,339,746</u>	<u>\$ 343,388</u>	<u>\$ 1,739,730</u>	

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

Accrued interest receivable less amount claimed as unearned.	266,428
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	9,837,309
Liabilities for earned but deferred revenues in fund statements.	2,493,386
Some liabilities, including bonds payable and other post employment benefits, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	<u>(45,333,763)</u>
Net assets of governmental activities	<u>\$ (18,669,598)</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

	Major		Non-Major Other Governmental Funds	Total
	General Fund	CDBG 2005 Fund		
REVENUES				
Ad valorem taxes	\$ 25,311,519	\$ -	\$ 2,101,233	\$ 27,412,752
Local option sales taxes	7,163,109	-	-	7,163,109
Other taxes and licenses	217,767	-	-	217,767
Unrestricted intergovernmental	124,744	-	-	124,744
Restricted intergovernmental	12,931,352	480,200	1,460,803	14,872,355
Permits and fees	328,618	-	-	328,618
Sales and services	2,918,020	-	-	2,918,020
Investment earnings	1,208	-	126	1,334
Miscellaneous	46,928	-	-	46,928
Total revenues	49,043,265	480,200	3,562,162	53,085,627
EXPENDITURES				
Current:				
General government	4,700,274	-	-	4,700,274
Public safety	6,703,251	-	2,264,319	8,967,570
Economic and physical development	599,025	723,605	1,421,575	2,744,205
Human services	14,913,528	-	-	14,913,528
Cultural and recreational	514,412	-	-	514,412
Environmental protection	2,857,324	-	-	2,857,324
Intergovernmental:				
Education	15,451,104	-	-	15,451,104
Debt service:				
Principal	2,971,120	-	-	2,971,120
Interest	1,832,625	-	-	1,832,625
Total expenditures	50,542,663	723,605	3,685,894	54,952,162
Excess (deficiency) of revenues over expenditures	(1,499,398)	(243,405)	(123,732)	(1,866,535)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Debt issued	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	(1,499,398)	(243,405)	(123,732)	(1,866,535)
Fund balances-beginning	14,987,980	(14,211)	959,808	15,933,577
Fund balances-ending	\$ 13,488,582	\$ (257,616)	\$ 836,076	\$ 14,067,042

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

Beaufort County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds to the Statement of Net Assets
For the Year Ended June 30, 2010

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

Net changes in fund balances - total governmental funds	\$ (1,866,535)
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<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	30,585
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<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	296,184
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<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	2,971,120
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<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	<u>(171,998)</u>
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Total changes in net assets of governmental activities	<u><u>\$ 1,259,356</u></u>
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The notes to the financial statements are an integral part of this statement.

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 25,053,025	\$ 25,221,007	\$ 25,311,519	\$ 90,512
Local option sales tax	7,623,076	7,125,305	7,163,109	37,804
Other taxes and licenses	173,800	199,126	217,767	18,641
Unrestricted intergovernmental	273,800	179,796	124,744	(55,052)
Restricted intergovernmental	11,132,771	11,383,511	12,931,352	1,547,841
Permits and fees	264,500	299,068	328,618	29,550
Sales and services	2,679,841	2,626,194	2,918,020	291,826
Investment earnings	160,000	-	1,208	1,208
Miscellaneous	2,066,235	2,376,140	46,928	(2,329,212)
Total revenues	<u>49,427,048</u>	<u>49,410,147</u>	<u>49,043,265</u>	<u>(366,882)</u>
Expenditures:				
Current:				
General government	4,931,657	4,917,970	4,700,274	217,696
Public safety	7,202,891	7,139,529	6,703,251	436,278
Economic and physical development	610,106	620,947	599,025	21,922
Human services	15,017,358	15,451,289	14,913,528	537,761
Environmental protection	3,148,224	3,101,724	2,857,324	244,400
Cultural and recreational	411,371	531,971	514,412	17,559
Intergovernmental:				
Education	15,451,104	15,451,104	15,451,104	-
Debt service:				
Principal retirement	2,971,121	2,971,121	2,971,120	1
Interest and other charges	1,832,627	1,832,627	1,832,625	2
Total expenditures	<u>51,576,459</u>	<u>52,018,282</u>	<u>50,542,663</u>	<u>1,475,619</u>
Revenues over (under) expenditures	(2,149,411)	(2,608,135)	(1,499,398)	1,108,737
Other financing sources (uses):				
Transfers to other funds	-	(8,685)	-	8,685
Transfers from other funds	-	-	-	-
Fund Balance Appropriated	<u>2,149,411</u>	<u>2,616,820</u>	<u>-</u>	<u>(2,616,820)</u>
Total other financing sources (uses)	<u>2,149,411</u>	<u>2,608,135</u>	<u>-</u>	<u>(2,608,135)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,499,398)	<u>\$ (1,499,398)</u>
Fund balances:				
Beginning of year, July 1			14,987,980	
End of year, June 30			<u>\$ 13,488,582</u>	

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

Beaufort County, North Carolina
Combining Statement of Net Assets
Proprietary Funds
June 30, 2010

Exhibit 6

	Water District I	Water District II	Water District III	Water District IV
Assets				
Current Assets:				
Cash and Investments	\$ 57	\$ 394,367	\$ 42,544	\$ 57
Accounts Receivable (Net)	114,553	168,422	198,789	234,436
Due from other Water Districts	-	-	-	-
Due from General fund	640	1,941	967	1,018
Total Current Assets	<u>115,250</u>	<u>564,730</u>	<u>242,300</u>	<u>235,511</u>
Restricted assets:				
Cash	-	-	-	-
Capital Assets (Net)	<u>9,192,452</u>	<u>3,480,588</u>	<u>4,873,467</u>	<u>13,132,661</u>
Total Assets	<u>\$ 9,307,702</u>	<u>\$ 4,045,318</u>	<u>\$ 5,115,767</u>	<u>\$ 13,368,172</u>
Liabilities				
Current Liabilities:				
Accounts Payable & Accrued Expenses	\$ 183,525	\$ 1,736	\$ 1,579	\$ 87,585
Accounts Payable from Restricted Assets	-	-	-	5,891
Due to other Water Districts	-	-	-	-
Due to General Fund	11,353	17,433	182,147	18,062
Customer Deposits	2,850	13,550	5,800	5,400
Notes payable	-	-	24,300	-
Bond \Long-term Debt - Current Maturities	78,500	98,000	113,000	139,000
Total Current Liabilities	<u>276,228</u>	<u>130,719</u>	<u>326,826</u>	<u>255,938</u>
Noncurrent liabilities:				
Compensated Abscenses Payable	5,292	8,131	8,131	8,538
Other postemployment benefits	1,430	2,197	2,197	2,308
Notes payable	-	-	121,499	-
Bonds\Long-term Debt - Noncurrent	4,930,300	3,656,000	4,457,000	7,225,500
Total Other Liabilities	<u>4,937,022</u>	<u>3,666,328</u>	<u>4,588,827</u>	<u>7,236,346</u>
Total Liabilities	<u>5,213,250</u>	<u>3,797,047</u>	<u>4,915,653</u>	<u>7,492,284</u>
Net Assets				
Invested in Capital Assets, net of related debt	4,183,652	(273,412)	157,668	5,768,161
Unrestricted	(89,200)	521,683	42,446	107,727
Total Net Assets	<u>\$ 4,094,452</u>	<u>\$ 248,271</u>	<u>\$ 200,114</u>	<u>\$ 5,875,888</u>

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

Water District V	Water District VI	Water District VII	Total
\$ 25,187	\$ 875,295	\$ 57	\$ 1,337,564
61,211	145,862	6,307	929,580
-	-	-	-
438	1,239	715	6,958
<u>86,836</u>	<u>1,022,396</u>	<u>7,079</u>	<u>2,274,102</u>
-	74,291	-	74,291
<u>8,943,816</u>	<u>20,744,845</u>	<u>9,800,968</u>	<u>70,168,797</u>
<u>\$ 9,030,652</u>	<u>\$ 21,841,532</u>	<u>\$ 9,808,047</u>	<u>\$ 72,517,190</u>
\$ 225,946	\$ 2,104	\$ 1,162	\$ 503,637
-	-	52,296	58,187
-	-	-	-
7,785	22,003	184,171	442,954
-	47,650	1,650	76,900
32,225	-	-	56,525
66,500	138,000	100,500	733,500
<u>332,456</u>	<u>209,757</u>	<u>339,779</u>	<u>1,871,703</u>
3,571	10,935	6,191	50,789
965	2,956	1,673	13,726
225,578	-	-	347,077
<u>3,398,500</u>	<u>10,067,000</u>	<u>5,115,000</u>	<u>38,849,300</u>
<u>3,628,614</u>	<u>10,080,891</u>	<u>5,122,864</u>	<u>39,260,892</u>
<u>3,961,070</u>	<u>10,290,648</u>	<u>5,462,643</u>	<u>41,132,595</u>
5,221,013	10,614,136	4,585,468	30,256,686
(151,431)	936,748	(240,064)	1,127,909
<u>\$ 5,069,582</u>	<u>\$ 11,550,884</u>	<u>\$ 4,345,404</u>	<u>\$ 31,384,595</u>

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

Beaufort County, North Carolina
 Combining Statement of Revenues, Expenses, and
 Changes in Fund Net Assets
 Proprietary Funds
 For The Fiscal Year Ended June 30, 2010

Exhibit 7

	Water District I	Water District II	Water District III	Water District IV
Operating revenues:				
Charges for Services	\$ 554,109	\$ 746,924	\$ 914,475	\$ 1,012,255
Water Taps	19,475	18,450	15,400	31,300
Other Operating Revenues	20,629	29,626	28,060	23,048
Total Operating Revenues	<u>594,213</u>	<u>795,000</u>	<u>957,935</u>	<u>1,066,603</u>
Operating expenses:				
Salaries and benefits	112,022	172,324	169,006	177,840
Water purchase	99,891	182,298	178,916	158,818
Water operations and maintenance	103,769	163,380	156,549	176,309
Depreciation	8,722	120,568	142,362	19,949
Total operating expenses	<u>324,404</u>	<u>638,570</u>	<u>646,833</u>	<u>532,916</u>
Total Operating Income (Loss)	<u>269,809</u>	<u>156,430</u>	<u>311,102</u>	<u>533,687</u>
Nonoperating Revenues(Expenses):				
Sale of Assets	-	-	-	-
Loan reimbursement	-	-	-	-
Interest Earned on Investments	58	89	87	92
Interest on Long-term Debt	<u>(247,860)</u>	<u>(231,791)</u>	<u>(286,866)</u>	<u>(356,131)</u>
Total Nonoperating Revenues (Expenses)	<u>(247,802)</u>	<u>(231,702)</u>	<u>(286,779)</u>	<u>(356,039)</u>
Transfer In (out)	-	-	-	-
Capital Contributions	-	-	-	-
Changes in net assets	22,007	(75,272)	24,323	177,648
Net Assets, beginning	<u>4,072,445</u>	<u>323,543</u>	<u>175,791</u>	<u>5,698,240</u>
Net Assets, ending	<u>\$ 4,094,452</u>	<u>\$ 248,271</u>	<u>\$ 200,114</u>	<u>\$ 5,875,888</u>

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

	Water District V	Water District VI	Water District VII	Total
\$	474,946	\$ 971,124	\$ 572,862	\$ 5,246,695
	7,250	65,463	9,195	166,533
	40,778	93,431	92,497	328,069
	<u>522,974</u>	<u>1,130,018</u>	<u>674,554</u>	<u>5,741,297</u>
	76,374	217,250	125,547	1,050,363
	68,477	21,337	-	709,737
	70,752	246,718	201,303	1,118,780
	38,641	32,089	14,416	376,747
	<u>254,244</u>	<u>517,394</u>	<u>341,266</u>	<u>3,255,627</u>
	<u>268,730</u>	<u>612,624</u>	<u>333,288</u>	<u>2,485,670</u>
	-	-	-	-
	40	112	65	543
	<u>(176,952)</u>	<u>(465,210)</u>	<u>(252,296)</u>	<u>(2,017,106)</u>
	<u>(176,912)</u>	<u>(465,098)</u>	<u>(252,231)</u>	<u>(2,016,563)</u>
	-	-	-	-
	-	60,610	-	60,610
	91,818	208,136	81,057	529,717
	<u>4,977,764</u>	<u>11,342,748</u>	<u>4,264,347</u>	<u>30,854,878</u>
\$	<u>5,069,582</u>	\$ <u>11,550,884</u>	\$ <u>4,345,404</u>	\$ <u>31,384,595</u>

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

Beaufort County, North Carolina
Combining Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2010

Exhibit 8

	Water District I	Water District II	Water District III	Water District IV
Cash Flows From Operating Activities:				
Cash Received from Customers/others	\$ 609,820	\$ 793,775	\$ 934,383	\$ 1,027,201
Cash Paid for Goods, Services, & Employees	(207,250)	(526,364)	(514,995)	(541,815)
Net Cash Provided by (Used for) Operating Activities	<u>402,570</u>	<u>267,411</u>	<u>419,388</u>	<u>485,386</u>
Cash Flows from Noncapital Financing Activities:				
Loan reimbursements	-	-	-	-
Short term advances	-	-	-	-
Transfers In/(Out)	9,192	13,203	13,925	14,649
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>9,192</u>	<u>13,203</u>	<u>13,925</u>	<u>14,649</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(88,460)	(10,613)	(10,451)	(10,996)
Other financing activities	-	-	-	-
Principal Paid on Bond Maturities and Capital Leases	(75,500)	(92,500)	(130,800)	(133,000)
Interest Paid on Bond/Note Maturities and Capital Leases	(247,860)	(231,791)	(286,866)	(356,131)
Proceeds of Capital Leases, Bonds and Notes	-	-	-	-
Capital Contributions	-	-	-	-
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>(411,820)</u>	<u>(334,904)</u>	<u>(428,117)</u>	<u>(500,127)</u>
Cash Flows from Investing Activities:				
Interest on investments	58	89	87	92
Net Increase (Decrease) in Cash and Cash Equivalents	-	(54,201)	5,283	-
Cash and cash equivalents, July 1	57	448,568	37,261	57
Cash and cash equivalents, June 30	<u>\$ 57</u>	<u>\$ 394,367</u>	<u>\$ 42,544</u>	<u>\$ 57</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Activities: Operating Income (Loss)	\$ 269,809	\$ 156,430	\$ 311,102	\$ 533,687
Adjustments to Reconcile Operating Income to Net Cash Provided				
Operating Activities: Depreciation	8,722	120,568	142,362	19,949
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	15,607	(1,225)	(23,552)	(39,402)
Increase (Decrease) in Accounts Payable & accrued liabilities	107,241	(12,441)	(12,578)	(33,121)
in Customer Deposits	-	2,250	225	2,350
in Accrued OPEB liability	772	1,186	1,186	1,246
in Compensated absences payable	419	643	643	677
Total Adjustments	<u>132,761</u>	<u>110,981</u>	<u>108,286</u>	<u>(48,301)</u>
Net Cash Provided by Operating Activities	<u>\$ 402,570</u>	<u>\$ 267,411</u>	<u>\$ 419,388</u>	<u>\$ 485,386</u>

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

Water District V	Water District VI	Water District VII	Totals June 30, 2010
\$ 538,133	\$ 1,163,960	\$ 713,976	\$ 5,781,248
(241,456)	(474,624)	(368,283)	(2,874,787)
<u>296,677</u>	<u>689,336</u>	<u>345,693</u>	<u>2,906,461</u>
-	-	-	-
6,329	17,818	10,266	85,382
<u>6,329</u>	<u>17,818</u>	<u>10,266</u>	<u>85,382</u>
(4,739)	(163,038)	(7,728)	(296,025)
-	-	-	-
(96,225)	(133,000)	(96,000)	(757,025)
(176,952)	(465,210)	(252,296)	(2,017,106)
-	-	-	-
-	60,610	-	60,610
<u>(277,916)</u>	<u>(700,638)</u>	<u>(356,024)</u>	<u>(3,009,546)</u>
40	112	65	543
25,130	6,628	-	(17,160)
57	942,958	57	1,429,015
<u>\$ 25,187</u>	<u>\$ 949,586</u>	<u>\$ 57</u>	<u>\$ 1,411,855</u>
\$ 268,730	\$ 612,624	\$ 333,288	\$ 2,485,670
38,641	32,089	14,416	376,747
15,159	33,942	39,422	39,951
(26,658)	(3,181)	(43,050)	(23,788)
-	11,400	225	16,450
521	1,596	903	7,410
284	866	489	4,021
<u>27,947</u>	<u>76,712</u>	<u>12,405</u>	<u>420,791</u>
<u>\$ 296,677</u>	<u>\$ 689,336</u>	<u>\$ 345,693</u>	<u>\$ 2,906,461</u>

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

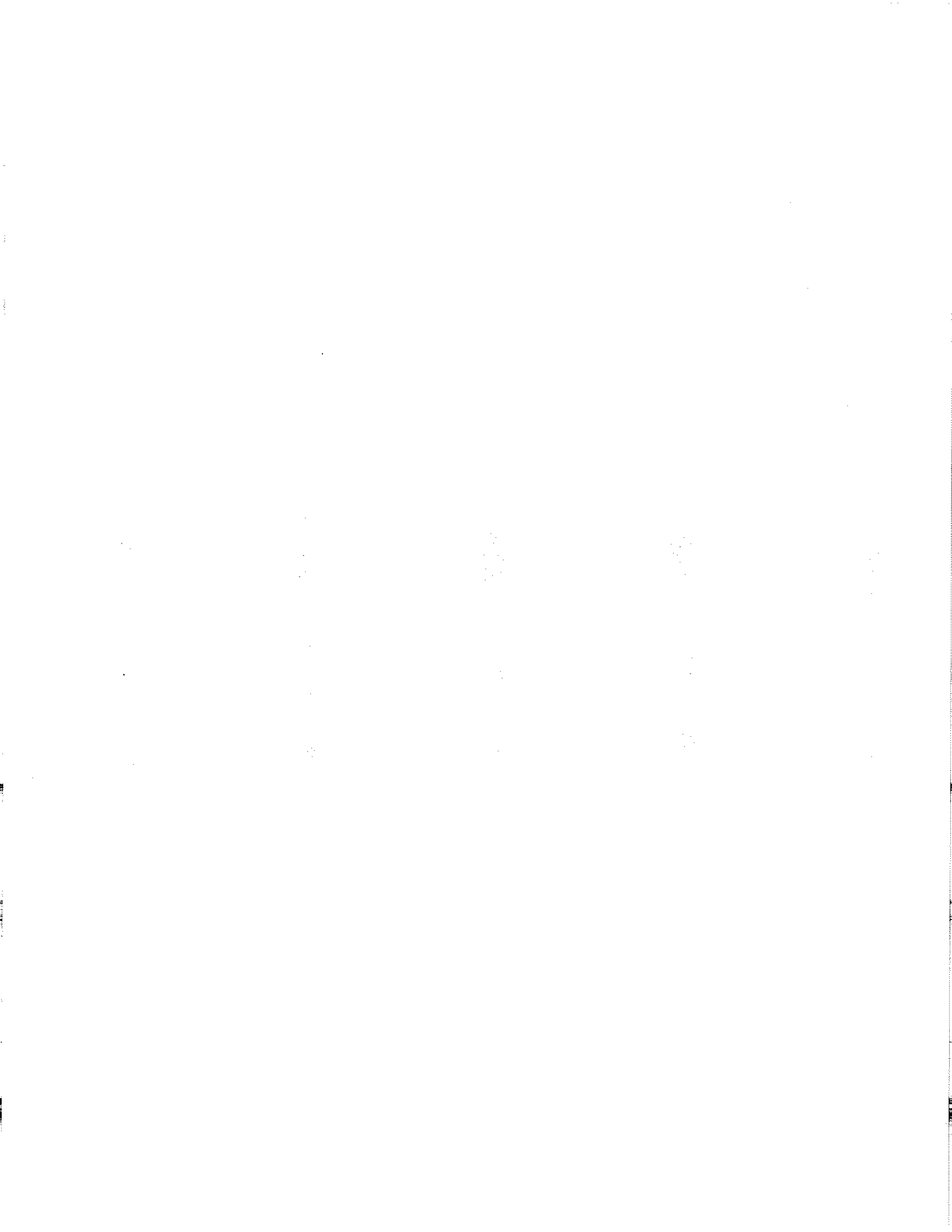
Beaufort County, North Carolina
Statement of Changes in Fiduciary Net Assets
Agency Funds
June 30, 2010

Exhibit 9

	Social Services	Motor Vehicle Tax	Sheriff Accounts	Totals June 30, 2010
Assets				
Current Assets:				
Cash and Investments	\$ 32,755	\$ 1,773	\$ 12,696	\$ 47,224
Due from other funds	-	-	-	-
Total Assets	<u>32,755</u>	<u>1,773</u>	<u>12,696</u>	<u>47,224</u>
 Liabilities and Net Assets				
Miscellaneous liabilities	<u>32,755</u>	<u>1,773</u>	<u>12,696</u>	<u>47,224</u>
Net Assets	-	-	-	-
Total Liabilities and Net Assets	<u>\$ 32,755</u>	<u>\$ 1,773</u>	<u>\$ 12,696</u>	<u>\$ 47,224</u>

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

Notes to the Financial Statements



BEAUFORT COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2010
Notes to the Financial Statements

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Beaufort County Water District (*the District*) exists to provide and maintain a water system for the county residents within the district. The District is reported as an enterprise fund in the County's financial statements. Beaufort County Hospital (*the Hospital*), which has a September 30 year-end and Beaufort County ABC Board (*the Board*) which has a June 30 year-end, are presented as if they are separate proprietary funds of the County (discrete presentations). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Beaufort County Water Districts I-VII	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the District	None issued
Beaufort County Hospital	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation which has leased the hospital facilities from the County for a period of 99 years. The County appoints the board of trustees for the Hospital. The County has also issued general obligation debt on behalf of the hospital.	Beaufort County Hospital 628 East 12th Street Washington, NC 27889
Beaufort County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County	Beaufort County ABC Board P.O. Box 552 Washington, NC 27889

B. Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

Notes to the financial statements

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

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

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2005 CDBG Fund: This is the County's capital project fund. It accounts for all financial activity for the construction activities associated with the 2005 CDBG grant.

The County reports the following major enterprise funds:

Beaufort County Water Districts I-VII Funds: These funds are used to account for the operations of the water districts within the County. All are major funds. The individual district statements are shown as supplementary statements.

The County reports the following fund types:

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains three Agency Funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; and the Inmate Fund which accounts for monies deposited with the Sheriff's Office, and the Motor Vehicle Tax Fund which collects three percent interest on the first month of delinquent motor vehicle taxes that the county is required to remit to the North Carolina Department of Motor Vehicles.

Measurement Focus, Basis of Accounting

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

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

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

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

Notes to the financial statements

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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 registered motor vehicles, 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 2009 to February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period, are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, the special revenue, (excluding grant and capital project funds), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the grant capital projects funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations of the functional level for all annually budgeted funds and at the project level for multi-year funds. Amendments are required for any revision that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

The County, the Hospital and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the

Notes to the financial statements

NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and considered cash and cash equivalents. The ABC Board and the Hospital consider demand deposits and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the Water District Serial Bonds are classified as restricted assets for the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2009. The county offers no discounts.

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

Beaufort County accounts for inventories using the "purchases method". Under the purchases method, purchases are recorded as expenditures when purchased. The County 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. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Capital assets of the County are depreciated on a straight-line basis at the following rates:

Notes to the financial statements

<u>Asset</u>	<u>Years</u>
Buildings	50
Improvements	25
Furniture & Equipment	5 to 10
Vehicles	10
Computer Equipment	5

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

Buildings	25 years
Furniture & Equipment	5-10 years
Motor Vehicles	4 years

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

Buildings	20 years
Equipment	10 years
Leasehold Improvements	10-20 years
Computers	3 years

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

9. Compensated Absences

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

The sick leave policy of the County, the Hospital, and the ABC Board provides 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.

Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation 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.

Notes to the financial statements

The governmental fund types classify fund balances as follows:

Reserved

Reserved for Encumbrances - Portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

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

Reserved for Register of Deeds - portion of fund balance available to pay for computer equipment and imaging technology for the register of deed's office.

Unreserved

Designated for Subsequent Year's Expenditures - Portion of total fund balance available for appropriation, which has been designated for the adopted 2010-2011 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The government fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets.

The net adjustment of (32,638,733) consists of several elements as follows:

Notes to the financial statements

Description	Amount
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 23,013,097
Less accumulated depreciation	<u>(13,175,788)</u>
Net capital assets	9,837,309
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	266,428
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	2,493,386
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment	(43,809,171)
Compensated absences	(764,109)
Other post employment benefits	(99,507)
Net pension obligation	(373,726)
Accrued landfill charges payable	<u>(189,343)</u>
Total adjustment	<u>\$ (32,638,733)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances included a reconciliation between net changes in fund balance-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$3,223,798 as follows:

Notes to the financial statements

Description	Amount
Capital outlay expenditures in the fund statements but capitalized as assets in the statement of activities	\$ 628,590
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(598,005)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statement.	2,971,120
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences, other post employment benefits, pension expense are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	74,091
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it effects only the government-wide statement of net assets.	
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 6/30/09	(2,463,630)
Recording of tax receipts deferred in the fund statement as of 6/30/10	2,759,814
Total adjustment	<u>\$ 3,223,798</u>

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

None.

B. Deficit Fund Balance or Net Assets of Individual Funds

The 2004 CDBG Fund, Hurricane Fund, Public School Capital Project Fund, BCCC Capital Project Fund, and the 2005 CDBG Fund had deficit fund balances which are the result of timing differences with funding agencies.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

Notes to the financial statements

A. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and Hospital rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2010, the County's deposits had a carrying amount of \$9,996,630 and a bank balance of \$10,624,155. Of the bank balance, \$750,000 was covered by federal depository insurance the remaining balance was covered by collateral and held under the Pooling Method.

At June 30, 2010, the County's deposits in the agency funds had a carrying amount of \$47,224.

At September 30, 2009, the Hospital's deposits had a carrying amount of \$2,239,328 and a bank balance of \$2,892,432. Of the bank balance, \$417,588 was covered by federal depository insurance and \$2,474,844 was covered by collateral held under the pooling method.

At June 30, 2010, the carrying amount of deposits for Beaufort County ABC Board was \$721,038 and the bank balance was \$766,868. Of the bank balance, \$279,988 was covered by federal depository insurance and \$486,880 was collateralized under the Pooling Method.

2. Investments

At June 30, 2010, Beaufort County had \$2,852,301 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The County has no formal policy regarding credit risk.

At September 30, 2009, the Beaufort County Hospital's had no money in the above type investments.

At June 30, 2010, the ABC Board had no money in the above type investments.

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

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

Notes to the financial statements

Year Levied	Tax	Interest	Total
2006	610,202	199,841	810,043
2007	610,202	144,923	755,125
2008	610,202	90,005	700,207
2009	610,202	35,087	645,289
Total	\$ 2,440,808	\$ 469,856	\$ 2,910,664

4. Receivables - Allowances for Doubtful Accounts

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

Fund	30-Jun-10
Property Taxes Receivable	
General Fund	\$ 1,320,000
Accounts Receivable	
Enterprise Fund	366,513
Total	\$ 1,686,513

Receivables at the government-wide level at June 30, 2010 were as follows:

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Other	Total
Governmental Activities:					
General	\$ 4,395,858	\$ 3,844,470	\$ -	\$ -	\$ 8,240,328
Other Governmental	700,814	235,344	-	-	936,158
Total Receivables	5,096,672	4,079,814	-	-	9,176,486
Allowance for Doubt Accounts	-	(1,320,000)	-	-	(1,320,000)
Total Governmental Activities	\$ 5,096,672	\$ 2,759,814	\$ -	\$ -	\$ 7,856,486
Business-Type Activities					
Water Districts	\$ 1,296,093	\$ -	\$ -	\$ -	\$ 1,296,093
Allowance for Doubtfull Accounts	(366,513)	-	-	-	(366,513)
Total Business-Type Activities	\$ 929,580	\$ -	\$ -	\$ -	\$ 929,580

5. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

Notes to the financial statements

	Beginning Balances	Increases	Decreases	Adjustments	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,382,879	\$ 472,396	\$ -	\$ -	\$ 3,855,275
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	3,382,879	472,396	-	-	3,855,275
Capital assets being depreciated:					
Buildings	13,576,301	-	-	-	13,576,301
Equipment and Vehicles	5,472,257	156,194	46,930	-	5,581,521
Total capital assets being depreciated	19,048,558	156,194	46,930	-	19,157,822
Less accumulated depreciation for:					
Buildings	8,105,765	211,611	-	-	8,317,376
Equipment and vehicles	4,518,948	386,394	46,930	-	4,858,412
Total accumulated depreciation	12,624,713	\$ 598,005	\$ 46,930	\$ -	13,175,788
Total capital assets being depreciated, net	6,423,845				5,982,034
Governmental activity capital assets, net	\$ 9,806,723				\$ 9,837,309

Primary Government

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

General government	\$ 237,068
Public safety	273,299
Environmental protection	10,832
Economic and physical development	1,415
Human services	75,391
Total depreciation expense	\$ 598,005

Notes to the financial statements

Business-type activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 75,961	\$ -	\$ -	\$ 75,961
Construction in progress	60,153,230	231,192	-	60,384,422
Total capital assets not being depreciated	60,229,191	231,192	-	60,460,383
Capital assets being depreciated:				
Plant and distribution	12,939,235	-	-	12,939,235
Furniture & maintenance equipment	321,856	6,648	-	328,504
Vehicles	239,691	58,186	36,561	261,316
Total capital assets being depreciated	13,500,782	64,834	36,561	13,529,055
Less accumulated depreciation for:				
Plant and distribution	2,949,475	258,785	-	3,208,260
Furniture & maintenance equipment	365,721	65,701	-	431,422
Vehicles	165,257	52,263	36,561	180,959
Total accumulated depreciation	3,480,453	\$ 376,749	\$ 36,561	3,820,641
Total capital assets being depreciated, net	10,020,329			9,708,414
Beaufort County Water District I-VII capital assets, net	70,249,520			70,168,797
Business-type activities capital assets, net	\$ 70,249,520			\$ 70,168,797

Construction commitments

The government has active construction projects as of June 30, 2010. The projects include the water district projects. At June 30, 2010, the government had several commitments with contractors.

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2010, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Land and Improvements	-	\$ 332,619	-	332,619
Buildings	25 yrs	595,817	458,135	137,682
Furniture and Equipment	5-10 yrs	381,042	350,157	30,885
Motor Vehicles	4 yrs	15,277	15,277	-
Total		\$ 1,324,755	\$ 823,569	\$ 501,186

Activity for the Beaufort County Hospital for the year ended September 30, 2009, was as follows:

Please see the separately issued financial report of Beaufort County Hospital for a complete description of the Hospital's capital assets.

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows :

	Vendors	Salaries & Benefits	Others	Total
Governmental Activities:				
General	\$ 1,579,410	\$ 2,679	\$ 4,075	\$ 1,586,164
Other Governmental	1,269,314	-	-	1,269,314
Total-governmental activities	\$ 2,848,724	\$ 2,679	\$ 4,075	\$ 2,855,478
Business-type Activities				
Water and Sewer Districts	\$ 561,824	\$ -	\$ -	\$ 561,824
Total - business-type activities	\$ 561,824	\$ -	\$ -	\$ 561,824

Notes to the financial statements

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description - Beaufort County and the ABC Board contributes to the statewide Local Government Employees' Retirement System (LERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS 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 LERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699, 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 4.91% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.05% 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 LERS for the years ended June 30, 2010, 2009, and 2008 were \$558,718, \$523,501 and \$495,172, respectively. The ABC Board's contributions to LERS for the years ended June 30, 2010 was \$16,665. 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 provision to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	2
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	
Active Plan Members	<u>51</u>
Total	<u>53</u>

A separate report was not issued for the plan.

(2) Summary of Significant Accounting Policies

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

Method Used to Value Investments - No funds are set aside to pay benefits and administrations 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. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

Although the County has chosen the pay as you go basis, it does maintain actuarial valuations that state what should be contributed now to cover benefits.

Notes to the financial statements

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual required contribution	\$	60,984
Interest on net pension obligation		23,703
Adjustment to annual required contribution		<u>(20,595)</u>
Annual pension cost		64,092
Contributions made		<u>17,302</u>
Increase (decrease) in net pension obligation		46,790
Net pension obligation beginning of year		<u>326,936</u>
Net pension obligation end of year	\$	<u><u>373,726</u></u>

3 Year Trend Information				
For Year Ended	Annual Pension Cost	Percentage of APC	Net Pension	
	(APC)	Contributed	Obligation	
2008	\$ 48,213	24.05%	\$	292,202
2009	\$ 52,036	33.25%	\$	326,936
2010	\$ 64,092	26.99%	\$	373,726

4. *Funded Status and Funding Progress.*

As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$625,403. The covered payroll (annual payroll of active employees covered by the plan) was \$2,050,330, and the ratio of the UAAL to the covered payroll was 30.50 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010 were \$382,510, which consisted of \$218,964 from the County and \$163,546 from the law enforcement officers.

d. Register of Deeds' Supplemental Pension Fund

Plan Description - Beaufort County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund

Notes to the financial statements

provides supplemental pension benefits to any county register of deeds that is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) 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, 2010, the County's required and actual contributions were \$4,051.

Healthcare Benefits and Other Post- Employment Benefits

Plan Description. Under the terms of a County resolution, Beaufort County administers a single-employer defined benefit Healthcare Benefits Plan. The plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of cumulative service with the County and age 60 or thirty years of service with the County. The County pays the full cost of coverage for these benefits through private insurers until eligible retirees reach age 65. The County Board may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	8	0
Terminated plan members entitled to but not yet receiving benefits	0	0
Active plan members	273	48
Total	281	48

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 0.87% of annual covered payroll. For the current year, the County contributed 0 or 0.0% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and maybe amended by the County board of commissioners.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund and Water Fund, which is maintained on the modified basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Notes to the financial statements

Annual required contribution	\$ 105,281
Interest on net OPEB obligation	4,211
Adjustment to annual required contribution	3,633
Annual OPEB cost (expense)	<u>105,859</u>
Contributions made	-
Increase (decrease) in net OPEB obligation	<u>105,859</u>
Net OPEB obligation, beginning of year	<u>105,281</u>
Net OPEB obligation, end of year	<u>\$ 211,140</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 105,281	0.0%	\$ 105,281
2010	\$ 105,859	0.0%	\$ 211,140

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$917,575. The covered payroll (annual payroll of active employees covered by the plan) was \$11,754,362, and the ratio of the UAAL to the covered payroll was 7.8 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 5.00 to 10.50 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

f. Other Employment Benefits

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

g. Beaufort County Hospital Pension Plan

Please see the separately issued financial report of Beaufort County Hospital for a complete description of the Hospital

Notes to the financial statements
pension plan.

3. Closure and Post closure 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 post closure 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 post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$189,343 reported as landfill post closure care liability at June 30, 2010 represents a cumulative amount reported to date. These amounts are based on what it would cost to perform all post closure 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.

4. Deferred/ Unearned Revenues

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

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Taxes receivable, net (General)	\$ 2,258,042	\$ -
Taxes receivable, net (Special revenue)	235,344	-
Total	<u>\$ 2,493,386</u>	<u>\$ -</u>

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions injuries to employees; and natural disasters. The County participates in two or three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto and professional liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage and single occurrence losses of \$350,000 for workers' compensation. The County does not carry any flood insurance. In accordance with G.S. 159-29, the Counties employees that have access to \$100 or more at any given time of the Counties funds are performance bonded through a commercial surety bond. The finance officer and tax collector are individually bonded for \$50,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Beaufort County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 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. 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.

Notes to the financial statements

6. Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-term Obligations

a. Hospital Long-Term Debt

A summary of changes in the Beaufort County Hospital's long-term debt for the years ended September 30, 2009 and 2008 follows:

	Balance at September 30,			Balance at September 30,	Amounts Due Within One Year
	2008	Additions	Reductions	2009	
Installment notes	\$ 3,557,797	\$ 424,000	\$ 1,132,456	\$ 2,849,341	\$ 551,880
Capital Lease	\$ -	\$ 182,744	\$ 33,874	\$ 148,870	\$ 67,664
Construction loans	14,741,202	1,431,525	835,551	15,337,176	974,131
Total long-term debt	<u>\$ 18,298,999</u>	<u>\$ 2,038,269</u>	<u>\$ 2,001,881</u>	<u>\$ 18,335,387</u>	<u>\$ 1,593,675</u>

	Balance at September 30,			Balance at September 30,	Amounts Due Within one Year
	2007	Additions	Reductions	2008	
Installment notes	\$ 3,184,669	\$ 1,325,585	\$ 952,457	\$ 3,557,797	\$ 1,052,501
Construction loans	7,957,177	7,849,033	1,065,008	14,741,202	582,829
Total long-term debt	<u>\$ 11,141,846</u>	<u>\$ 9,174,618</u>	<u>\$ 2,017,465</u>	<u>\$ 18,298,999</u>	<u>\$ 1,635,330</u>

A summary of long-term debt at September 30, 2009 and 2008 is as follows:

Installment note with monthly installments of \$5,651 including interest at 6.81%, with a final balloon payment due January 2011; collateralized by real estate. Balance as of September 30, 2009 was \$294,289. Balance as of September 30, 2008 was \$340,542.

Installment note with monthly installments of \$2,985 including interest at 6.75%, due February 2009; collateralized by real estate. Balance as of September 30, 2009 was \$0. Balance as of September 30, 2008 was \$16,784.

Installment note with monthly installments of \$6,002 including interest at 3.41%, due February 2013; collateralized by equipment. Balance as of September 30, 2009 was \$226,433. Balance as of September 30, 2008 was \$294,908.

Installment note with monthly installments of \$86,105 including interest at prime minus .5% due March, 2009; collateralized by accounts receivable and a certificate of deposit. Balance as of September 30, 2009 was \$0. Balance as of September 30, 2008 was \$585,617.

Installment note with monthly installments of \$9,274 including interest at 4.00%, due July 2022; collateralized by real estate. Balance as of September 30, 2009 was \$1,115,667. Balance as of September 30, 2008 was \$1,184,846.

Installment note with monthly installments of \$5,432 including interest at 4.09%, due September 2011; collateralized by equipment. Balance due at September 30, 2009 was \$120,145. Balance due at September 30, 2008 was \$179,571.

Installment note with monthly installments of \$7,063 including interest at 3.96%, due April 2011; collateralized by

Notes to the financial statements

equipment. Balance at September 30, 2009 was \$123,242. Balance at September 30, 2008 was \$202,100.

Installment note with monthly installments of \$9,037 including interest at 4.44%, due April 2012; collateralized by equipment. Balance at September 30, 2009 was \$264,209. Balance at September 30, 2008 was \$358,630.

Installment note with monthly installments of \$5,572 including interest at 6.00%, due January 2016; collateralized by real estate. Balance at September 30, 2009 was \$350,713. Balance at September 30, 2008 was \$394,799.

Installment note with monthly installments of \$8,260 including interest at 7.15%, due November 2013; collateralized by equipment. Balance at September 30, 2009 was \$365,642. Balance at September 30, 2008 was \$0.

Capital lease with monthly installments of \$5,712 due November 2011; collateralized by equipment. Balance at September 30, 2009 was \$148,870. Balance at September 30, 2008 was \$0.

Construction loan, maximum loan amount \$10,000,000 with semi-annual installments ranging from \$500,000 to \$728,333 including interest at 3.8%, due May 2022. Balance at September 30, 2009 was \$9,120,000. Balance at September 30, 2008 was \$9,500,000.

Construction loan, maximum loan amount \$3,000,000 with semi-annual installments ranging from \$120,000 to \$230,000 including interest at 3.8%, due May 2022. Balance at September 30, 2009 was \$2,880,000. Balance at September 30, 2008 was \$1,549,580.

Construction loan with quarterly installments of \$120,393 including interest at 5.18%, due January 2015. Balance at September 30, 2009 was \$2,470,078. Balance at September 30, 2008 was \$2,727,134.

Construction loan with quarterly installments of \$36,001 including interest at 5.13%, due June 2016. Balance at September 30, 2009 was \$867,099. Balance at September 30, 2008 was \$964,488.

Therefore, total long-term debt at September 30, 2009 was \$18,335,387 - minus current maturities of \$1,593,675 - was \$16,741,712. Total long-term debt at September 30, 2008 was \$18,298,999 - minus current maturities of \$1,635,330 - was \$16,663,669.

On November 8, 1999, the County of Beaufort secured the first construction loan above for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. On June 13, 2001, the County of Beaufort secured the second construction loan for \$1,500,000 to be used for the Hospital's Expansion and Renovation Project. The Hospital will repay the County for both construction loans.

As of September 30, 2006, the Hospital was approved for two loans, one for \$10,000,000 and one for \$3,000,000 by the County of Beaufort for renovations.

Scheduled principal and interest payments on long-term debt are as follows:

Year Ending September 30	Principal Payments	Interest Payments
2010	1,593,675	732,507
2011	2,230,343	646,008
2012	1,883,816	555,138
2013	1,767,178	475,150
2014	1,679,632	399,159
2015-2019	6,031,347	1,147,146
2020-2023	3,149,396	181,555
	<u>\$ 18,335,387</u>	<u>\$ 4,136,663</u>

b. Installment Purchase

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 25 annual payments of \$166,003 bearing interest at 5.20%. At June 30, 2010 the balance on the note was \$297,957.

Beaufort County has entered into a loan agreement with the North Carolina Department of Commerce for building an industry ready building. The principal borrowed will be \$1,382,000. The interest rate will be 2.00% for a period of five

Notes to the financial statements

years. At June 30, 2010 the balance on the note was \$903,262.

On January 12, 2000, the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. On June 29, 2001, the County of Beaufort entered into an additional loan for \$1,500,000, also for the Hospital's Expansion and Renovation Project. The Hospital will repay the County for the debt incurred on the Hospital's behalf in 60 quarterly installments of \$120,393 including interest at 5.18% annually. The first payment was made in July 2000. The Hospital will also repay the County for the second loan in 60 quarterly installments of \$36,001 including interest at 5.13% annually. At June 30, 2010 the balance on the notes was \$2,757,952.

On February 6, 2007 the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$10,000,000. The Hospital will repay the County for the debt incurred on the Hospital's behalf. The first payment was made in November 2007. The payments will be made semi-annually ranging from \$371,085 to \$560,333 for 30 payments including interest at 3.80% annually. At June 30, 2010 the balance on the note was \$8,740,000.

On January 31, 2009 the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$3,000,000. The Hospital will repay the County for the debt incurred on the Hospital's behalf. The first payment was made in November 2009. The payments will be made semi-annually ranging from \$113,580 to \$156,044 for 28 payments including interest at 3.80% annually. At June 30, 2010 the balance on the note was \$2,760,000.

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. At June 30, 2010 the balance on the note was \$145,798.

Beaufort County Water District V has entered into a loan agreement with the North Carolina Department of Environmental, 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. At June 30, 2010 the balance on the note was \$257,804.

For Beaufort County, the future minimum payments as of June 30, 2010 in the Governmental Activities and for the Business Type Activities are as follows:

Year Ending June 30,	Business Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2011	56,525	14,704	1,596,784	589,560
2012	56,525	12,282	1,826,812	521,418
2013	56,525	9,764	1,706,394	447,126
2014	56,525	7,318	2,035,535	378,896
2015	56,525	1,774	1,445,818	302,962
2016-2020	120,977	334	4,931,160	869,409
2021-2025	-	-	1,916,668	91,040
Total	\$ 403,602	\$ 46,176	\$ 15,459,171	\$ 3,200,411

County of Beaufort

On November 8, 1999, the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. On June 13, 2001, the County of Beaufort secured an additional loan for \$1,500,000 to be used for the Hospital's Expansion and Renovation Project.

The Hospital will repay the County for the debt incurred on the Hospital's behalf in 60 quarterly installments of \$120,393 including interest at 5.18% annually. The Hospital will also repay the County for the second loan in 60 quarterly installments of \$36,001 including interest at 5.13% annually. As of September 30, 2005, the Hospital had been advanced on these loans for project expenditures. The County of Beaufort contributed capital, provided by the interest earned on the \$6.5 million during the construction period.

- d. General Obligations Indebtedness- 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 obligations bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds,

Notes to the financial statements

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.

The County's general obligation bonds payable at June 30, 2010 are comprised of the following individual issues:

\$9,000,000 2006 School bonds, dated November 1 2006 and maturing annually November 1, \$450,000 to 2026, inclusive; bearing interest payable on November 1 and May 1, ranging from 3.65% to 4.00%	\$ 7,650,000
\$17,000,000 2005 School bonds, dated April 1 2005 and maturing annually April 1, \$600,000 2007 to 2009, inclusive, and \$800,000 2010 to 2028, inclusive; bearing interest payable on October 1 and April 1, ranging from 4.00% to 6.00%	\$ 14,400,000
\$10,000,000 2008 School bonds, dated Jan 1 2008 and maturing semi-annually Aug 1 and Feb 1, \$350,000, inclusive; bearing interest payable on Aug 1 and Feb 1, ranging from 3.00% to 3.700%	\$ 6,300,000
Total	<u>\$ 28,350,000</u>
<u>Serviced by Water District I:</u>	
\$3,138,000 2001A Water Serial Bond due in annual installments; beginning in 2004; from \$33,000 to \$118,000 through June 1, 2041; interest at 4.875%	\$ 2,873,500
\$2,329,300 2001B Water Serial Bond due in annual installments; beginning in 2004; from \$24,500 to \$98,000 through June 1, 2041; interest at 4.875%	\$ 2,135,300
<u>Serviced by Water District II Long Acre West:</u>	
\$4,226,000 1998 Water Serial Bond due in annual installments; beginning in 1998; from \$39,500 to \$158,000 through June 1, 2034; interest at 6.125%	\$ 3,400,500
\$434,000 1998 Water Serial Bond due in annual installments, beginning in 1998; from \$4,500 to \$18,000 through June 1, 2034; interest at 6.125%	\$ 353,500
<u>Serviced by Water District III Long Acre East:</u>	
\$3,728,000 1998 Serial Bonds due in annual installments; beginning in 1998; from \$35,000 to \$140,000 through June 1, 2034; interest at 6.125%	\$ 3,002,500
\$381,000 1991 Serial Bonds due in annual installments; beginning in 1998; from \$4,000 to \$16,000 through June 1, 2034; interest at 5.625%	\$ 310,500
\$1,304,000 1998 Water Serial Bonds due in annual installments; beginning in 1999; from \$13,500 to \$54,000 through June 1, 2036; with interest only for 1998 & 1999; interest at 5.625%	\$ 1,092,000
\$197,000 1998 Water Serial Bonds due in annual installments; beginning in 1999; from \$2,500 to \$10,000 through June 1, 2036; with interest only for 1998 & 1999; interest at 5.375%	\$ 165,000

Notes to the financial statements

Serviced by Water District IV Bath:

\$3,042,000 1999 Water Serial Bonds due in annual installments; beginning in 1999; from \$33,000 to \$132,000 through June 1, 2038; with interest only for 1999 & 2000; interest at 4.75% \$ 2,683,500

\$4,491,000 1998A Water Serial Bond due in annual installments; beginning in 1999; from \$48,500 to \$194,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 3,899,000

\$909,000 1998B Water Serial Bond due in annual installments; beginning in 1999; from \$11,000 to \$40,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 782,000

Serviced by Water District V Pantego:

\$3,223,000 1998A Water Serial Bond due in annual installments; beginning in 1999; from \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 2,790,000

\$777,000 1998B Water Serial Bond due in annual installments; beginning in 1999; from \$9,000 to \$36,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 675,000

Serviced by Water District VII Richland:

\$2,692,000 Series A 1999 Water Bonds due in annual installments; beginning in 1999; from \$28,500 to \$114,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 2,340,500

\$3,308,000 Series B 1999 Water Bonds due in annual installments; beginning in 1999; from \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 2,875,000

Serviced by Water District VI Chocowinity/Richland:

\$2,804,000 2005A Water Serial Bonds due in annual installments; beginning in 2007; from \$30,000 to \$120,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 2,661,000

\$3,535,000 2005B Water Serial Bonds due in annual installments; beginning in 2007; from \$38,000 to \$150,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 3,371,000

\$4,361,000 2005C Water Serial Bonds due in annual installments; beginning in 2007; from \$47,000 to \$188,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 4,160,000

Total \$ 39,569,800

Annual debt service requirements to maturity for the County's and the District's general obligation bonds and bond anticipation notes are as follows:

Notes to the financial statements

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	1,600,000	1,105,726	733,500	1,965,371
2012	1,600,000	1,061,476	772,500	1,928,098
2013	1,600,000	1,013,226	808,500	1,888,822
2014	1,600,000	950,976	847,500	1,845,683
2015	1,600,000	879,726	890,500	1,804,512
2016-2020	6,750,000	2,979,439	5,184,500	8,291,137
2021-2025	8,000,000	2,086,232	6,405,500	6,839,411
2026-2030	5,600,000	584,657	7,527,500	5,100,235
2031-2035	-	-	8,384,500	3,089,752
2036-2040	-	-	5,964,000	1,195,257
2041-2045	-	-	2,064,300	244,039
Total	\$ 28,350,000	\$ 10,661,458	\$ 39,582,800	\$ 34,192,317

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2010:

	Balance 07/01/09	Additions	Retirements	Balance 6/30/2010	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 29,950,000	\$ -	\$ (1,600,000)	\$ 28,350,000	\$ 1,600,000
Installment Purchases	16,830,291	-	(1,371,120)	15,459,171	1,596,784
Compensated Absences	737,350	278,347	(251,588)	764,109	-
Net Pension Obligation	326,936	46,790	-	373,726	-
Other post employment benefits	98,965	98,449	-	197,414	-
Landfill Postclosure Care	189,343	-	-	189,343	-
Total	\$ 48,132,885	\$ 423,586	\$ (3,222,708)	\$ 45,333,763	\$ 3,196,784
Business Type Activities:					
General Obligation Bonds	\$ 40,283,300	\$ -	\$ (700,500)	\$ 39,582,800	\$ 733,500
Installment Purchases	460,127	-	(56,525)	403,602	56,525
Other post employment benefits	6,316	7,410	-	13,726	-
Compensated Absences	46,769	4,020	-	50,789	-
Total	\$ 40,796,512	\$ 11,430	\$ (757,025)	\$ 40,050,917	\$ 790,025

At June 30, 2010, Beaufort County had a legal debt margin of \$284,255,205.

C. Inter-fund Balances and Activity

Notes to the financial statements

Interfund balances	
Water Districts I, II, III, IV, V, VI, & VII owe General Fund (net)	\$ 435,966
Interfund balances	\$ 435,966

This was created to supplement the districts cash flow.

IV. Joint Ventures

The County participates in a joint venture to operate BHM Regional Library with three other local governments. Beaufort County appoints three members of the nine-member board of the Library. The County has an on-going 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$182,823 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library offices, at 158 N 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 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 responsibility to provide funding for the community college's facilities. The County contributed \$1,945,038 and \$160,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2010. 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, 2010. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

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 services for drug and mental health prevention, treatment and rehabilitation services. The County contributed \$156,599 to the Center during fiscal year ended June 30, 2010. Complete financial statements for the Center can be obtained from the Center's administrative offices at 1308 Highland Drive, Washington, NC 27889.

V. Jointly Governed Organization

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Commission. The participating governments established the Commission to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$12,050 to the Council during the fiscal year ended June 30, 2010.

VI. Benefit Payments Issued by the State

Notes to the financial statements

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, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Food Stamp Program	\$ 11,510,952	\$ -
Medicial Assistance Program	56,934,430	19,835,278
Special Supplemental Food Program for Women, Infants and Children	1,290,118	-
Energy Assistance Payment	297,858	-
CWS Adopt Subsidy & Vendor	421,848	74,029
IV-E Adopt Subsidy & Vendor	457,769	92,689

VII. Summary Disclosure of Significant Commitments and Contingencies

1. Federal and State Assisted Programs

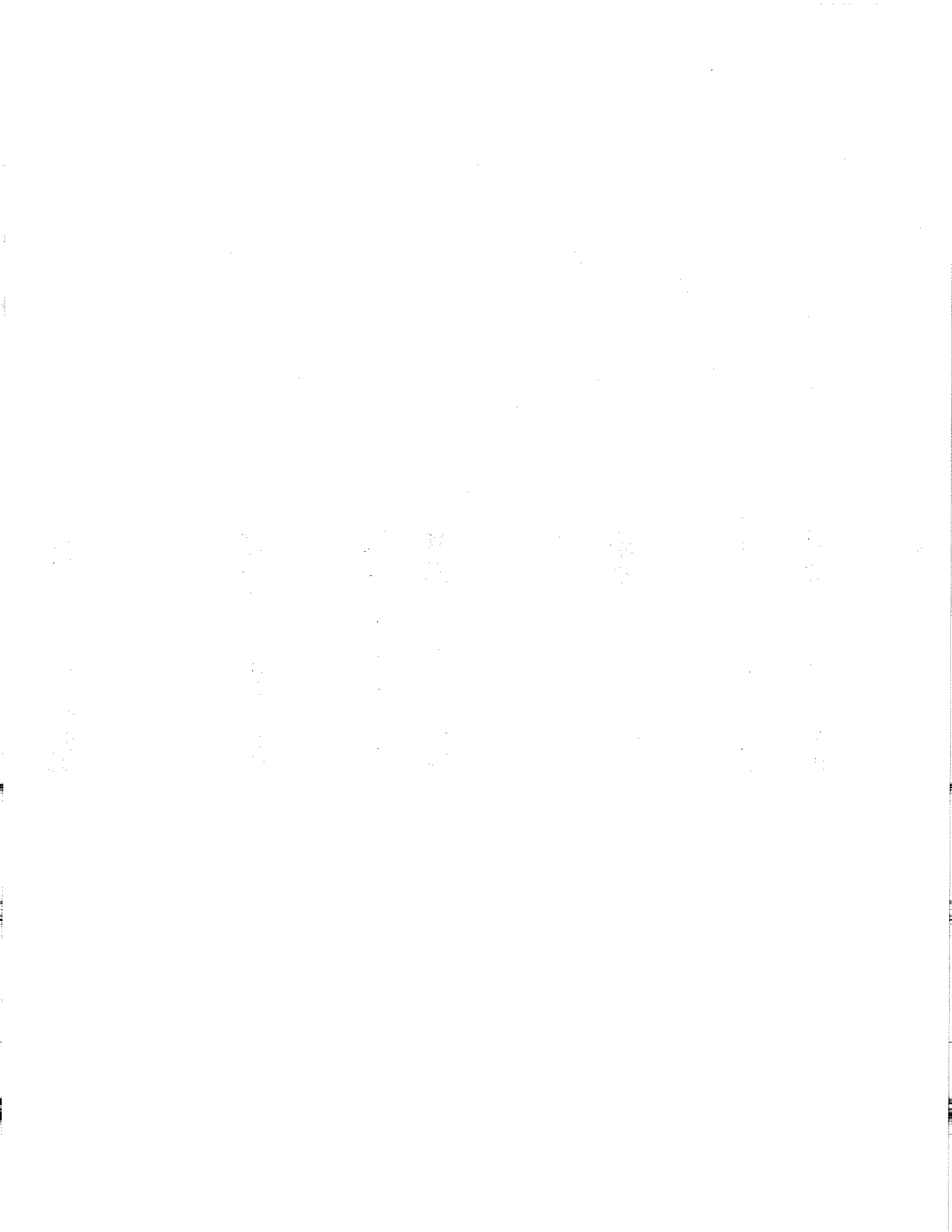
The County has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management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

VIII. Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2010 of approximately \$4,318,542, which accounted for approximately 16.96% of net property tax levied.

IX. Subsequent Event

On September 27, 2010 Beaufort County entered into a contract with First Citizens Bank to purchase all property owned by the Beaufort County Hospital for \$4,800,000. The County has leased this property to the Hospital Authority to maintain operations.



Required
Supplementary Financial Data

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

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Funding Progress for the Other Postemployment Benefits.

Schedule of Employer Contributions for the Other Postemployment Benefits.

Notes to the Required Schedules for the Other Postemployment Benefits.



Beaufort County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress

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)
31-Dec-02	-	197,573	197,573	0.0%	1,319,836	14.97%
31-Dec-03	-	231,208	231,208	0.0%	1,322,765	17.48%
31-Dec-04	-	264,787	264,787	0.0%	1,403,511	18.87%
31-Dec-05	-	284,787	284,787	0.0%	1,546,967	18.61%
31-Dec-06	-	324,408	324,408	0.0%	1,703,157	19.05%
31-Dec-07	-	354,536	354,536	0.0%	1,880,073	18.86%
31-Dec-08	-	465,780	465,780	0.0%	2,134,858	21.82%
31-Dec-09	-	625,403	625,403	0.0%	2,050,330	30.50%

Beaufort County, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation End of Year
2003	33,541	0.00%	116,734
2004	33,926	0.00%	150,660
2005	37,642	0.00%	187,171
2006	42,426	16.76%	222,488
2007	44,866	26.23%	255,586
2008	48,213	24.05%	292,202
2009	52,036	33.25%	326,936
2010	64,092	26.99%	373,726

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	December 31, 2009
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	5.00%
Projected Salary Increases	4.5%-12.3%
Includes Inflation at	3.75%
Cost of Living Adjustments	N/A

Beaufort County, North Carolina
Other Post Employment Benefits
Required Supplementary Information
Schedule of Funding Progress

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)
31-Dec-08	-	\$ 920,907	\$ 920,907	0.0%	\$ 10,955,905	8.40%
31-Dec-09	-	\$ 917,575	\$ 917,575	0.0%	\$ 11,754,362	7.80%

Beaufort County, North Carolina
 Other Post Employment Benefits
 Required Supplementary Information
 Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	105,281	0.00%
2010	105,859	0.00%

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	December 31, 2009
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.00%
Year of ultimate trend rate	2017
Medical Cost Trend	10.5% - 5.00%
Includes Inflation at	3.75%

Supplementary Statements

The section contains additional statements required by the Local Government Commission
in North Carolina.



Beaufort County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 25,074,138	\$
Penalties and Interest		237,381	
Total	<u>25,221,007</u>	<u>25,311,519</u>	<u>90,512</u>
Local Option Sales Taxes:			
Article 39 One Percent		3,119,431	
Article 40 One - Half of One Percent		1,849,980	
Article 42 One - Half of One Percent		1,969,400	
Article 44 One - Half of One Percent		224,298	
Total	<u>7,125,305</u>	<u>7,163,109</u>	<u>37,804</u>
Other Taxes and Licenses:			
Documentary stamps		116,079	
Scrap tire disposal tax/grant		72,566	
White goods disposal tax		7,558	
Privilege tax		8,167	
Rental vehicles receipt tax		13,397	
Total	<u>199,126</u>	<u>217,767</u>	<u>18,641</u>
Unrestricted Intergovernmental:			
Beer and wine tax		45,997	
Other		78,747	
Total	<u>179,796</u>	<u>124,744</u>	<u>(55,052)</u>
Restricted Intergovernmental:			
State and Federal Grants		11,178,729	
Loan reimbursements		1,637,197	
ABC distributions/tax		115,426	
Total	<u>13,558,712</u>	<u>12,931,352</u>	<u>(627,360)</u>
Permits and Fees:			
Building Permits and Inspection Fees		87,317	
Register of Deeds		206,938	
Other		34,363	
Total	<u>299,068</u>	<u>328,618</u>	<u>29,550</u>

Beaufort County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Attorney fees/tax admin		43,189	
Animal control fees		4,215	
Tax collection fees		300,575	
Sheriff fees		38,786	
Electronic House arrest		2,400	
IV-D Deputy travel		64,662	
Gun storage fees		6,301	
State prisoner's reimbursement		76,250	
Environmental Health		63,615	
Vending & phones		18,091	
Health & Immunizations		148,463	
Solid Waste		1,864,058	
Rent		123,610	
Cable franchise fee		144,305	
DSS Aging		8,850	
NC Health Choice		10,650	
Total	2,626,194	2,918,020	291,826
Investment Earnings	160,000	1,208	(158,792)
Miscellaneous:			
Sale of Assets/Insurance Claims		41,177	
Miscellaneous		5,751	
Total	40,939	46,928	5,989
TOTAL REVENUES	49,410,147	49,043,265	(366,882)
Expenditures:			
General Government:			
Governing body		175,813	
County manager		732,483	
Finance		395,537	
Tax administration		1,628,181	
Legal		71,847	
Register of deeds		323,391	
Elections		214,541	
Public buildings		969,063	
Court facilities		189,418	
Total general government	4,917,970	4,700,274	217,696

Beaufort County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:			
Sheriff		3,547,400	
Jail		1,699,477	
Criminal justice partnership		58,613	
Emergency communications		446,964	
Emergency management		120,208	
Fire protection		127,049	
Inspections		174,246	
Ambulance/Rescue service		191,398	
Animal control		302,096	
Medical examiner		35,800	
Total	<u>7,139,529</u>	<u>6,703,251</u>	<u>436,278</u>
Economic and physical development:			
Economic development		291,541	
Agricultural extension		240,910	
Soil/water conservation		66,574	
Total	<u>620,947</u>	<u>599,025</u>	<u>21,922</u>
Human services:			
Administration - general		261,954	
Aids control/STD		118,339	
TB program		54,516	
Immunization		257,565	
Health promotion		50,582	
Child health		207,471	
Maternal health		610,292	
WIC - Administration		352,414	
Environmental health		494,790	
Family planning		415,351	
Other health programs		136,933	
Total human services	<u>3,039,863</u>	<u>2,960,207</u>	<u>79,656</u>
Mental Health:			
General appropriation		156,599	
Other		4,874	
Alcohol rehab		17,000	
Total	<u>183,600</u>	<u>178,473</u>	<u>5,127</u>
Beaufort County Develop Center	<u>55,000</u>	<u>55,000</u>	<u>-</u>
NC Elderly handicapped transportation/other	<u>168,050</u>	<u>82,060</u>	<u>85,990</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget	Actual	Variance Positive (Negative)
Social services:			
Administration		5,503,483	
State In-Home Aging Services		539,288	
Day care		2,608,550	
Medical assistance		419,913	
Energy assistance		309,213	
County provided assistance		565,661	
Transportation		85,990	
Child support enforcement		730,907	
Aid to the blind program		11,378	
Foster care		528,157	
Work first program		51,800	
Total	<u>11,713,775</u>	<u>11,354,340</u>	<u>359,435</u>
Other human services:			
County home			
Veterans services		50,468	
Youth services		232,980	
Total	<u>291,001</u>	<u>283,448</u>	<u>7,553</u>
Total Social Services	<u>12,004,776</u>	<u>11,637,788</u>	<u>366,988</u>
Total Human Services	<u>15,451,289</u>	<u>14,913,528</u>	<u>537,761</u>
Cultural and Recreational:			
Recreation		47,278	
Library and museum		202,045	
Special Appropriations		265,089	
Total Cultural and Recreational	<u>531,971</u>	<u>514,412</u>	<u>17,559</u>
Environmental protection:			
Solid waste	<u>3,101,724</u>	<u>2,857,324</u>	<u>244,400</u>
Education:			
Public Schools:			
Current Expense		11,843,000	
Capital Outlay		1,503,066	
Public school capital building fund		-	
Community Colleges:			
Current Expense		1,945,038	
Capital Outlay		160,000	
Total Education	<u>15,451,104</u>	<u>15,451,104</u>	<u>-</u>
Debt Service:			
Principal Retirement		2,971,120	
Interest and Fees		1,832,625	
Total Debt Service	<u>4,803,748</u>	<u>4,803,745</u>	<u>3</u>
TOTAL EXPENDITURES	<u>52,018,282</u>	<u>50,542,663</u>	<u>1,475,619</u>
Revenues over Expenditures	<u>(2,608,135)</u>	<u>(1,499,398)</u>	<u>1,108,737</u>

Beaufort County, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources (uses):			
Proceeds From Capital Leases	-	-	
Fund Balance Appropriated	2,616,820	-	
Transfers (to)/from Other Funds:	(8,685)	-	
Capital Projects	-	-	
Special revenue fund - capital reserve	-	-	
Special revenue - revaluation fund	-	-	
Water districts	-	-	
Special revenue fund - e 911	-	-	
Total Other Financing Sources (Uses)	<u>2,608,135</u>	<u>-</u>	<u>(2,608,135)</u>
Net change in fund balance	<u>\$ -</u>	(1,499,398)	<u>\$ (1,499,398)</u>
Fund balances:			
Beginning of year, July 1		<u>14,987,980</u>	
End of year, June 30		<u>\$ 13,488,582</u>	

Beaufort County, North Carolina
CDBG Fund
05-E-1411
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Author - ization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 3,742,315	\$ 928,368	\$ 480,200	\$ 1,408,568	\$ (2,333,747)
Interest Income	-	-	-	-	-
Total Revenues	<u>3,742,315</u>	<u>928,368</u>	<u>480,200</u>	<u>1,408,568</u>	<u>(2,333,747)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>3,742,315</u>	<u>1,192,579</u>	<u>723,605</u>	<u>1,916,184</u>	<u>1,826,131</u>
Revenues over expenditures	-	264,211	(243,405)	(507,616)	(507,616)
Other Financing Sources (Uses):					
Transfer in	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,211</u>	<u>(243,405)</u>	<u>\$ (257,616)</u>	<u>\$ (257,616)</u>
Fund balances:					
Beginning of year, July 1			<u>(14,211)</u>		
End of year, June 30			<u>\$ (257,616)</u>		

Beaufort County
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Beaufort County, North Carolina
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2010

Special Revenue Funds

	<u>Revaluation</u>	<u>Economic Development</u>	<u>Fire Tax Districts</u>	<u>E911 Service</u>	<u>Capital Reserve</u>
Assets:					
Cash and Cash Equivalents	\$ 211,701	\$ 110,552	\$ -	\$ 633,414	\$ 57,359
Accounts Receivable	-	3,410	-	37,176	-
Taxes Receivable (Net)	-	-	235,344	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 211,701	\$ 113,962	\$ 235,344	\$ 670,590	\$ 57,359
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 85	\$ -
Due to other funds	-	-	-	-	-
Deferred Revenue	-	-	235,344	-	-
Total Liabilities	-	-	235,344	85	-
Fund Balances:					
Reserved by State Statute Designated for Subsequent Year's Expenditures	-	3,410	-	37,176	-
Undesignated	211,701	110,552	-	633,329	57,359
Total Fund Balances	211,701	113,962	-	670,505	57,359
Total Liabilities and Fund Balances	\$ 211,701	\$ 113,962	\$ 235,344	\$ 670,590	\$ 57,359

State & Federal Seizures	2004 CDBG Fund	Total Nonmajor Special Revenue Funds	Hurricane	Pantego Sewer	Economic Development	Hospital Renovations	Public Schools	BCCC Project	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 100,619	\$ -	\$ 1,113,645	\$ -	\$ 16,410	\$ 16,905	\$ -	\$ -	\$ -	\$ 33,315	\$ 1,146,960
3,524	-	44,110	18,868	-	-	294,448	-	-	313,316	357,426
-	-	235,344	-	-	-	-	-	-	-	235,344
<u>\$ 104,143</u>	<u>\$ -</u>	<u>\$ 1,393,099</u>	<u>\$ 18,868</u>	<u>\$ 16,410</u>	<u>\$ 16,905</u>	<u>\$ 294,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,631</u>	<u>\$ 1,739,730</u>
\$ 2,650	\$ 1,446	\$ 4,181	\$ 62,819	\$ -	\$ 420	\$ 145,626	\$ 235,996	\$ 219,268	\$ 664,129	\$ 668,310
-	-	235,344	-	-	-	-	-	-	-	-
<u>2,650</u>	<u>1,446</u>	<u>239,525</u>	<u>62,819</u>	<u>-</u>	<u>420</u>	<u>145,626</u>	<u>235,996</u>	<u>219,268</u>	<u>664,129</u>	<u>903,654</u>
3,524	-	44,110	-	-	-	294,448	-	-	294,448	338,558
-	-	-	-	-	-	-	-	-	-	-
97,969	(1,446)	1,109,464	(43,951)	16,410	16,485	(145,626)	(235,996)	(219,268)	(611,946)	497,518
<u>101,493</u>	<u>(1,446)</u>	<u>1,153,574</u>	<u>(43,951)</u>	<u>16,410</u>	<u>16,485</u>	<u>148,822</u>	<u>(235,996)</u>	<u>(219,268)</u>	<u>(317,498)</u>	<u>836,076</u>
<u>\$ 104,143</u>	<u>\$ -</u>	<u>\$ 1,393,099</u>	<u>\$ 18,868</u>	<u>\$ 16,410</u>	<u>\$ 16,905</u>	<u>\$ 294,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,631</u>	<u>\$ 1,739,730</u>

Beaufort County, North Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds											Total Nonmajor Governmental Funds			
	Revaluation	Economic Development	Fire Tax Districts	EP11 Service	Capital Reserve	State & Federal Seizures	2004 CDBG Fund	Total Nonmajor Special Revenue Funds	Hurricane	Pattigo Sewer	Economic Development		Hospital Renovations	Public Schools	BCCC Project
Revenues:															
Ad Valorem Taxes	\$ -	\$ -	\$ 2,101,233	\$ -	\$ -	\$ -	\$ -	\$ 2,101,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,101,233
Investment Earnings	-	65	-	-	61	-	-	126	-	-	-	-	-	-	126
Sales Tax Revenue	-	306,629	-	323,143	-	76,175	46,358	752,305	708,498	-	-	-	-	-	1,460,803
Restricted Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	306,695	2,101,233	323,143	61	76,175	46,358	2,853,664	708,498	-	-	-	-	708,498	3,562,162
Total revenues															
Expenditures:															
Current:															
Public Safety	-	-	2,101,233	109,623	-	53,463	-	2,264,319	-	-	-	-	-	-	2,264,319
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	314,551	-	-	-	-	46,358	360,909	786,913	-	51,409	3,076	-	1,060,666	1,421,575
Total Expenditures	-	314,551	2,101,233	109,623	-	53,463	46,358	2,625,228	786,913	-	51,409	3,076	-	1,060,666	3,685,894
Revenues Over (Under) Expenditures	-	(7,857)	-	213,520	61	22,712	-	228,436	(78,415)	-	(51,409)	(3,076)	-	(352,168)	(125,732)
Other Financing Sources (Uses):															
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Debt Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	-	(7,857)	-	213,520	61	22,712	-	228,436	(78,415)	-	(51,409)	(3,076)	-	(352,168)	(125,732)
Fund balances:															
Beginning of Year, July 1	211,701	121,819	-	456,985	57,298	78,781	(1,446)	925,138	34,464	16,410	67,894	151,898	(235,996)	34,670	959,808
End of year, June 30	\$ 211,701	\$ 113,962	\$ -	\$ 670,505	\$ 57,359	\$ 101,493	\$ (1,446)	\$ 1,153,574	\$ (43,951)	\$ 16,410	\$ 16,485	\$ 148,822	\$ (235,996)	\$ (317,498)	\$ 836,076

Schedule of Revenues, Expenditures, and
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Miscellaneous	\$	\$ -	\$
Investment Earnings		-	
Total Revenue	-	-	-
Expenditures			
Total Economic & Physical Development	-	-	-
Total Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Operating Transfers to General Fund		-	-
Proceeds from Lease Purchase	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	-	-
Fund Balance Appropriated		-	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		211,701	
End of Year, June 30		\$ 211,701	

Beaufort County, North Carolina
Economic Development
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$ 357,704	\$ 306,629	\$
Investment Earnings	600	65	
Other income	-	-	
Total revenues	<u>358,304</u>	<u>306,694</u>	<u>(51,610)</u>
Expenditures:			
Economic and Physical development	358,304	314,551	
Total Expenditures	<u>358,304</u>	<u>314,551</u>	<u>43,753</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(7,857)</u>	<u>(7,857)</u>
Other Financing Sources (Uses):			
Transfers from Other Funds		-	-
Transfers to Other Funds		-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>-</u>	<u>(7,857)</u>	<u>(7,857)</u>
Fund Balance Appropriated		<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,857)</u>	<u>\$ (7,857)</u>
Fund Balance:			
Beginning of Year, July 1		<u>121,819</u>	
End of Year, June 30		<u>\$ 113,962</u>	

Beaufort County, North Carolina
 Fire District Funds (All Fire Districts)
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Ad valorem taxes:			
Total Revenues	\$ 976,093	2,101,233	\$ 1,125,140
Expenditures:			
Public safety:			
Total Expenditures	976,093	2,101,233	(1,125,140)
Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Proceeds from Installment Loan	-	-	-
Transfer to General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	-	-
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		-	
End of Year, June 30		\$ -	

Beaufort County, North Carolina
E911 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Emergency Telephone System Charges	304,000	\$ 323,143	
Total Revenues	\$ 304,000	323,143	\$ 19,143
Expenditures:			
Public safety:			
E 911 Service	168,841	109,623	
Capital Outlay	152,000	-	
Total Expenditures	320,841	109,623	211,218
Revenues Over (Under) Expenditures	(16,841)	213,520	230,361
Other Financing Sources (Uses):			
Proceeds from Lease Purchase	-	-	-
Transfer to General Fund	-	-	-
Transfer from General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(16,841)	213,520	230,361
Fund Balance Appropriated	16,841	-	(16,841)
Net change in fund balance	\$ -	213,520	\$ 213,520
Fund Balance:			
Beginning of Year, July 1		456,985	
End of Year, June 30		\$ 670,505	

Beaufort County, North Carolina
 Capital Reserve Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Investment Earnings	\$ -	\$ 61	\$ 61
Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	61	61
Other Financing Sources (Uses):			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	61	61
Fund Balance Appropriated		-	-
Net change in fund balance	\$ -	61	\$ 61
Fund Balance:			
Beginning of Year, July 1		57,298	
End of Year, June 30		\$ 57,359	

Beaufort County, North Carolina
State and Federal Seizures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$ 39,000	\$ 76,175	
Miscellaneous	8,300	-	
Investment Earnings		-	
Total Revenue	<u>47,300</u>	<u>76,175</u>	<u>28,875</u>
Expenditures			
Total Public Safety	<u>52,500</u>	<u>53,463</u>	<u>(963)</u>
Total Expenditures	<u>52,500</u>	<u>53,463</u>	<u>(963)</u>
Revenues Over (Under) Expenditures	<u>(5,200)</u>	<u>22,712</u>	<u>27,912</u>
Other Financing Sources (Uses):			
Transfers from General Fund		-	-
Proceeds from Lease Purchase	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,200)	22,712	27,912
Fund Balance Appropriated	<u>5,200</u>	<u>-</u>	<u>(5,200)</u>
Net change in fund balance	<u>\$ -</u>	<u>22,712</u>	<u>\$ 22,712</u>
Fund Balance:			
Beginning of Year, July 1		<u>78,781</u>	
End of Year, June 30		<u>\$ 101,493</u>	

Beaufort County, North Carolina
 CDBG Fund
 04-C-1222
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and For the Fiscal Year Ended June 30, 2010

	Project Author - ization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 443,311	\$ 430,037	\$ 46,358	\$ 476,395	\$ 33,084
Interest Income	-	-	-	-	-
Total Revenues	<u>443,311</u>	<u>430,037</u>	<u>46,358</u>	<u>476,395</u>	<u>33,084</u>
Expenditures:					
Current:					
Economic and physical development:	<u>459,249</u>	<u>447,421</u>	<u>46,358</u>	<u>493,779</u>	<u>(34,530)</u>
Revenues over expenditures	(15,938)	(17,384)	-	(17,384)	(1,446)
Other Financing Sources (Uses):					
Transfers in (out)	<u>15,938</u>	<u>15,938</u>	<u>-</u>	<u>15,938</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,938</u>	<u>15,938</u>	<u>-</u>	<u>15,938</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,446)</u>	-	\$ <u>(1,446)</u>	\$ <u>(1,446)</u>
Fund balances:					
Beginning of year, July 1			<u>(1,446)</u>		
End of year, June 30			\$ <u>(1,446)</u>		

Beaufort County, North Carolina
Hurricane Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2010

	Project Author - ization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental - HMGP	\$ 1,345,813	\$ 1,154,121	\$ -	\$ 1,154,121	\$ (191,692)
Restricted intergovernmental - CDBG	600,000	792,846	708,498	1,501,344	901,344
Other	3,744	3,744	-	3,744	-
Interest Income	-	-	-	-	-
Total Revenues	<u>1,949,557</u>	<u>1,950,711</u>	<u>708,498</u>	<u>2,659,209</u>	<u>709,652</u>
Expenditures:					
Current:					
Economic and physical development:	<u>2,044,557</u>	<u>1,745,982</u>	<u>786,913</u>	<u>2,532,895</u>	<u>(488,338)</u>
Revenues over expenditures	(95,000)	204,729	(78,415)	126,314	221,314
Other Financing Sources (Uses):					
Transfer in	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>299,729</u>	<u>(78,415)</u>	\$ <u>221,314</u>	\$ <u>221,314</u>
Fund balances:					
Beginning of year, July 1			<u>34,464</u>		
End of year, June 30			\$ <u>(43,951)</u>		

Beaufort County, North Carolina
 Capital Project Fund - Pantego Sewer
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Grants	\$ 3,399,910	\$ 203,960	\$ -	\$ 203,960	\$ (3,195,950)
Investment Income	-	-	-	-	-
Total Revenues	<u>3,399,910</u>	<u>203,960</u>	<u>-</u>	<u>203,960</u>	<u>(3,195,950)</u>
Expenditures					
Economic & Physical Development:					
Construction	3,399,910	753,361	-	753,361	2,646,549
Total Expenditures	<u>3,399,910</u>	<u>753,361</u>	<u>-</u>	<u>753,361</u>	<u>2,646,549</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(549,401)</u>	<u>-</u>	<u>(549,401)</u>	<u>(549,401)</u>
Other financing sources:					
Transfer in from other fund	-	22,500	-	22,500	22,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>22,500</u>	<u>-</u>	<u>22,500</u>	<u>22,500</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (526,901)</u>	<u>-</u>	<u>\$ (526,901)</u>	<u>\$ (526,901)</u>
Fund balances:					
Beginning of year, July 1			<u>16,410</u>		
End of year, June 30			<u>\$ 16,410</u>		

Beaufort County, North Carolina
 Capital Project Fund - Economic Development Industrial Ready Building
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
CDBG Grant	\$ 18,000	\$ 3,673	\$ -	\$ 3,673	\$ (14,327)
Sale of industrial ready building	-	1,387,466	-	1,387,466	1,387,466
Investment Income	-	13,517	-	13,517	13,517
Total Revenues	<u>18,000</u>	<u>1,404,656</u>	<u>-</u>	<u>1,404,656</u>	<u>1,386,656</u>
Expenditures					
Economic & Physical Development:					
Construction	6,560,587	1,579,909	51,409	1,631,318	4,929,269
Total Expenditures	<u>6,560,587</u>	<u>1,579,909</u>	<u>51,409</u>	<u>1,631,318</u>	<u>4,929,269</u>
Revenues Over (Under) Expenditures	<u>(6,542,587)</u>	<u>(175,253)</u>	<u>(51,409)</u>	<u>(226,662)</u>	<u>6,315,925</u>
Other financing sources(uses):					
Transfer in from other funds	960,587	-	-	-	(960,587)
Principal payoff on IRB I	(1,200,000)	(1,098,980)	-	(1,098,980)	101,020
Loan Proceeds - IRB II	6,782,000	2,468,206	-	2,468,206	(4,313,794)
Total Other Financing Sources (Uses)	<u>6,542,587</u>	<u>2,468,206</u>	<u>-</u>	<u>1,369,226</u>	<u>(5,173,361)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 1,193,973</u>	<u>(51,409)</u>	<u>\$ 1,142,564</u>	<u>\$ 1,142,564</u>
Fund balances:					
Beginning of year, July 1			<u>67,894</u>		
End of year, June 30			<u>\$ 16,485</u>		

Capital Project Fund - Hospital Renovations
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Grant funds	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	410,483	387,833	-	387,833	(22,650)
Investment Income	390,000	279,153	-	279,153	(110,847)
Total Revenues	<u>800,483</u>	<u>666,986</u>	<u>-</u>	<u>666,986</u>	<u>(133,497)</u>
Expenditures					
Economic & Physical Development:					
Construction	20,130,483	9,091,593	3,076	9,094,669	11,035,814
Contingency	170,000	-	-	-	170,000
Total Expenditures	<u>20,300,483</u>	<u>9,091,593</u>	<u>3,076</u>	<u>9,094,669</u>	<u>11,205,814</u>
Revenues Over (Under) Expenditures	<u>(19,500,000)</u>	<u>(8,424,607)</u>	<u>(3,076)</u>	<u>(8,427,683)</u>	<u>11,072,317</u>
Other financing sources:					
Transfer in	1,500,000	165,859	-	165,859	(1,334,141)
Proceeds from long term debt	18,000,000	16,538,502	-	16,538,502	(1,461,498)
Total Other Financing Sources (Uses)	<u>19,500,000</u>	<u>16,704,361</u>	<u>-</u>	<u>16,704,361</u>	<u>(2,795,639)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 8,279,754</u>	<u>(3,076)</u>	<u>\$ 8,276,678</u>	<u>\$ 8,276,678</u>
Fund balances:					
Beginning of year, July 1			<u>151,898</u>		
End of year, June 30			<u>\$ 148,822</u>		

Capital Project Fund - Public Schools
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues					
Sale of Bonds	\$ 33,000,000	\$ 26,000,000	\$ -	\$ 26,000,000	\$ (7,000,000)
Restricted intergovernmental	5,169,800	3,430,190	-	3,430,190	(1,739,610)
Other income	195,671	-	-	-	(195,671)
Investment Income	559,716	582,297	-	582,297	22,581
Total Revenues	<u>38,925,187</u>	<u>30,012,487</u>	<u>-</u>	<u>30,012,487</u>	<u>(8,912,700)</u>
Expenditures					
Economic & Physical Development:					
Construction	38,925,187	29,449,248	-	29,449,248	9,475,939
Total Expenditures	<u>38,925,187</u>	<u>29,449,248</u>	<u>-</u>	<u>29,449,248</u>	<u>9,475,939</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>563,239</u>	<u>-</u>	<u>563,239</u>	<u>563,239</u>
Other financing sources:					
Transfer to General Fund	-	221,760	-	221,760	221,760
Total Other Financing Sources (Uses)	<u>-</u>	<u>221,760</u>	<u>-</u>	<u>221,760</u>	<u>221,760</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 784,999</u>	<u>-</u>	<u>\$ 784,999</u>	<u>\$ 784,999</u>
Fund balances:					
Beginning of year, July 1			<u>(235,996)</u>		
End of year, June 30			<u>\$ (235,996)</u>		

Beaufort County, North Carolina
Capital Project Fund - BCCC Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Grants	\$ 4,698,692	\$ -	\$ -	\$ -	\$ (4,698,692)
Investment Income	-	-	-	-	-
Total Revenues	<u>4,698,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,698,692)</u>
Expenditures					
Economic & Physical Development:					
Construction	8,498,692	-	219,268	219,268	8,279,424
Total Expenditures	<u>8,498,692</u>	<u>-</u>	<u>219,268</u>	<u>219,268</u>	<u>8,279,424</u>
Revenues Over (Under) Expenditures	<u>(3,800,000)</u>	<u>-</u>	<u>(219,268)</u>	<u>(219,268)</u>	<u>3,580,732</u>
Other financing sources:					
USDA Loan	3,800,000	-	-	-	(3,800,000)
Transfer in from other fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,800,000)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(219,268)</u>	<u>\$ (219,268)</u>	<u>\$ (219,268)</u>
Fund balances:					
Beginning of year, July 1					
End of year, June 30			<u>\$ (219,268)</u>		

Beaufort County, North Carolina
 Enterprise Fund - Water District I
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 554,109	\$
Tap on Fees		19,475	
Miscellaneous		20,629	
Total Operating Revenues	<u>663,020</u>	<u>594,213</u>	<u>(68,807)</u>
Nonoperating Revenues			
Interest on Investments	<u>700</u>	<u>58</u>	<u>(642)</u>
Total Revenues	<u>663,720</u>	<u>594,271</u>	<u>(69,449)</u>
Expenditures:			
Administration:			
Supplies		897	
Travel		7,642	
Utilities		10,732	
Other administration expenses		5,539	
Total	<u>26,500</u>	<u>24,810</u>	<u>1,690</u>
Water treatment & distribution:			
Salaries and employee benefits		110,831	
Water purchase		99,891	
Supplies		29,088	
Maintenance		25,666	
Other expenses		24,205	
Total	<u>306,782</u>	<u>289,681</u>	<u>17,101</u>
Budgetary Appropriations:			
Capital Outlay		6,911	
Interest Paid		247,860	
Debt Principal		75,500	
Total	<u>330,438</u>	<u>330,271</u>	<u>167</u>
Total Expenditures	<u>663,720</u>	<u>644,762</u>	<u>18,958</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(50,491)</u>	<u>(50,491)</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District I
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(50,491)	(50,491)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (50,491)	\$ (50,491)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (50,491)
Budgetary Appropriations:	
Capital Outlay	6,911
Change in OPEB and compensated absences	(1,191)
Principal Payments	75,500
Adjustments:	
Depreciation	(8,722)
Total reconciling items	72,498
Change in net assets	\$ 22,007

Beaufort County, North Carolina
 Enterprise Fund - Water District II
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales		\$ 746,924	
Tap on Fees		18,450	
Miscellaneous		29,626	
Total Operating Revenues	\$ 872,744	795,000	\$ (77,744)
Nonoperating Revenues			
Interest on Investments	1,200	89	(1,111)
Total Revenues	873,944	795,089	(78,855)
Expenditures:			
Administration:			
Supplies		1,372	
Telephone		4,571	
Travel		11,733	
Utilities		16,504	
Other administration expenses		2,375	
Total	41,250	36,555	4,695
Water treatment & distribution:			
Salaries and employee benefits		170,495	
Water purchase		182,298	
Supplies		44,463	
Maintenance		49,849	
Other expenses		32,513	
Total	497,070	479,618	17,452
Budgetary Appropriations:			
Capital Outlay		10,613	
Interest Paid		231,791	
Debt Principal		92,500	
Total	335,624	334,904	720
Total Expenditures	873,944	851,077	22,867
Revenues Over (Under) Expenditures	-	(55,988)	(55,988)

Beaufort County, North Carolina
 Enterprise Fund - Water District II
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Transfer to other funds	-	-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(55,988)	(55,988)
Appropriated Fund Balance		-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (55,988)	\$ (55,988)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (55,988)
Budgetary Appropriations:	
Capital Outlay	10,613
Change in OPEB and compensated absences	(1,829)
Principal Payments	92,500
Adjustments:	
Loss on disposal of asset	-
Depreciation	(120,568)
Total reconciling items	(19,284)
Change in net assets	\$ (75,272)

Beaufort County, North Carolina
 Enterprise Fund - Water District III
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 914,475	\$
Tap on Fees		15,400	
Miscellaneous		28,060	
Total Operating Revenues	<u>961,971</u>	<u>957,935</u>	<u>(4,036)</u>
Nonoperating Revenues			
Interest on Investments	<u>950</u>	<u>87</u>	<u>(863)</u>
Total Revenues	<u>962,921</u>	<u>958,022</u>	<u>(4,899)</u>
Expenditures:			
Administration:			
Supplies		1,353	
Telephone		4,507	
Travel		11,554	
Utilities		16,232	
Other administration expenses		2,925	
Total	<u>37,000</u>	<u>36,571</u>	<u>429</u>
Water treatment & distribution:			
Salaries and employee benefits		167,177	
Water purchase		178,916	
Supplies		43,877	
Maintenance		49,298	
Other expenses		26,803	
Total	<u>497,251</u>	<u>466,071</u>	<u>31,180</u>
Budgetary Appropriations:			
Capital Outlay		10,451	
Interest Paid		286,866	
Debt Principal		130,800	
Total	<u>428,670</u>	<u>428,117</u>	<u>553</u>
Total Expenditures	<u>962,921</u>	<u>930,759</u>	<u>32,162</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>27,263</u>	<u>27,263</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District III
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)		-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	27,263	27,263
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 27,263	\$ 27,263

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 27,263
Budgetary Appropriations:	
Capital Outlay	10,451
Principal Payments	130,800
Change in OPEB and compensated absences	(1,829)
Adjustments:	
Depreciation	(142,362)
Total reconciling items	(2,940)
Change in net assets	\$ 24,323

Beaufort County, North Carolina
 Enterprise Fund - Water District IV
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 1,012,255	\$
Tap on Fees		31,300	
Miscellaneous		23,048	
Total Operating Revenues	<u>1,056,803</u>	<u>1,066,603</u>	<u>9,800</u>
Nonoperating Revenues			
Interest on Investments	850	92	(758)
Total Revenues	<u>1,057,653</u>	<u>1,066,695</u>	<u>9,042</u>
Expenditures:			
Administration:			
Supplies		1,424	
Telephone		4,742	
Travel		12,156	
Utilities		17,115	
Other administration expenses		2,623	
Total	<u>39,005</u>	<u>38,060</u>	<u>945</u>
Water treatment & distribution:			
Salaries and employee benefits		175,917	
Water purchase		158,818	
Supplies		46,172	
Maintenance		51,885	
Other expenses		40,192	
Total	<u>493,395</u>	<u>472,984</u>	<u>20,411</u>
Budgetary Appropriations:			
Capital Outlay		10,996	
Interest Paid		356,131	
Debt Principal		133,000	
Total	<u>525,253</u>	<u>500,127</u>	<u>25,126</u>
Total Expenditures	<u>1,057,653</u>	<u>1,011,171</u>	<u>46,482</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>55,524</u>	<u>55,524</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District IV
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Capital Contributions		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	55,524	55,524
Appropriated Fund Balance	5,512	-	(5,512)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 5,512	\$ 55,524	\$ 50,012

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 55,524
Budgetary Appropriations:	
Capital Outlay	10,996
Principal Payments	133,000
Adjustments:	
Change in OPEB and compensated absences	(1,923)
Capital project - other revenue	-
Depreciation	(19,949)
Total reconciling items	122,124
Change in net assets	\$ 177,648

Beaufort County, North Carolina
 Enterprise Fund - Water District V
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 474,946	\$
Tap on Fees		7,250	
Miscellaneous		40,778	
Total Operating Revenues	<u>505,995</u>	<u>522,974</u>	<u>16,979</u>
Nonoperating Revenues			
Interest on Investments	<u>325</u>	<u>40</u>	<u>(285)</u>
Total Revenues	<u>506,320</u>	<u>523,014</u>	<u>16,694</u>
Expenditures:			
Administration:			
Supplies		612	
Telephone		2,040	
Travel		5,239	
Utilities		7,335	
Other administration expenses		1,325	
Total	<u>17,000</u>	<u>16,551</u>	<u>449</u>
Water distribution			
Salaries and employee benefits		75,569	
Water purchase		68,477	
Supplies		19,835	
Maintenance		22,215	
Other expenses		12,151	
Total	<u>213,752</u>	<u>198,247</u>	<u>15,505</u>
Budgetary Appropriations:			
Capital Outlay		4,739	
Interest Paid		176,952	
Debt Principal		96,225	
Total	<u>277,944</u>	<u>277,916</u>	<u>28</u>
Total Expenditures	<u>508,696</u>	<u>492,714</u>	<u>15,982</u>
Revenues Over (Under) Expenditures	<u>(2,376)</u>	<u>30,300</u>	<u>32,676</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District V
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Damage reimbursement			
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)		-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(2,376)	30,300	32,676
Appropriated Fund Balance	2,376	-	(2,376)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 30,300	\$ 30,300

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 30,300
Budgetary Appropriations:	
Capital Outlay	4,739
Principal Payments	96,225
Change in OPEB and compensated absences	(805)
Adjustments:	
Loss on disposal of asset	-
Depreciation	(38,641)
Total reconciling items	61,518
Change in net assets	\$ 91,818

Beaufort County, North Carolina
 Enterprise Fund - Water District VI
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 971,124	\$
Tap on Fees		65,463	
Miscellaneous		93,431	
Total Operating Revenues	<u>1,087,914</u>	<u>1,130,018</u>	<u>42,104</u>
Nonoperating Revenues			
Interest on Investments	<u>850</u>	<u>112</u>	<u>(738)</u>
Total Revenues	<u>1,088,764</u>	<u>1,130,130</u>	<u>41,366</u>
Expenditures:			
Administration:			
Supplies		1,738	
Telephone		5,784	
Travel		14,810	
Utilities		66,420	
Other administration expenses		691	
Total	<u>90,000</u>	<u>89,443</u>	<u>557</u>
Water distribution:			
Salaries and employee benefits		214,788	
Water Purchase		21,337	
Supplies		56,369	
Maintenance		63,488	
Other expenses		37,418	
Total	<u>470,355</u>	<u>393,400</u>	<u>76,955</u>
Budgetary Appropriations:			
Capital Outlay		13,395	
Interest Paid		465,210	
Debt Principal		133,000	
Total	<u>611,636</u>	<u>611,605</u>	<u>31</u>
Total Expenditures	<u>1,171,991</u>	<u>1,094,448</u>	<u>77,543</u>
Revenues Over (Under) Expenditures	<u>(83,227)</u>	<u>35,682</u>	<u>118,909</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District VI
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Capital Contributions		-	
Repayment of advance		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(83,227)	35,682	118,909
Appropriated Fund Balance	83,227	-	(83,227)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 35,682	\$ 35,682

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 35,682
Budgetary Appropriations:	
Capital Outlay	13,395
Principal Payments	133,000
Adjustments:	
Capital contribution - grant	60,610
Change in OPEB and compensated absences	(2,462)
Depreciation	(32,089)
Total reconciling items	172,454
Change in net assets	\$ 208,136

Beaufort County, North Carolina
Enterprise Fund - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 572,862	\$
Tap on Fees		9,195	
Miscellaneous		92,497	
Total Operating Revenues	<u>787,307</u>	<u>674,554</u>	<u>(112,753)</u>
Nonoperating Revenues			
Interest on Investments	<u>650</u>	<u>65</u>	<u>(585)</u>
Total Revenues	<u>787,957</u>	<u>674,619</u>	<u>(113,338)</u>
Expenditures:			
Administration:			
Supplies		1,005	
Telephone		3,340	
Travel		8,546	
Utilities		28,548	
Other administration expenses		400	
Total	<u>42,500</u>	<u>41,839</u>	<u>661</u>
Water distribution:			
Salaries and employee benefits		124,155	
Water purchase		-	
Supplies		32,585	
Maintenance		36,770	
Other expenses		90,109	
Total	<u>389,364</u>	<u>283,619</u>	<u>105,745</u>
Budgetary Appropriations:			
Capital Outlay		7,728	
Interest Paid		252,296	
Debt Principal		96,000	
Total	<u>356,093</u>	<u>356,024</u>	<u>69</u>
Total Expenditures	<u>787,957</u>	<u>681,482</u>	<u>106,475</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(6,863)</u>	<u>(6,863)</u>

Beaufort County, North Carolina
 Enterprise Fund - Water District VII
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2010

	2010		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	
Transfer to other funds	-	-	
Transfer from other funds	-	-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(6,863)	(6,863)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (6,863)	\$ (6,863)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (6,863)
Budgetary Appropriations:	
Capital Outlay	7,728
Principal Payments	96,000
Adjustments:	
Change in OPEB and compensated absences	(1,392)
Loss on disposal of asset	-
Depreciation	(14,416)
Total reconciling items	87,920
Change in net assets	\$ 81,057

Beaufort County, North Carolina
Water District Capital Project Fund - Water District I
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
Revenues:						
Restricted intergovernmental:						
State grant - Clean water grant	\$ 4,301,417	\$ 3,207,011	\$ -	\$ 3,207,011	\$ (1,094,406)	
Developer contribution	13,747	105,625	-	105,625	91,878	
Investment Income	-	-	-	-	-	
Total Revenues	<u>4,315,164</u>	<u>3,312,636</u>	<u>-</u>	<u>3,312,636</u>	<u>(1,002,528)</u>	
Expenditures:						
Administration	46,738	45,065	-	45,065	1,673	
Engineering	465,205	467,238	-	467,238	(2,033)	
Inspection	178,750	174,496	-	174,496	4,254	
Construction	9,820,828	8,405,601	81,549	8,487,150	1,333,678	
Total Expenditures	<u>10,511,521</u>	<u>9,092,400</u>	<u>81,549</u>	<u>9,173,949</u>	<u>1,337,572</u>	
Revenues Over (Under) Expenditures	<u>(6,196,357)</u>	<u>(5,779,764)</u>	<u>(81,549)</u>	<u>(5,861,313)</u>	<u>335,044</u>	
Other financing sources:						
Bond anticipation notes	5,467,300	5,467,300	-	5,467,300	-	
Transfer from/to other funds	729,057	258,578	-	258,578	(470,479)	
Total Other Financing Sources (Uses)	<u>6,196,357</u>	<u>5,725,878</u>	<u>-</u>	<u>5,725,878</u>	<u>(470,479)</u>	
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (53,886)</u>	<u>\$ (81,549)</u>	<u>\$ (135,435)</u>	<u>\$ (135,435)</u>	

Beaufort County, North Carolina
Water District Capital Project Fund - Water District II
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Total to Date	Varinace Positive (Negative)
			Current Year			
Revenues:						
Restricted intergovernmental:						
State grant	\$ 1,800,620	\$ 233,451	\$ -	\$ -	\$ 233,451	\$ (1,567,169)
Other	-	1,962	-	-	1,962	1,962
Investment Income	-	-	-	-	-	-
Total Revenues	<u>1,800,620</u>	<u>235,413</u>	<u>-</u>	<u>-</u>	<u>235,413</u>	<u>(1,565,207)</u>
Expenditures:						
Engineering	148,325	22,163	-	-	22,163	126,162
Construction	1,442,644	197,623	-	-	197,623	1,245,021
Interest	136,879	-	-	-	-	136,879
Contingency	72,772	15,627	-	-	15,627	57,145
Total Expenditures	<u>1,800,620</u>	<u>235,413</u>	<u>-</u>	<u>-</u>	<u>235,413</u>	<u>1,565,207</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:						
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
 Water District Capital Project Fund - Water District III
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Non-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
Revenues:						
Restricted intergovernmental:						
State grant	\$ 1,123,795	\$ 493,419	\$ -	\$ 493,419	\$ (630,376)	
Other	-	12,589	-	12,589	12,589	
Investment Income	-	335	-	335	335	
Total Revenues	<u>1,123,795</u>	<u>506,343</u>	<u>-</u>	<u>506,343</u>	<u>(617,452)</u>	
Expenditures:						
Engineering	92,464	64,220	-	64,220	28,244	
Construction	975,258	408,145	-	408,145	567,113	
Interest	1,219	-	-	-	1,219	
Contingency	54,854	33,978	-	33,978	20,876	
Total Expenditures	<u>1,123,795</u>	<u>506,343</u>	<u>-</u>	<u>506,343</u>	<u>617,452</u>	
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Other financing sources:						
Transfer from other funds	-	-	-	-	-	
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Beaufort County, North Carolina
Water District Capital Project Fund - Water District IV
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Varinace Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grant	\$ 4,269,300	\$ 3,331,140	\$ -	\$ 3,331,140	\$ (938,160)
Tap fees	47,700	-	-	-	(47,700)
Other	70,000	14,782	-	14,782	(55,218)
Investment Income	-	74,514	-	74,514	74,514
Total Revenues	<u>4,387,000</u>	<u>3,420,436</u>	<u>-</u>	<u>3,420,436</u>	<u>(966,564)</u>
Expenditures:					
Engineering	610,057	560,943	-	560,943	49,114
Construction	7,330,020	6,641,732	-	6,641,732	688,288
Interest	604,252	525,168	-	525,168	79,084
Administrative services	700	919	-	919	(219)
Legal and accounting	51,354	58,833	-	58,833	(7,479)
Land purchase	35,000	35,000	-	35,000	-
Water district I expenses	442,536	441,159	-	441,159	1,377
Water district V expenses	362,612	362,612	-	362,612	-
Contingency	168,154	-	-	-	168,154
Total Expenditures	<u>9,604,685</u>	<u>8,626,366</u>	<u>-</u>	<u>8,626,366</u>	<u>978,319</u>
Revenues Over (Under) Expenditures	<u>(5,217,685)</u>	<u>(5,205,930)</u>	<u>-</u>	<u>(5,205,930)</u>	<u>11,755</u>
Other financing sources:					
From District IV Phase II	53,543	53,543	-	53,543	-
To Water District I	(283,742)	(283,742)	-	(283,742)	-
From District V	47,884	47,884	-	47,884	-
Proceeds from long term debt	5,400,000	5,400,000	-	5,400,000	-
Total other financing sources	<u>5,217,685</u>	<u>5,217,685</u>	<u>-</u>	<u>5,217,685</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 11,755</u>	<u>\$ -</u>	<u>\$ 11,755</u>	<u>\$ 11,755</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District IV - Phase II
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
State grant	\$ 5,236,000	\$ 2,194,000	\$ -	\$ 2,194,000	\$ (3,042,000)
Tap fees	-	18,924	-	18,924	18,924
Investment Income	-	18,924	-	18,924	18,924
Total Revenues	<u>5,236,000</u>	<u>2,231,848</u>	<u>-</u>	<u>2,231,848</u>	<u>(3,004,152)</u>
Expenditures:					
Engineering	358,500	353,713	-	353,713	4,787
Construction	7,309,530	4,247,097	-	4,247,097	3,062,433
Interest	263,769	114,822	-	114,822	148,947
Legal and accounting	41,982	216,150	-	216,150	(174,168)
Land purchase	1,000	1,000	-	1,000	-
Water district V expenses	249,676	249,676	-	249,676	-
Contingency	-	-	-	-	-
Total Expenditures	<u>8,224,457</u>	<u>5,182,458</u>	<u>-</u>	<u>5,182,458</u>	<u>3,041,999</u>
Revenues Over (Under) Expenditures	<u>(2,988,457)</u>	<u>(2,950,610)</u>	<u>-</u>	<u>(2,950,610)</u>	<u>37,847</u>
Other financing sources (uses):					
To other Districts	(53,543)	53,543	-	53,543	107,086
Proceeds from long term debt	3,042,000	3,042,000	-	3,042,000	-
Total other financing sources & uses	<u>2,988,457</u>	<u>3,095,543</u>	<u>-</u>	<u>3,095,543</u>	<u>107,086</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 144,933</u>	<u>\$ -</u>	<u>\$ 144,933</u>	<u>\$ 144,933</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District V - Clean Water
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Varinace Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,819,900	\$ 1,139,907	\$ -	\$ 1,139,907	\$ (679,993)
Tap fees	-	-	-	-	-
Investment Income	-	-	-	-	-
Total Revenues	<u>1,819,900</u>	<u>1,139,907</u>	<u>-</u>	<u>1,139,907</u>	<u>(679,993)</u>
Expenditures:					
Engineering	101,218	89,292	-	89,292	11,926
Construction	1,575,454	1,153,194	-	1,153,194	422,260
Inspections	90,151	68,717	-	68,717	21,434
Legal and accounting	7,500	5,167	-	5,167	2,333
Land purchase	30,000	30,000	-	30,000	-
Contingency	15,577	-	-	-	15,577
Total Expenditures	<u>1,819,900</u>	<u>1,346,370</u>	<u>-</u>	<u>1,346,370</u>	<u>473,530</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(206,463)</u>	<u>-</u>	<u>(206,463)</u>	<u>(206,463)</u>
Other financing sources:					
Proceeds from long term debt	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (206,463)</u>	<u>\$ -</u>	<u>\$ (206,463)</u>	<u>\$ (206,463)</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District V Pantego Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
Revenues:						
Restricted intergovernmental:						
State grant	\$ 1,895,100	\$ 1,895,100	\$ -	\$ -	\$ 1,895,100	\$ -
Tap fees	645,388	612,652	-	-	612,652	(32,736)
Other	-	-	-	-	-	-
Investment Income	-	32,736	-	-	32,736	32,736
Total Revenues	<u>2,540,488</u>	<u>2,540,488</u>	<u>-</u>	<u>-</u>	<u>2,540,488</u>	<u>-</u>
Expenditures:						
Engineering	475,435	466,608	-	-	466,608	8,827
Construction	5,246,933	5,247,302	-	-	5,247,302	(369)
Interest	380,000	388,457	-	-	388,457	(8,457)
Administrative services	905	906	-	-	906	(1)
Legal and accounting	45,015	45,015	-	-	45,015	-
Land purchase	37,810	37,810	-	-	37,810	-
Water district I expenses	306,506	306,506	-	-	306,506	-
Contingency	-	-	-	-	-	-
Total Expenditures	<u>6,492,604</u>	<u>6,492,604</u>	<u>-</u>	<u>-</u>	<u>6,492,604</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(3,952,116)</u>	<u>(3,952,116)</u>	<u>-</u>	<u>-</u>	<u>(3,952,116)</u>	<u>-</u>
Other financing sources (uses):						
Transfer to Water District IV	(47,884)	(47,884)	-	-	(47,884)	-
Proceeds from long term debt	4,000,000	4,000,000	-	-	4,000,000	-
	<u>3,952,116</u>	<u>3,952,116</u>	<u>-</u>	<u>-</u>	<u>3,952,116</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VI Southside HS
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Investment Income	-	4,492	-	4,492	4,492
Total Revenues	<u>100,000</u>	<u>104,492</u>	<u>-</u>	<u>104,492</u>	<u>4,492</u>
Expenditures:					
Engineering	57,500	57,394	-	57,394	106
Construction	471,859	459,121	-	459,121	12,738
Legal	2,500	-	-	-	2,500
Contingency	118,141	-	-	-	118,141
Total Expenditures	<u>650,000</u>	<u>516,515</u>	<u>-</u>	<u>516,515</u>	<u>133,485</u>
Revenues Over (Under) Expenditures	<u>(550,000)</u>	<u>(412,023)</u>	<u>-</u>	<u>(412,023)</u>	<u>137,977</u>
Other financing sources:					
Transfer from/to other funds	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 137,977</u>	<u>\$ -</u>	<u>\$ 137,977</u>	<u>\$ 137,977</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VI Chocowinity
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,000,000	\$ 3,073,308	\$ 60,610	\$ 3,133,918	\$ 133,918
State grant	1,364,000	1,364,000	-	1,364,000	-
Other restricted grants	6,283,079	4,883,659	-	4,883,659	(1,399,420)
Other	-	139,077	-	139,077	139,077
Investment Income	-	-	-	-	-
Total Revenues	<u>10,647,079</u>	<u>9,460,044</u>	<u>60,610</u>	<u>9,520,654</u>	<u>(1,126,425)</u>
Expenditures:					
Engineering	1,029,723	1,027,260	-	1,027,260	2,463
Construction	17,240,974	16,409,191	149,643	16,558,834	682,140
Land purchase	197,832	193,600	-	193,600	4,232
Inspection	723,506	717,756	-	717,756	5,750
Interest	1,895,100	1,787,899	-	1,787,899	107,201
Contingency	359,944	1,165	-	1,165	358,779
Total Expenditures	<u>21,447,079</u>	<u>20,136,871</u>	<u>149,643</u>	<u>20,286,514</u>	<u>1,160,565</u>
Revenues Over (Under) Expenditures	<u>(10,800,000)</u>	<u>(10,676,827)</u>	<u>(89,033)</u>	<u>(10,765,860)</u>	<u>34,140</u>
Other financing sources:					
Loans	10,700,000	10,700,000	-	10,700,000	-
Transfer from/to other funds	100,000	128,900	-	128,900	28,900
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 152,073</u>	<u>\$ (89,033)</u>	<u>\$ 63,040</u>	<u>\$ 63,040</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VII
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual		Total to Date	Varinace Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State grant	\$ 9,814,140	\$ 3,804,266	\$ -	\$ 3,804,266	\$ (6,009,874)
Tap fees	31,000	210,608	-	210,608	179,608
Other	61,193	54,481	-	54,481	(6,712)
Investment Income	8,261	-	-	-	(8,261)
Total Revenues	<u>9,914,594</u>	<u>4,069,355</u>	<u>-</u>	<u>4,069,355</u>	<u>(5,845,239)</u>
Expenditures:					
Engineering	607,042	603,808	-	603,808	3,234
Construction	14,657,351	8,754,693	-	8,754,693	5,902,658
Interest	526,506	525,566	-	525,566	940
Legal and accounting	123,695	65,495	-	65,495	58,200
Contingency	-	-	-	-	-
Total Expenditures	<u>15,914,594</u>	<u>9,949,562</u>	<u>-</u>	<u>9,949,562</u>	<u>5,965,032</u>
Revenues Over (Under) Expenditures	<u>(6,000,000)</u>	<u>(5,880,207)</u>	<u>-</u>	<u>(5,880,207)</u>	<u>119,793</u>
Other financing sources:					
Proceeds from long term debt	<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 expenditures	<u>\$ -</u>	<u>\$ 219,793</u>	<u>\$ -</u>	<u>\$ 219,793</u>	<u>\$ 219,793</u>

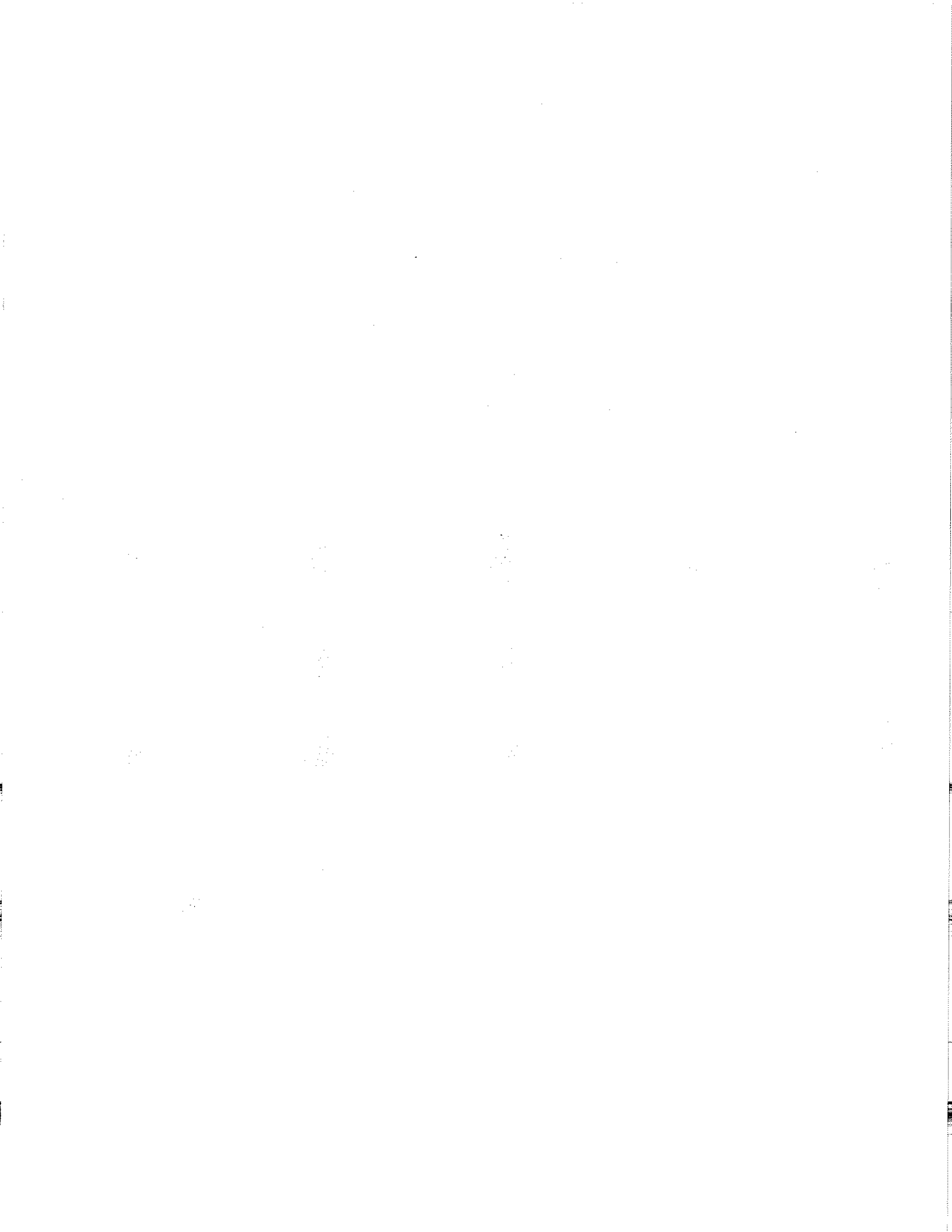
Beaufort County, North Carolina
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Social Services Fund:				
Cash and Investments	\$ <u>47,104</u>	\$ <u> </u>	\$ <u>(14,349)</u>	\$ <u>32,755</u>
Liabilities	\$ <u>47,104</u>	\$ <u> -</u>	\$ <u>(14,349)</u>	\$ <u>32,755</u>
Sheriff Accounts:				
Cash and Investments	\$ <u>10,823</u>	\$ <u>1,873</u>	\$ <u> </u>	\$ <u>12,696</u>
Liabilities	\$ <u>10,823</u>	\$ <u>1,873</u>	\$ <u> -</u>	\$ <u>12,696</u>
Motor Vehicle Tax:				
Cash and Investments	\$ <u>261</u>	\$ <u>25,758</u>	\$ <u>(24,246)</u>	\$ <u>1,773</u>
Liabilities	\$ <u>261</u>	\$ <u>25,758</u>	\$ <u>(24,246)</u>	\$ <u>1,773</u>
Total - All Agency Funds:				
Cash and Investments	\$ <u>58,188</u>	\$ <u>27,631</u>	\$ <u>(38,595)</u>	\$ <u>47,224</u>
Liabilities	\$ <u>58,188</u>	\$ <u>27,631</u>	\$ <u>(38,595)</u>	\$ <u>47,224</u>

OTHER SCHEDULES

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

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures
- Schedule of Ten Largest Taxpayers



Beaufort County, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections And Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 25,497,629	\$ 24,026,075	\$ 1,471,554
2008-2009	1,236,978	-	779,069	457,909
2007-2008	418,236	-	143,872	274,364
2006-2007	223,519	-	39,812	183,707
2005-2006	169,406	-	16,897	152,509
2004-2005	144,497	-	11,698	132,799
2003-2004	147,311	-	9,685	137,626
2002-2003	150,240	-	7,533	142,707
2001-2002	143,705	-	6,988	136,717
2000-2001	161,567	-	6,015	155,552
1999-2000	120,338	-	120,338	-
TOTALS	\$ 2,915,797	\$ 25,497,629	\$ 25,167,983	\$ 3,245,444
Less: Allowance for uncollectable taxes				(1,320,000)
Ad valorem taxes - General Fund				<u>\$ 1,925,444</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 25,311,519
Reconciling items:				
Penalties and Interest				(237,381)
Collection of Old Taxes				(2,468)
Release				96,313
Total Reconciling Items				<u>(143,536)</u>
Total Collections and Credits				<u>\$ 25,167,983</u>

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2010

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 2,726,625,686
Personal Property	1,453,507,483
Public Service Companies ²	<u>65,044,665</u>
Total Assessed Valuation	<u>4,245,177,834</u>
Tax Rate per \$100	0.6
Levy (includes discoveries, releases and abatements) ³	<u>\$ 25,497,629</u>

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes penalties and multi-rate for motor vehicles.

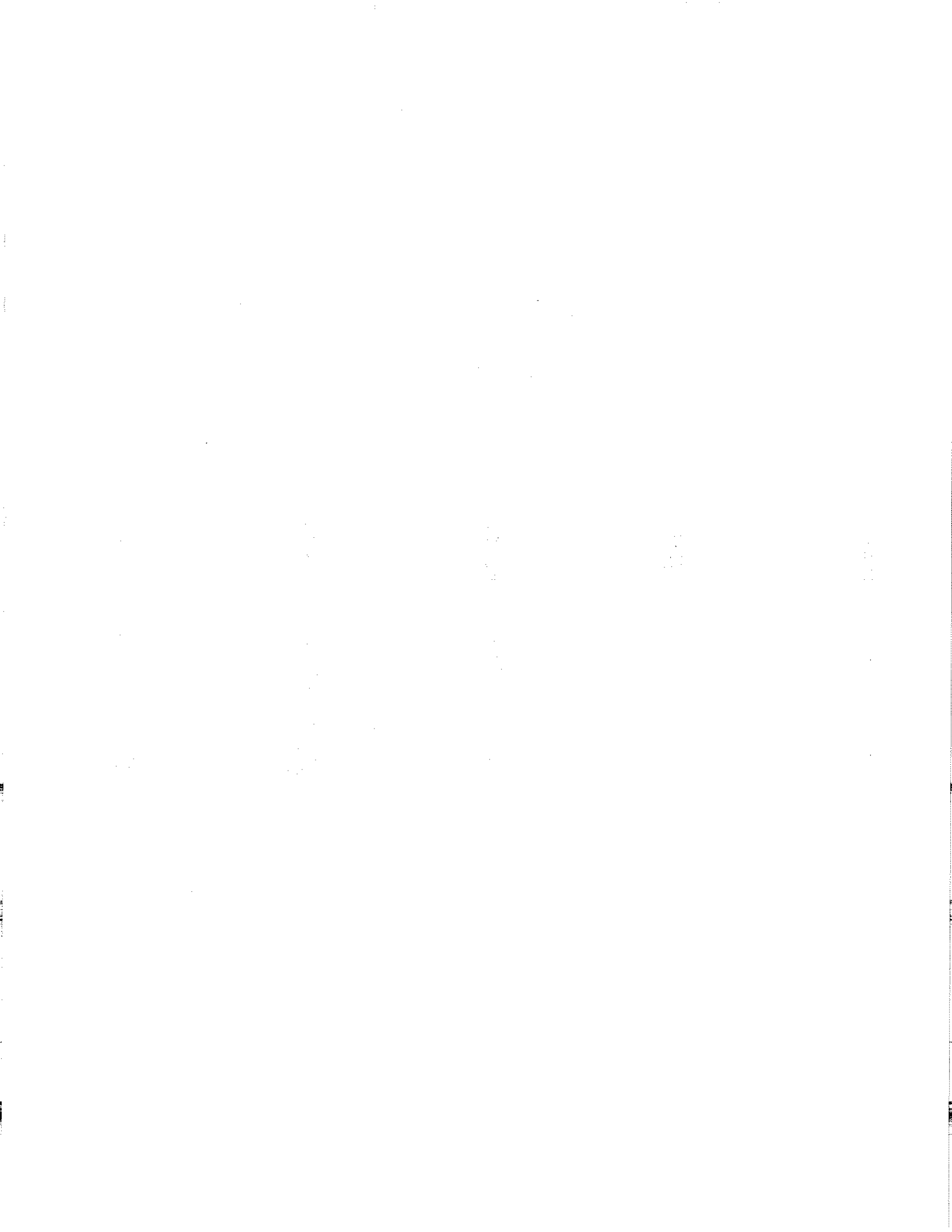
Beaufort County, North Carolina
 Analysis of Current Tax Levy
 County - Wide Levy
 For the Fiscal Year Ended June 30, 2010

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 4,252,939,667	0.6000%	\$ 25,517,638	\$ 23,344,590	\$ 2,173,048
Penalties			22,714	22,714	-
Total Original Levy	<u>4,252,939,667</u>		<u>25,540,352</u>	<u>23,367,304</u>	<u>2,173,048</u>
Discoveries:					
Current year taxes	4,356,333	0.6000%	26,138	26,138	-
Penalties			4,254	4,254	-
Total Discoveries	<u>4,356,333</u>		<u>30,392</u>	<u>30,392</u>	<u>-</u>
Abatements					
Current Year Taxes	(12,118,167)	0.6000%	(72,709)	(46,572)	(26,137)
Penalties			(406)	(406)	-
Total Abatements	<u>(12,118,167)</u>		<u>(73,115)</u>	<u>(46,978)</u>	<u>(26,137)</u>
Total for Year	<u>\$ 4,245,177,833</u>		25,497,629	23,350,718	2,146,911
Uncollected taxes at June 30, 2010			<u>1,471,554</u>	<u>1,111,250</u>	<u>360,304</u>
Current year's taxes collected			<u>\$ 24,026,075</u>	<u>\$ 22,239,468</u>	<u>\$ 1,786,607</u>
Current levy collection percentage			<u>94.23%</u>	<u>95.24%</u>	<u>83.22%</u>

Beaufort County, North Carolina
Schedule of Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2010

Taxpayer	Type of Business	2009 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate Mining/Acid Production	\$ 719,923,675	16.96 %
Purified Acid Partnership	Acid Production	139,429,177	3.28
Weyerhaeuser Co.	Tree Farm Operation	57,334,517	1.35
Tideland Electric Membership	Utilities	19,685,205	0.46
Stanadyne Automotive Corp.	Automotive Diesel Components	19,045,658	0.45
Carolina Telephone & Telegraph	Communications	15,990,546	0.38
Fountain Powerboats Inc.	Powerboats	15,194,855	0.36
Flanders Filters, Inc.	Manufacturing	12,079,465	0.28
Progress Energy	Utilities	11,927,836	0.28
NC Land Partners, LLC	Real Estate	11,426,486	0.27
Total		<u>\$ 1,022,037,420</u>	<u>24.08 %</u>

Compliance Section





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

To the Board of Commissioners
Beaufort County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises Beaufort County's basic financial statements and have issued our report thereon dated October 26, 2010. We did not audit the financial statements of the Beaufort County ABC Board or Beaufort County Hospital. 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 or Beaufort County Hospital is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the Beaufort County Hospital Association or Beaufort County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members

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Compliance and Other Matters

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
October 26, 2010



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

To the Board of Directors
Washington, 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, 2010. 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 the Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the 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, 2010.

Internal Control Over Compliance

The management of the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Members

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
October 26, 2010



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Report On Compliance With Requirements Applicable To Each Major State 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 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, 2010. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the 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, 2010.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, 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 specified parties.

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

Thompson, Price, Scott, Adams & Co., P.A.
October 26, 2010

Beaufort County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2010

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 Xno
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ___yes Xno

Noncompliance material to financial
statements noted ___yes Xno

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes Xno
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ___yes Xnone reported

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 Xno

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
10.551/10.561	Food Stamp Cluster
93.778	Medical Assistance Program
93.575, 93.596	Child Care Cluster
93.713, 93.667	
93.558	

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program are included in the list of major federal programs (Subsidized Childcare Cluster).

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 2,349,958

Auditee qualified as low-risk auditee? yes no

State Awards

Internal control over major state programs:

- Material weakness(es) identified? yes no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses yes none reported

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

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

Identification of major state programs:

Name of State Program or Cluster

State/County Special Assistance for Adults
Public School Building Capital Fund
CAMA -PARTF Grant

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

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Beaufort County, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2010

Status: N/A

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:				
<u>U.S. Dept. of Agriculture</u>				
Passed-through N.C. Dept. of Agriculture:				
Water system development	10.760	\$ 60,610	\$ -	\$ 89,033
Total USDA		<u>60,610</u>	<u>-</u>	<u>89,033</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
Supplemental Nutrition Assist. Program Cluster				
State Administrative Matching Grants for				
the Supplemental Nutrition Assistance Program	10.561	448,979	-	473,320
ARRA - State Administrative Matching Grants for				
the Supplemental Nutrition Assistance Program	10.561	60,414	-	-
Food Stamp Program - Direct Benefit Payment	10.551	11,510,952	-	-
Total Food Stamp Cluster		<u>12,020,345</u>	<u>-</u>	<u>473,320</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children	10.557	332,187	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children	10.557	1,290,118	-	-
Passed-through Mid East Commission Council of Governments:				
USDA Supplement	10.550	2,216	-	-
Total U.S. Dept. of Agriculture				
		<u>13,705,476</u>	<u>-</u>	<u>562,353</u>
<u>U.S. Dept. of Justice</u>				
Office of Justice Programs				
Local Law Enforcement Block Grants	16.572	98,527	-	-
<u>U. S. Department of Homeland Security</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Division of Emergency Management				
Emergency Management Performance Grant	97.042	23,184	-	-
Hazardous Mitigation Grant	97.039	365,027	-	-
		<u>388,211</u>	<u>-</u>	<u>-</u>

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Dept. of Health & Human Services</u>				
<u>Administration on Aging:</u>				
<u>Division of Aging and Adult Services</u>				
Passed-through Mid East Commission Council of Governments:				
Aging Cluster:				
Special Programs for the Aging - Title III B				
Grants for Supportive Services and Senior Centers	93.044	25,071	53,001	8,674
Special Programs for the Aging - Title III C				
Nutrition Services	93.045	54,151	30,467	11,949
ARRA - Aging Home - Delivered Nutrition Services for States	93.705	14,519	855	-
ARRA - Aging Home - Congregate Nutrition Services for States	93.707	7,128	420	-
Total Aging Cluster		100,869	84,743	20,623
Social Service Block Grant (SSBG) - In Home Services	93.667	153,010	129,124	31,348
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Work First Administration	93.558	121,765	-	87,504
TANF Domestic Violence	93.558	5,354	-	-
Work First Service	93.558	592,470	-	533,877
Family Preservation	93.556	2,357	-	-
Work First Functional Assessment	93.558	0	-	-
TANF Payment and Penalties	93.558	344,808	(20)	-
AFDC Payments and Penalties	93.560	(2,499)	(685)	(685)
Child Support Enforcement	93.563	484,113	(19)	249,411
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	50,342	-	-
Crisis Intervention	93.568	273,003	-	-
Energy Assistance-Direct Benefit Payments	93.568	297,858	-	-
Child Welfare Services-State Grants	93.645	13,225	3,722	1,124
Social Services Block Grant	93.667	228,105	14,608	70,501
Independent Living Grant	93.674	17,570	3,085	-
Foster Care and Adoption Cluster:(Note 2)				
Title IV-E Foster Care-Administration	93.658	84,165	17,024	17,023
Foster Care-Direct Benefit Payments	93.658	421,848	74,029	321,138
Adoption Assistance-Direct Benefit Payments	93.659	457,769	92,689	94,341
Total Foster Care and Adoption Cluster		963,782	183,742	432,502

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Division of Child Development:</u>				
Subsidized Child Care (Note 2)				
<u>Child Care Development Fund Cluster</u>				
<u>Division of Social Services:</u>				
Child Care Development Fund-Administration	93.596	110,029	-	-
<u>Division of Child Development:</u>				
Child Care and Development Block Grant	93.575	727,165	-	-
Child Care and Development Fund - Mandatory	93.596	249,185	-	-
Child Care and Development Fund - Match	93.596	415,683	223,435	-
ARRA - Child Care and Development Fund	93.713	36,495	-	-
Total Child Care Development Fund Cluster		<u>1,538,557</u>	<u>223,435</u>	<u>-</u>
Social Services Block Grant	93.667	51,718	-	-
Temporary Assistance for Needy Families	93.558	203,237	-	-
Smart Start		-	58,865	-
State Appropriations		-	387,666	-
TANF - MOE		-	166,249	-
Total Subsidized Child Care Cluster		<u>1,793,512</u>	<u>836,215</u>	<u>-</u>
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
<u>Division of Medical Assistance:</u>				
<u>Direct Benefit Payments:</u>				
Medical Assistance Program	93.778	56,934,430	19,835,278	37,960
<u>Division of Social Services:</u>				
<u>Administration:</u>				
Medical Assistance Program	93.778	792,623	30,445	762,177
State Children's Insurance Program - N.C. Health Choice	93.767	34,088	2,379	8,695
<u>Health Resources and Services Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
<u>Division of Public Health:</u>				
<u>Immunization Cluster:</u>				
Immunization Action Plan	93.268	21,202	-	-
ARRA Immunizations	93.712	19,985	-	-
Total Immunization Cluster		<u>41,187</u>	<u>-</u>	<u>-</u>
Family Planning Services	93.218	61,545	-	-
Prevention Investigations & Tech. Assistance	93.283	180,793	-	-
Preventive Health and Health Services Block Grant	93.991	18,505	-	-
Temporary Assistance for Needy Families	93.558	6,989	-	-
Maternal and Child Health Services Block Grant	93.994	134,484	-	-
Total U.S. Dept. of Health and Human Services		<u>63,644,288</u>	<u>21,122,617</u>	<u>2,235,037</u>
<u>Dept. of Housing and Urban Development(HUD)</u>				
CDBG Grant-08C-1810	14.228	46,358	-	-
CDBG Grant-08C-1870	14.228	161,782	-	65,966
CDBG Grant-07C-1650	14.228	150,468	-	-
CDBG Grant-05-E-1411	14.228	136,812	-	112,098
Total Dept. of Housing and Urban Development(HUD)		<u>495,420</u>	<u>-</u>	<u>178,064</u>
Total Federal Awards		<u>78,331,922</u>	<u>21,122,617</u>	<u>2,975,454</u>

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2010

Grantor/Pass-through Grantor/Program Title State Awards:	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
AFDC Incentive	-	-	-	-
Foster Care at Risk Max	-	-	14,814	8,022
Adoption Subsidy	-	-	153,346	46,152
TANF	-	-	2,207	-
State aid to county	-	-	-	-
County Funded Programs/Non Allocating costs	-	-	-	1,517,847
Progress Energy Program	-	-	7,016	-
State/County Special Assistance for Adults	-	-	563,304	587,483
State Foster Care Benefits Program	-	-	63,225	56,630
Division of Public Health:				
Communicable disease	-	-	2,684	-
General Health	-	-	84,025	-
Minority Health	-	-	46,516	-
Health Promotion	-	-	5,414	-
Statewide Health Promotion	-	-	16,525	-
Public Health Lab	-	-	154	-
Women's Preventative Health	-	-	3,604	-
LHD Smokefree Law	-	-	1,072	-
Breast & Cervical Cancer Control	-	-	1,275	-
Preparedness and Response	-	-	42,954	-
Tuberculosis	-	-	25,721	-
Aids	-	-	33,923	-
Direct Grant: State appropriation - soil & water	-	-	8,033	-
Division of Aging:				
90 % State Funds	-	-	203,563	22,618
Total N. C. Department of Health and Human Services	-	-	1,279,375	2,238,752
<u>N.C. Dept. of Juvenile Justice</u>				
Juvenile Crime Prevention	-	-	50,861	-
Total Office of Governor	-	-	50,861	-
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (ROAP)				
Elderly and Disabled Transportation Assistance Program (E&DTAP)	-	-	80,151	-
ROAP Work First Transitional - Employment Transportation Assistance Program	-	-	7,514	-
ROAP Rural General Public Program	-	-	85,990	-
Total N. C. Dept. Of Transportation	-	-	173,655	-
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Capital Fund	-	-	723,411	-
<u>N.C. Department of Environment and Natural Resources</u>				
White Goods Management Program	-	-	7,558	-
Scap Tire Program	-	-	72,566	-
CAMA - PARTF Grant	-	-	343,388	-
Soil and Water Conservation Funds	-	-	4,000	-
Pest Management	-	-	1,819	-
Total N.C. Dept. of ENR	-	-	429,331	-
<u>N.C. Dept. of Corrections</u>				
Criminal Justice Partnership Program	-	-	69,413	-
Total State Awards	-	-	2,726,046	2,238,752
Total Federal and State Awards	\$	78,331,922	\$	23,848,663
			\$	5,214,206

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2010

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

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 and the State Single Audit Implementation Act. Therefore some, amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the county's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

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

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

<u>Program Title</u>	Pass-through Grantor's Number	Federal Expenditures	State Expenditures
Public School Building Capital Fund	XXXX	\$ -	\$ 723,411