

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2019

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Beaufort County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Beaufort County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Beaufort County ABC Board were not audited in accordance with Governmental Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Healthcare Reserve Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 63 and 64, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 65 and 66, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 67 and 68, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2019 on our consideration of Beaufort County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Beaufort County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 7, 2019

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Beaufort County, we offer this overview and analysis of the financial activities of Beaufort County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with the County's financial statements and notes to those financial statements, which follow this narrative.

Financial Highlights

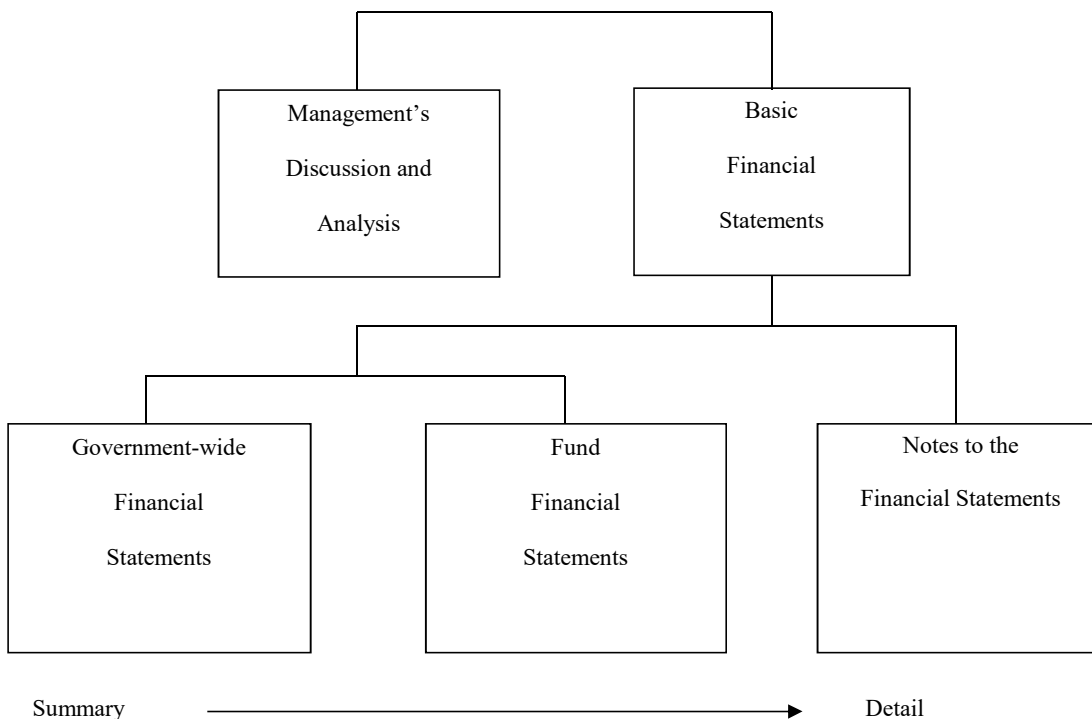
- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$59,822,323 (net position).
- Beaufort County's total net position increased by \$4,046,334, mainly due to a significant increase in net position of governmental activities.
- As of June 30, 2019, Beaufort County's governmental funds reported combined ending fund balances of \$29,072,245, an increase of \$1,713,016 in comparison with the prior year. Approximately 44.57% of this total amount or \$12,956,422 is restricted or committed.
- Also at June 30, 2019, unassigned fund balance for the General Fund was \$15,979,428, or 27.18% of total general fund expenditures of \$58,789,530 for the fiscal year.
- Beaufort County's total debt increased by \$969,716 or 1.73% during the current fiscal year. The key factor in this increase was the scheduled payments on outstanding debt, offset by a new installment purchase agreement for a water project of \$4,500,000.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

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

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

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide and include the water and solid waste services offered by the County. The final category is the County's single component unit, the ABC Board. Although legally separate, the County is financially accountable for the ABC Board through appointment of its members and because the ABC Board is required to distribute a portion of its profits to the County.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes. Beaufort County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the funds of Beaufort County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Beaufort County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

BEAUFORT COUNTY'S NET POSITION
Figure 2

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 32,083,917 | \$ 30,826,184 | \$ 12,203,390 | \$ 9,887,058 | \$ 44,287,307 | \$ 40,713,242 |
| Capital assets | 23,230,467 | 22,256,784 | 61,156,643 | 59,278,120 | 84,387,110 | 81,534,904 |
| Total assets | <u>55,314,384</u> | <u>53,082,968</u> | <u>73,360,033</u> | <u>69,165,178</u> | <u>128,674,417</u> | <u>122,248,146</u> |
| Total deferred outflows of resources | 5,965,765 | 3,783,449 | 565,215 | 225,248 | 6,530,980 | 4,008,697 |
| Current and other liabilities | 1,327,557 | 2,051,908 | 1,928,810 | 683,363 | 3,256,367 | 2,735,271 |
| Long-term liabilities outstanding | 29,901,232 | 28,839,842 | 41,853,121 | 38,572,801 | 71,754,353 | 67,412,643 |
| Total liabilities | <u>31,228,789</u> | <u>30,891,750</u> | <u>43,781,931</u> | <u>39,256,164</u> | <u>75,010,720</u> | <u>70,147,914</u> |
| Total deferred inflows of resources | 330,237 | 284,487 | 42,117 | 48,453 | 372,354 | 332,940 |
| Net position: | | | | | | |
| Net investment in capital assets | 20,148,492 | 19,179,411 | 22,532,887 | 23,653,120 | 42,681,379 | 42,832,531 |
| Restricted | 9,473,472 | 6,105,484 | - | - | 9,473,472 | 6,105,484 |
| Unrestricted | 99,159 | 405,285 | 7,568,313 | 6,432,689 | 7,667,472 | 6,837,974 |
| Total net position | <u>\$ 29,721,123</u> | <u>\$ 25,690,180</u> | <u>\$ 30,101,200</u> | <u>\$ 30,085,809</u> | <u>\$ 59,822,323</u> | <u>\$ 55,775,989</u> |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$59,822,323 as of June 30, 2019. The County's net position increased by \$4,046,334 for the fiscal year ended June 30, 2019. One of the largest portions \$42,681,379 (71.16%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Beaufort County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaufort County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Beaufort County's net position \$9,473,472 (15.79%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,667,472 is unrestricted.

The government's net investment in capital assets decreased by \$151,152 or (.35%). This decrease is attributable to receiving additional debt to fund capital investments in land, buildings, vehicles, equipment, and the water utility during the fiscal year.

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

BEAUFORT COUNTY'S CHANGES IN NET POSITION

Figure 3

| | Governmental | | Business-type | | Total | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 3,377,741 | \$ 2,832,756 | \$ 10,920,265 | \$ 10,503,501 | \$ 14,298,006 | \$ 13,336,257 |
| Operating grants and contributions | 9,474,193 | 10,039,782 | - | - | 9,474,193 | 10,039,782 |
| Capital grants and contributions | 1,262,067 | 1,215,428 | 241,977 | 53,991 | 1,504,044 | 1,269,419 |
| General revenues: | | | | | | |
| Property taxes | 39,639,718 | 36,605,867 | - | - | 39,639,718 | 36,605,867 |
| Other taxes | 9,983,101 | 9,247,498 | - | - | 9,983,101 | 9,247,498 |
| Investment earnings | 534,368 | 277,379 | 248,696 | 98,967 | 783,064 | 376,346 |
| Miscellaneous | 735,649 | 4,995,976 | 7,656 | - | 743,305 | 4,995,976 |
| Total revenues | 65,006,837 | 65,214,686 | 11,418,594 | 10,656,459 | 76,425,431 | 75,871,145 |
| Expenses: | | | | | | |
| General government | 6,051,310 | 3,287,085 | - | - | 6,051,310 | 3,287,085 |
| Public safety | 16,897,964 | 15,951,110 | - | - | 16,897,964 | 15,951,110 |
| Economic and physical development | 2,222,901 | 4,828,511 | - | - | 2,222,901 | 4,828,511 |
| Human services | 15,165,042 | 14,640,156 | - | - | 15,165,042 | 14,640,156 |
| Cultural and recreation | 454,070 | 444,070 | - | - | 454,070 | 444,070 |
| Education | 19,283,260 | 18,658,263 | - | - | 19,283,260 | 18,658,263 |
| Interest and fees on long-term debt | 741,347 | 611,982 | - | - | 741,347 | 611,982 |
| Water and Solid Waste | - | - | 11,563,203 | 10,456,966 | 11,563,203 | 10,456,966 |
| Total expenses | 60,815,894 | 58,421,177 | 11,563,203 | 10,456,966 | 72,379,097 | 68,878,143 |
| Increase in net position before transfers and special items | 4,190,943 | 6,793,509 | (144,609) | 199,493 | 4,046,334 | 6,993,002 |
| Transfers and special items | (160,000) | - | 160,000 | - | - | - |
| Increase in net position after transfers and special items | 4,030,943 | 6,793,509 | 15,391 | 199,493 | 4,046,334 | 6,993,002 |
| Net position, beginning | 25,690,180 | 30,448,015 | 30,085,809 | 30,444,800 | 55,775,989 | 60,892,815 |
| Restatement | - | (11,551,344) | - | (558,484) | - | - |
| Net position, beginning, restated | 25,690,180 | 18,896,671 | 30,085,809 | 29,886,316 | 55,775,989 | 48,782,987 |
| Net position, ending | \$ 29,721,123 | \$ 25,690,180 | \$ 30,101,200 | \$ 30,085,809 | \$ 59,822,323 | \$ 55,775,989 |

Governmental activities. Governmental activities increased the County's net position by \$4,030,943 during the fiscal year. Key elements of this increase include:

- Capital grants and contributions totaling \$1,262,067
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 4.67% less than budgeted in FY 2018-2019

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities. Business-type activities increased Beaufort County's net position by \$15,391. Key elements of this increase include:

- Capital grants and contributions totaling \$241,977
- Increase in water sales revenue

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Beaufort County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Beaufort County's financing requirements. Specifically, fund balance available for appropriations can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of Beaufort County. At the end of the current fiscal year, Beaufort County's fund balance available in the General Fund was \$16,451,137, while total fund balance reached \$21,370,871. The Beaufort County Board of Commissioners has determined that the County should strive to maintain an available fund balance of 35% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 27.98% of general fund expenditures, while total fund balance represents 36.35% of that same amount.

At June 30, 2019, the governmental funds of Beaufort County reported a combined fund balance of \$29,072,245, a 6.26% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Differences between the original budgeted revenues and final budgeted revenues for the General Fund amounted to a \$1,109,489 increase and are summarized as follows:

- \$1,024,401 increase in restricted governmental revenues
- \$88 increase in sales and service
- \$85,000 increase in investment earnings

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$1,414,582 increase and are summarized as follows:

- \$284,451 increase in general government activity
- \$352,138 increase in public safety
- \$61,250 increase in economic and physical development
- \$654,143 increase in human services
- \$32,600 increase in education

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Transfers and appropriation of fund balance rebalanced the General Fund as follows:

- Additional transfers to other funds \$1,832,241, and \$16,306 was budgeted to be transferred back into the General Fund.
- \$612,324 in fund balance was appropriated to be spent during FY 18/19; however, additional funds were appropriated for major capital improvements and expenses noted above. Additional fund balance appropriated totaled \$2,106,028.

During the year, General Fund revenue came in 1.90% higher than budgetary estimates and actual expenditures came in 4.67% lower than appropriations. Originally, \$612,324 in fund balance was expected to be used; however, none was actually needed since revenues exceeded budgeted amounts and expenditures came in less than budgeted.

Proprietary Funds. Beaufort County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts and the Solid Waste Fund equaled \$7,577,727 at June 30, 2019. There was an increase in net position of \$24,805. The water districts reported a net increase of \$126,627 as a result of increased rates.

Net position in the Solid Waste Fund decreased by \$101,822 as a result of operations during the fiscal year, mainly as a result of expenditures increasing 15.5% over the previous year. The County experienced additional tonnage charges as a result of hurricane waste. The County is attempting to recoup these costs from the federal and State government.

Capital Asset and Debt Administration

Capital Assets. Beaufort County's capital assets for its governmental and business – type activities as of June 30, 2019, totals \$84,387,110 (net of accumulated depreciation). This investment in capital assets includes buildings, land, equipment, vehicles, water utility system, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was \$2,852,206, a 4.49% increase for governmental activities and a 3.13% increase for business-type activities.

Major capital asset transactions during the year include:

- Various roofing projects on public buildings were completed totaling \$264,869
- Renovations to the Financial Services Center building were finalized at a total cost of \$604,045
- Generator at Seaboard Building totaling \$144,523
- New phone installation at the main campus and DSS at a cost of \$164,250
- Purchased a used FEMA Mobile Home for Solid Waste in the amount of \$31,849
- Site work / paving of the parking lot at the Tideland Building and County Attorney's Building totaled \$132,992
- The Liquid Chlorine Conversion Projects began and \$50,000 was spent in FY 18/19
- Phase II of the Northside Emergency Generator Project started with \$104,269 being spend during the year
- Year 1 of a 2 year Advanced Metering Infrastructure Project began and incurred \$3,680,706 in expenditures
- Vehicles were placed in various departments throughout the year including the Sheriff's Office, EMS, Emergency Management, Tax, Environmental Health, and Water

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

BEAUFORT COUNTY'S CAPITAL ASSETS
(net of depreciation)

Figure 4

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 6,853,330 | \$ 6,853,330 | \$ 108,157 | \$ 108,157 | \$ 6,961,487 | \$ 6,961,487 |
| Building and system | 10,284,699 | 9,976,036 | 56,288,846 | 58,369,963 | 66,573,545 | 68,345,999 |
| Machinery and equipment | 2,964,196 | 2,264,147 | 677,003 | 214,101 | 3,641,199 | 2,478,248 |
| Construction in progress | 3,128,242 | 3,139,121 | 4,082,637 | 610,049 | 7,210,879 | 3,749,170 |
| Total | \$ 23,230,467 | \$ 22,232,634 | \$ 61,156,643 | \$ 59,302,270 | \$ 84,387,110 | \$ 81,534,904 |

Additional information on the County's capital assets can be found beginning on page 38 of this audited financial report.

Long-term Debt. As of June 30, 2019, Beaufort County had total debt outstanding of \$56,933,088, all of which is backed by the full faith and credit of the County. Of this amount, \$14,015,000 is owed in general obligation school bonds, \$32,520,000 is outstanding for the Water District limited obligation bonds, and \$10,398,088 is obligated for installment note balances.

BEAUFORT COUNTY'S OUTSTANDING DEBT
General Obligation and Installment Debt

Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General Obligation Bonds | \$14,015,000 | \$15,704,000 | \$ - | \$ - | \$14,015,000 | \$15,704,000 |
| Limited Obligation Bonds | - | - | 32,520,000 | 33,755,000 | 32,520,000 | 33,755,000 |
| Installment Purchases | 4,388,088 | 4,634,372 | 6,010,000 | 1,870,000 | 10,398,088 | 6,504,372 |
| Total | \$ 18,403,088 | \$ 20,338,372 | \$ 38,530,000 | \$ 35,625,000 | \$ 56,933,088 | \$ 55,963,372 |

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Beaufort County is \$440,617,534.

Additional information regarding Beaufort County's long-term debt can be found beginning on page 54 of this audited financial report.

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

The original General Fund budget for FY 2019-2020 totals \$59,638,743, an increase of \$1,149,950 when compared to the FY 2018-2019 original budget of \$58,488,793. The reason for the increase is due to a two cent adjustment in the tax rate to provide funding for the schools and county facility maintenance. General Fund departments generally experienced slightly higher budgets in FY 19/20 compared to FY 18/19 due to employees receiving a 2% cost of living adjustment effective July 1, 2019 as well as the significant increase in the Local Government Employees Retirement System county contribution.

There is \$215,000 General Fund contingency for FY 2019-2020 as well as adequate fund balance available for appropriation at the Board's discretion should emergency items come up during the year.

The operation of the seven water districts into a single operational water system under an inter-local operating agreement between the County and Districts began July 1, 2018 and continues. As part of the consolidation, a rate study was performed in 2018 that transforms the seven different district water rates into one uniform rate, over a five year period. FY 19-20 will be year two of the plan. The water system's advanced metering infrastructure project also continued during the year and is expected to be completed in the spring of 2020.

Budget Highlights for Fiscal Year Ending June 30, 2020

The following factors were also considered when preparing the County's budget for fiscal year 2019-2020:

- The unemployment rate for Beaufort County is currently 5.2%, an increase of .5% from a rate of 4.7% in 2018. This compares unfavorably to the State's average unemployment rate of 4.3% and a national average of 3.8%.
- Ad valorem tax collections are expected to remain at 98%.
- Sales tax collections are expected to remain constant due to positive economic conditions.
- The property tax rate was adjusted to \$.635/\$100 assessed valuation for the 2019 levy.
- The water system rates were adjusted as part of a 5 year uniform rate plan among the seven districts while providing funds for operations, capital needs, and building reserve funds for future debt service on the limited obligation bonds.
- The annual Solid Waste fee increased from \$145 to \$155 to cover the increases in waste tonnage and provide funds for maintenance of the convenience sites.

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

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

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

BASIC
FINANCIAL STATEMENTS

Beaufort County, North Carolina
Statement of Net Position
June 30, 2019

| | Primary Government | | | Component Unit |
|--|------------------------------------|-------------------------------------|-----------------------|--------------------------------------|
| | Governmental Activities | Business-type Activities | Total | Beaufort County ABC Board |
| ASSETS | | | | |
| Cash and cash investments | \$ 24,942,146 | \$ 8,178,077 | \$ 33,120,223 | \$ 1,115,027 |
| Taxes receivable (net) | 1,725,714 | - | 1,725,714 | - |
| Accounts receivables (net) | 4,969,995 | 2,118,046 | 7,088,041 | - |
| Internal balances | - | - | - | - |
| Net pension asset | 76,023 | - | 76,023 | - |
| Inventories | - | - | - | 712,425 |
| Prepaid items | 34,725 | - | 34,725 | - |
| Restricted cash and cash equivalents | 335,314 | 1,907,267 | 2,242,581 | - |
| Capital assets: | | | | |
| Land, improvements, and construction in progress | 9,981,572 | 4,190,794 | 14,172,366 | 350,834 |
| Other capital assets, net of depreciation | 13,248,895 | 56,965,849 | 70,214,744 | 701,320 |
| Total capital assets | <u>23,230,467</u> | <u>61,156,643</u> | <u>84,387,110</u> | <u>1,052,154</u> |
| Total assets | <u>\$ 55,314,384</u> | <u>\$ 73,360,033</u> | <u>\$ 128,674,417</u> | <u>\$ 2,879,606</u> |
| DEFERRED OUTFLOWS OF RESOURCE | <u>\$ 5,965,765</u> | <u>\$ 565,215</u> | <u>\$ 6,530,980</u> | <u>\$ 160,648</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 1,203,449 | \$ 1,695,080 | \$ 2,898,529 | \$ 501,135 |
| Accrued interest payable | 124,108 | 117,705 | 241,813 | - |
| Customer deposits | - | 116,025 | 116,025 | - |
| Long-term liabilities: | | | | |
| Due within one year | 2,391,045 | 1,853,770 | 4,244,814 | - |
| Due in more than one year | 27,510,188 | 39,999,351 | 67,509,539 | 157,320 |
| Total long-term liabilities | <u>29,901,232</u> | <u>41,853,121</u> | <u>71,754,353</u> | <u>157,320</u> |
| Total liabilities | <u>\$ 31,228,789</u> | <u>\$ 43,781,931</u> | <u>\$ 75,010,720</u> | <u>\$ 658,455</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>\$ 330,237</u> | <u>\$ 42,117</u> | <u>\$ 372,354</u> | <u>\$ 2,686</u> |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 20,148,492 | \$ 22,532,887 | \$ 42,681,379 | \$ 1,052,154 |
| Restricted for: | | | | |
| State Statute | 4,944,253 | - | 4,944,253 | - |
| Other | 4,529,219 | - | 4,529,219 | - |
| Working capital | - | - | - | 177,777 |
| Unrestricted (deficit) | 99,159 | 7,568,313 | 7,667,472 | 1,149,182 |
| Total net position | <u>\$ 29,721,123</u> | <u>\$ 30,101,200</u> | <u>\$ 59,822,323</u> | <u>\$ 2,379,113</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, 2019**

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Beaufort County ABC Board |
|--|------------------|-------------------------|---------------------------------------|-------------------------------------|---|-----------------------------|----------------|------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-type Activities | | |
| Primary government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 6,051,310 | \$ 1,090,066 | \$ 20,411 | \$ - | \$ (4,940,833) | \$ - | \$ (4,940,833) | \$ - |
| Public safety | 16,897,964 | 2,005,112 | 1,561,942 | - | (13,330,910) | - | (13,330,910) | - |
| Economic and physical development | 2,222,901 | - | - | 772,067 | (1,450,834) | - | (1,450,834) | - |
| Human services | 15,165,042 | 282,563 | 7,866,503 | - | (7,015,976) | - | (7,015,976) | - |
| Environmental Protection | - | - | 25,337 | - | 25,337 | - | - | - |
| Cultural and recreation | 454,070 | - | - | - | (454,070) | - | (454,070) | - |
| Education | 19,283,260 | - | - | 490,000 | (18,793,260) | - | (18,793,260) | - |
| Interest on long-term debt | 741,347 | - | - | - | (741,347) | - | (741,347) | - |
| Total governmental activities | 60,815,894 | 3,377,741 | 9,474,193 | 1,262,067 | (46,701,893) | - | (46,701,893) | - |
| Business-type activities: | | | | | | | | |
| Solid Waste | 3,849,243 | 3,574,051 | - | - | - | (275,192) | (275,192) | - |
| Water Districts | 7,713,960 | 7,346,214 | - | 241,977 | - | (125,769) | (125,769) | - |
| Total business-type activities | 11,563,203 | 10,920,265 | - | 241,977 | - | (400,961) | (400,961) | - |
| Total primary government | 72,379,097 | 14,298,006 | 9,474,193 | 1,504,044 | (46,701,893) | (400,961) | (47,102,854) | - |
| Component Units: | | | | | | | | |
| Beaufort County ABC Board | 5,841,715 | 5,989,345 | - | - | - | - | - | 147,630 |
| Total component units | \$ 5,841,715 | \$ 5,989,345 | \$ - | \$ - | - | - | - | 147,630 |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 39,639,718 | - | 39,639,718 | - |
| Local option sales tax | | | | | 9,779,294 | - | 9,779,294 | - |
| Other taxes and licenses | | | | | 203,807 | - | 203,807 | - |
| Investment earnings, unrestricted | | | | | 534,368 | 248,696 | 783,064 | 3,891 |
| Miscellaneous, unrestricted | | | | | 735,649 | 7,656 | 743,305 | - |
| Transfers | | | | | (160,000) | 160,000 | - | - |
| Total general revenues, special items, and transfers | | | | | 50,732,836 | 416,352 | 51,149,188 | 3,891 |
| Change in net position | | | | | 4,030,943 | 15,391 | 4,046,334 | 151,521 |
| Net position-beginning | | | | | 25,690,180 | 30,085,809 | 55,775,989 | 2,227,592 |
| Net position-ending | | | | | \$ 29,721,123 | \$ 30,101,200 | \$ 59,822,323 | \$ 2,379,113 |

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

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

| | Major Governmental Funds | Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------------------|---------------------------------|--------------------------------|
| | General | Other Governmental Funds | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 20,017,659 | \$ 4,924,487 | \$ 24,942,146 |
| Taxes Receivable, net | 1,275,588 | 178,319 | 1,453,907 |
| Accounts Receivable, net | 4,587,904 | 382,091 | 4,969,995 |
| Due from other funds | 297,105 | 3,112,911 | 3,410,016 |
| Cash and cash equivalents-Restricted | 335,314 | - | 335,314 |
| Prepaid Expenses | 34,725 | - | 34,725 |
| Total assets | <u>\$ 26,548,295</u> | <u>\$ 8,597,808</u> | <u>\$ 35,146,103</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenses | \$ 782,439 | \$ 421,010 | \$ 1,203,449 |
| Due to other funds | 3,112,911 | 297,105 | 3,410,016 |
| Total liabilities | <u>3,895,350</u> | <u>718,115</u> | <u>4,613,465</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Taxes Receivable | 1,275,588 | 178,319 | 1,453,907 |
| Prepaid Taxes | 6,486 | - | 6,486 |
| Total deferred inflows of resources | <u>1,282,074</u> | <u>178,319</u> | <u>1,460,393</u> |
| Fund balances: | | | |
| Nonspendable: | | | |
| Advance to General Fund | - | 3,112,911 | 3,112,911 |
| Prepaid Expenses | 34,725 | - | 34,725 |
| Restricted: | | | |
| State statue | 4,885,009 | 59,244 | 4,944,253 |
| Other | - | 4,529,219 | 4,529,219 |
| Committed: | | | |
| Tax Revaluation | 335,314 | - | 335,314 |
| Assigned: | | | |
| Subsequent year's expenditures | 136,395 | - | 136,395 |
| Unassigned: | 15,979,428 | - | 15,979,428 |
| Total fund balances | <u>21,370,871</u> | <u>7,701,374</u> | <u>29,072,245</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 26,548,295</u> | <u>\$ 8,597,808</u> | <u>\$ 35,146,103</u> |

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

Beaufort County, North Carolina
Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position
June 30, 2019

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

| | |
|--|----------------------|
| Total Fund Balance - Governmental Funds | \$ 29,072,245 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 23,230,467 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds. | 271,807 |
| Net Pension Asset | 76,023 |
| Deferred outflows of resources: | |
| Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position | |
| LGERS | 1,223,294 |
| ROD | 5,623 |
| Pension related deferrals | |
| LGERS | 3,364,018 |
| ROD | 16,363 |
| LEOSSA | 52,930 |
| OPEB related deferrals | 646,045 |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 37,667 |
| Benefit payments for the OPEB plan paid subsequent to the measurement date | 72,928 |
| Deferred charges on refunding reported in governmental activities are not required in the funds | 546,897 |
| Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide. | 1,453,907 |
| Pension Related Deferrals | |
| LGERS | (134,292) |
| ROD | (5,112) |
| LEOSSA | (102,342) |
| OPEB related deferrals | (82,005) |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements: | |
| Bonds, leases, and installment financing | (19,114,695) |
| Compensated absences | (1,432,842) |
| Net OPEB Liability | (2,393,540) |
| Net Pension Liability | (5,896,853) |
| Total Pension Liability | (1,063,302) |
| Accrued interest payable | (124,108) |
| Net position of governmental activities | <u>\$ 29,721,123</u> |

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

| | <u>Major</u> | <u>Non-Major Governmental Funds</u> | <u>Total</u> |
|--|----------------------|---|-------------------------------|
| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Governmental Funds</u> |
| REVENUES | | | |
| Ad valorem taxes | \$ 35,500,043 | \$ 3,744,767 | \$ 39,244,810 |
| Local option sales tax | 9,779,294 | - | 9,779,294 |
| Other taxes and licenses | 203,808 | - | 203,808 |
| Unrestricted intergovernmental | 213,997 | - | 213,997 |
| Restricted intergovernmental | 10,516,144 | 991,272 | 11,507,416 |
| Permits and fees | 455,413 | - | 455,413 |
| Sales and services | 2,759,039 | - | 2,759,039 |
| Investment earnings | 524,554 | 9,814 | 534,368 |
| Miscellaneous | 155,909 | 109,387 | 265,296 |
| Total revenues | <u>60,108,201</u> | <u>4,855,240</u> | <u>64,963,441</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 6,172,979 | - | 6,172,979 |
| Public safety | 12,657,699 | 4,026,637 | 16,684,336 |
| Economic and physical development | 910,848 | 2,211,720 | 3,122,568 |
| Human services | 14,936,987 | 29,779 | 14,966,766 |
| Cultural and recreational | 454,070 | - | 454,070 |
| Education | 19,125,697 | - | 19,125,697 |
| Debt service: | | | |
| Principal | 1,935,285 | - | 1,935,285 |
| Interest and other charges | 628,724 | - | 628,724 |
| Total expenditures | <u>56,822,289</u> | <u>6,268,136</u> | <u>63,090,425</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,285,912</u> | <u>(1,412,896)</u> | <u>1,873,016</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 16,306 | 1,790,935 | 1,807,241 |
| Transfers (out) | <u>(1,967,241)</u> | <u>-</u> | <u>(1,967,241)</u> |
| Total other financing sources and uses | <u>(1,950,935)</u> | <u>1,790,935</u> | <u>(160,000)</u> |
| Net change in fund balance | 1,334,977 | 378,039 | 1,713,016 |
| Fund balances-beginning | <u>20,035,894</u> | <u>7,323,335</u> | <u>27,359,229</u> |
| Fund balances-ending | <u>\$ 21,370,871</u> | <u>\$ 7,701,374</u> | <u>\$ 29,072,245</u> |

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

Beaufort County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

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

| | |
|--|---------------------|
| Net changes in fund balances - total governmental funds | \$ 1,713,016 |
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | 2,441,248 |
| 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. | (1,116,053) |
| Gain (Loss) on Disposals - amount by which cost exceeded accumulated | (351,512) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 1,228,917 |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position. | 37,667 |
| Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position. | 72,928 |
| New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position. | - |
| Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements. | 1,935,285 |
| Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. | |
| Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual). | (124,108) |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources. | (241,376) |
| County's portion of collective pension expense | (1,734,263) |
| OPEB Expense | (251,764) |
| Landfill postclosure cost | 14,565 |
| Amortized premium / discount | 11,485 |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements. | |
| Increase (decrease) in deferred revenue | 123,101 |
| Increase (decrease) in accrued taxes receivable | 271,807 |
| Total changes in net position of governmental activities | <u>\$ 4,030,943</u> |

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2019

| | General Fund | | | |
|---|----------------------|----------------------|-----------------------|--|
| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
| Revenues: | | | | |
| Ad valorem taxes | \$ 35,200,527 | \$ 35,200,527 | \$ 35,500,043 | \$ 299,516 |
| Local option sales tax | 9,159,361 | 9,159,361 | 9,779,294 | 619,933 |
| Other taxes and licenses | 200,700 | 200,700 | 203,808 | 3,108 |
| Unrestricted intergovernmental | 219,000 | 219,000 | 213,997 | (5,003) |
| Restricted intergovernmental | 9,693,324 | 10,717,725 | 10,516,144 | (201,581) |
| Permits and fees | 347,950 | 347,950 | 455,413 | 107,463 |
| Sales and services | 2,741,607 | 2,741,695 | 2,759,039 | 17,344 |
| Investment earnings | 220,000 | 305,000 | 523,246 | 218,246 |
| Miscellaneous | 94,000 | 94,000 | 155,909 | 61,909 |
| Total revenues | <u>\$ 57,876,469</u> | <u>\$ 58,985,958</u> | <u>\$ 60,106,893</u> | <u>\$ 1,120,935</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | \$ 6,223,015 | \$ 6,507,466 | \$ 6,149,084 | \$ 358,382 |
| Public safety | 12,734,255 | 13,086,393 | 12,657,699 | 428,694 |
| Economic and physical development | 974,430 | 1,035,680 | 910,848 | 124,832 |
| Human services | 15,748,344 | 16,402,487 | 14,936,987 | 1,465,500 |
| Cultural and recreational | 464,870 | 494,870 | 454,070 | 40,800 |
| Education | 19,125,697 | 19,158,297 | 19,125,697 | 32,600 |
| Debt service: | | | | |
| Principal retirement | 2,267,406 | 2,267,406 | 1,935,285 | 332,121 |
| Interest and other charges | 628,726 | 628,726 | 628,724 | 2 |
| Total expenditures | <u>\$ 58,166,743</u> | <u>\$ 59,581,325</u> | <u>\$ 56,798,394</u> | <u>\$ 2,782,931</u> |
| Revenues over (under) expenditures | <u>\$ (290,274)</u> | <u>\$ (595,367)</u> | <u>\$ 3,308,499</u> | <u>\$ 3,903,866</u> |
| Other financing sources (uses): | | | | |
| Transfer - Out | \$ (297,050) | \$ (2,129,291) | \$ (2,129,291) | \$ - |
| Transfer - In | - | 16,306 | 16,306 | - |
| Fund balance appropriated | 612,324 | 2,718,352 | - | (2,718,352) |
| Contingency | (25,000) | (10,000) | - | 10,000 |
| Total other financing sources (uses) | <u>\$ 290,274</u> | <u>\$ 595,367</u> | <u>\$ (2,112,985)</u> | <u>\$ (2,708,352)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>1,195,514</u> | <u>\$ 1,195,514</u> |
| Fund balances: | | | | |
| Beginning of year, July 1 | | | <u>19,840,043</u> | |
| End of year, June 30 | | | <u>\$ 21,035,557</u> | |
| A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes: | | | | |
| Investment Earnings | | | 1,308 | |
| Transfer from General Fund | | | 162,050 | |
| Expenditures | | | (23,895) | |
| Fund balance, beginning of year | | | <u>195,851</u> | |
| Fund balance, ending (Exhibit 4) | | | <u>\$ 21,370,871</u> | |

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

Beaufort County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

| | MAJOR | | Totals |
|--|-------------------|----------------------|----------------------|
| | Solid Waste | Water Districts | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 321,056 | 7,857,021 | \$ 8,178,077 |
| Accounts receivable (net) | 663,113 | 1,454,933 | 2,118,046 |
| Due from other funds | - | - | - |
| Total current assets | <u>984,169</u> | <u>9,311,954</u> | <u>10,296,123</u> |
| Noncurrent assets: | | | |
| Restricted - cash and cash equivalents | - | 1,907,267 | 1,907,267 |
| Capital assets: | | | |
| Land and Improvements | 2,368 | 105,789 | 108,157 |
| Construction in process | - | 4,082,637 | 4,082,637 |
| Buildings, Improvements, and Equipment | 236,428 | 79,685,656 | 79,922,084 |
| Less accumulated depreciation | (229,401) | (22,726,834) | (22,956,235) |
| Total capital assets | <u>9,395</u> | <u>61,147,248</u> | <u>61,156,643</u> |
| Total noncurrent assets | <u>9,395</u> | <u>63,054,515</u> | <u>63,063,910</u> |
| Total assets | <u>993,564</u> | <u>72,366,469</u> | <u>73,360,033</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension deferrals | - | 271,534 | 271,534 |
| OPEB deferrals | - | 293,681 | 293,681 |
| Total deferred outflows of resources | <u>-</u> | <u>565,215</u> | <u>565,215</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 299,721 | 1,395,359 | 1,695,080 |
| Accrued interest payable | - | 117,705 | 117,705 |
| Customer deposits | - | 116,025 | 116,025 |
| Compensated absences | - | 22,942 | 22,942 |
| Installment purchase | - | 410,000 | 410,000 |
| Limited obligation bonds | - | 1,305,000 | 1,305,000 |
| Original issue discount / premium | - | 115,828 | 115,828 |
| Total current liabilities | <u>299,721</u> | <u>3,482,859</u> | <u>3,782,580</u> |
| Noncurrent liabilities: | | | |
| Installment purchase | - | 6,802,000 | 6,802,000 |
| Limited Obligation Bonds | - | 30,013,000 | 30,013,000 |
| Net pension liability | - | 349,049 | 349,049 |
| Net OPEB Liability | - | 997,306 | 997,306 |
| Original issue discount / premium | - | 1,769,171 | 1,769,171 |
| Compensated Absences | - | 68,825 | 68,825 |
| Total noncurrent liabilities | <u>-</u> | <u>39,999,351</u> | <u>39,999,351</u> |
| Total liabilities | <u>299,721</u> | <u>43,482,210</u> | <u>43,781,931</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension deferrals | - | 7,949 | 7,949 |
| OPEB deferrals | - | 34,168 | 34,168 |
| Total deferred inflows of resources | <u>-</u> | <u>42,117</u> | <u>42,117</u> |
| NET POSITION | | | |
| Net investment in capital assets | 9,395 | 22,523,492 | 22,532,887 |
| Unrestricted | 684,448 | 6,883,865 | 7,568,313 |
| Total net position | <u>\$ 693,843</u> | <u>\$ 29,407,357</u> | <u>\$ 30,101,200</u> |

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2019

| | MAJOR | | |
|---|-------------------|----------------------|----------------------|
| | Solid Waste | Water Districts | Totals |
| Revenues: | | | |
| Operating Revenues: | | | |
| Water sales | \$ - | \$ 6,913,262 | \$ 6,913,262 |
| Tap on fees | - | 173,051 | 173,051 |
| Solid Waste fees | 3,509,108 | - | 3,509,108 |
| Miscellaneous Revenue | 64,943 | 259,901 | 324,844 |
| Total Operating Revenues | <u>3,574,051</u> | <u>7,346,214</u> | <u>10,920,265</u> |
| Expenditures: | | | |
| Operating Expenses: | | | |
| Salaries and employee benefits | 12,698 | 1,418,121 | 1,430,819 |
| Water purchase | - | 895,058 | 895,058 |
| Water operations and maintenance | - | 1,687,978 | 1,687,978 |
| Solid waste operations and maintenance | 3,835,543 | - | 3,835,543 |
| Depreciation | 1,002 | 2,161,944 | 2,162,946 |
| Total Expenditures | <u>3,849,243</u> | <u>6,163,101</u> | <u>10,012,344</u> |
| Operating income (loss) | <u>(275,192)</u> | <u>1,183,113</u> | <u>907,921</u> |
| Nonoperating Revenues (Expenses) | | | |
| Rent | 7,656 | - | 7,656 |
| Interest Earned on Investments | 5,714 | 242,982 | 248,696 |
| Interest Expense | - | (1,550,859) | (1,550,859) |
| Total Nonoperating Revenues (Expenses) | <u>13,370</u> | <u>(1,307,877)</u> | <u>(1,294,507)</u> |
| Income (Loss) before contributions and transfers | (261,822) | (124,764) | (386,586) |
| Transfers in (out) | 160,000 | - | 160,000 |
| Capital contributions | - | 226,330 | 226,330 |
| Installment proceeds | - | 15,647 | 15,647 |
| Change in net position | (101,822) | 117,213 | 15,391 |
| Total net position, beginning | <u>795,665</u> | <u>29,290,144</u> | <u>30,085,809</u> |
| Total net position, ending | <u>\$ 693,843</u> | <u>\$ 29,407,357</u> | <u>\$ 30,101,200</u> |

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

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For The Fiscal Year Ended June 30, 2019

| | MAJOR | | Totals |
|--|-------------------|---------------------|----------------------|
| | Solid Waste | Water Districts | June 30, 2019 |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 3,504,974 | \$ 7,310,003 | \$ 10,814,977 |
| Cash paid for goods and services | (3,815,035) | (2,720,743) | (6,535,778) |
| Cash paid to employees for services | (12,698) | (1,299,347) | (1,312,045) |
| Customer deposits received | - | 25,800 | 25,800 |
| Net cash provided (used) by operating activities | <u>(322,759)</u> | <u>3,315,713</u> | <u>2,992,954</u> |
| Cash flows from noncapital financing activities | | | |
| Transfers in (out) | 160,000 | - | 160,000 |
| Miscellaneous | 7,656 | - | 7,656 |
| Interest on Investments | 5,714 | 242,982 | 248,696 |
| Due from other funds | - | - | - |
| Net cash provided (used) by noncapital financial activities | <u>173,370</u> | <u>242,982</u> | <u>416,352</u> |
| Cash flows from capital and related financing activities: | | | |
| Acquisition and construction of capital assets | - | (3,028,546) | (3,028,546) |
| Principal paid on bond maturities and equipment contracts | - | (1,595,000) | (1,595,000) |
| Interest paid on bond maturities and equipment contracts | - | (1,522,911) | (1,522,911) |
| Proceeds from long term borrowing | - | 4,500,000 | 4,500,000 |
| Capital contributions | - | - | - |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>(1,646,457)</u> | <u>(1,646,457)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(149,389)</u> | <u>1,912,238</u> | <u>1,762,849</u> |
| Cash and cash equivalents, July 1 | <u>470,445</u> | <u>7,852,050</u> | <u>8,322,495</u> |
| Cash and cash equivalents, June 30 | <u>\$ 321,056</u> | <u>\$ 9,764,288</u> | <u>\$ 10,085,344</u> |

(continued)

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For The Fiscal Year Ended June 30, 2019

| | MAJOR | | |
|---|---------------------|---------------------|---------------------|
| | Solid Waste | Water Districts | June 30, 2019 |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income (loss) | \$ (275,192) | \$ 1,183,113 | \$ 907,921 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | \$ 1,002 | \$ 2,161,944 | \$ 2,162,946 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | (69,077) | (36,211) | (105,288) |
| (Increase) decrease in deferred outflows of resources for pensions | - | (82,453) | (82,453) |
| (Increase) decrease in deferred outflows of resources - OPEB | - | (257,514) | (257,514) |
| Increase (decrease) in accounts payable and accrued liabilities | 20,508 | (137,707) | (117,199) |
| Increase (decrease) in deposits | - | 25,800 | 25,800 |
| Increase (decrease) in OPEB | - | 343,370 | 343,370 |
| Increase (decrease) in deferred inflows - pensions | - | (886) | - |
| Increase (decrease) in deferred inflows - OPEB | - | (5,450) | - |
| Increase (decrease) in net pension liability | - | 104,639 | 104,639 |
| Increase (decrease) in compensated absences | - | 17,068 | 17,068 |
| Total adjustments | <u>(47,567)</u> | <u>2,132,600</u> | <u>2,091,369</u> |
| Net cash provided (used) by operating activities | \$ <u>(322,759)</u> | \$ <u>3,315,713</u> | \$ <u>2,992,954</u> |

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

Beaufort County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

| | | Agency Funds |
|--|----|-----------------|
| Assets | | |
| Cash and investments | \$ | 266,814 |
| Taxes receivable | | 404,646 |
| Total Assets | \$ | 671,460 |
| Liabilities and Net Position | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ | 671,460 |
| Total liabilities | | 671,460 |
| Net position: | | |
| Held in trust (Fiduciary net assets) | \$ | - |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

| Component Unit | Reporting Method | Criteria for Inclusion | For Separate Financial |
|---------------------------------------|------------------|---|---|
| Beaufort County Water Districts I-VII | Blended | Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the districts. | None Issued |
| Beaufort County ABC Board | Discrete | The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County. | Beaufort County ABC Board PO Box 552 Washington, NC 27889 |

B. Basis of Presentation – Basis of Accounting

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

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

Solid Waste Fund – This fund is used to account for the operations of the Solid Waste department within the County. The Landfill Cap Work Project Funds is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; the Inmate Fund, which accounts for monies deposited with the Sheriff’s Office; Tax Collections Fund, which accounts for property taxes that are billed and collected by the County for various municipalities within the County; the Drainage Assessments Fund, which accounts for drainage assessments that are billed and collected by the County for various drainage districts within the County; the 4-H Fund, which accounts for the 4-H funds that the organization uses to run their program within the County; and the Cooperative Extension, which accounts for funds that are provided by seed manufacturers and fertilizer companies for use in the cooperative extension’s annual field days, test plots, and demonstrations on the research conducted specific to the funding received.

Nonmajor Funds . The County maintains twenty-six legally budgeted nonmajor governmental funds. The HCCBG – Aging Fund, Economic Development Fund, the Fire and Rescue Tax Districts Fund, the Emergency Telephone System Fund, the State and Federal Seizures Fund, and the Healthcare Reserve Fund are reported as nonmajor special revenue funds. The One NC Grant Fund, the FY 17/18 Capital Improvements Fund, the two Hazard Mitigation Funds, five FEMA Flood Mitigation Funds, two CDBG Grant Funds, one North Carolina Rural Economic Development Fund, the Stream Debris Removal Fund, the Jail Locking System Improvement Fund, the Radio System Project Fund, the Coastal Management Grant Fund, the PARTF Wright’s Creek Phase II Project Fund, and the Capital Reserve Fund are reported as nonmajor capital projects funds.

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with the change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund. Expenditures may not legally exceed appropriations at the fund level for all other annually budgeted funds and at the project level for multi-year funds. Amendments are required for revisions that alter total expenditures of any fund or that change functional appropriations. The governing board must approve amendments that increase the overall fund budget. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

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

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

The County 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, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Non-participating interest earnings and investment contracts are reported at cost.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

| Beaufort County Restricted Cash | |
|-------------------------------------|--------------|
| Governmental Activities | |
| General Fund | |
| Tax Revaluation | \$ 335,314 |
| Total Governmental Activities | 335,314 |
| Business-Type Activities | |
| Water Districts | |
| Customer deposits | 116,025 |
| Unspent debt proceeds | 1,791,242 |
| Total Business-Type Activities | 1,907,267 |
| Total Restricted Cash | \$ 2,242,581 |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County’s General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Inventories

The inventories of the ABC Board are valued at the lower of cost or market and consist of products held for resale. The cost of this inventory is charged to cost of sales as the inventory is sold.

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. The County’s minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant distributions systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

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

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

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

8. Deferred outflows/inflows of resources

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

9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policies of the County and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019, are recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. However, if an employee leaves the County anytime during the year, they will be paid for their full leave balance even if it is over 240 hours.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component unit.

11. Net Position/Fund Balances

Net Position

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2019, nonspendable fund balance consists of the advance to the General Fund from the Healthcare Reserve Fund and prepaid expenses.

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

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

Restricted for Other – portion of fund balance that is restricted by revenue source for nonmajor fund Special Revenue and Capital Project expenditures.

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

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

| Purpose | General Fund | Other Governmental Funds |
|-----------------|--------------|--------------------------------|
| Tax revaluation | \$ 335,314 | \$ - |
| Total | \$ 335,314 | \$ - |

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

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

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

| | |
|-----------------------------------|----------------------|
| Total fund balance - General Fund | \$ 21,370,871 |
| Less: | |
| Stabilization by State statute | 4,885,009 |
| Tax Revaluation | 335,314 |
| Subsequent year's expenditures | 136,395 |
| Total available fund balance | <u>\$ 16,014,153</u> |

12. Accounting Estimates

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

13. Defined Benefits Pension and OPEB Plans

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$717,212 consists of the following:

| Description | Amount |
|---|--------------------------|
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column). | \$ 36,369,487 |
| Less accumulated depreciation | <u>(13,139,020)</u> |
| Net capital assets | 23,230,467 |
| Net pension asset | 76,023 |
| Contribution to the pension plan in the current fiscal year | 1,228,917 |
| Contribution to the OPEB plan in the current fiscal year | 72,928 |
| Benefits payments and pension administration costs for LEOSSA | 37,667 |
| Pension related deferrals | 3,191,565 |
| OPEB related deferrals | 564,040 |
| Deferred charges on refunding reported in governmental activities are not required in the | 546,897 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds (accrued interest on taxes receivable) | 271,807 |
| Liabilities for deferred inflows of resources reported in the fund statements but not the | 1,453,907 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the funds statements: | |
| Bonds, leases, and installment financing | (19,114,695) |
| Net pension obligation | (1,063,302) |
| Net OPEB liability | (2,393,540) |
| Net pension liability | (5,896,853) |
| Compensated absences | (1,432,842) |
| Accrued interest payable | <u>(124,108)</u> |
| | <u>(30,025,340)</u> |
| Total adjustment | <u><u>\$ 648,878</u></u> |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$2,386,261 is comprised of the following:

| Description | Amount | |
|--|--------------------|----------------------------|
| Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Capital outlays | \$ 2,441,248 | |
| Depreciation | <u>(1,116,053)</u> | \$ 1,325,195 |
| Cost of disposal capital assets not recorded in the fund statements | <u>(351,512)</u> | (351,512) |
| The issuance of long-term debt (e.g. bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions or reduce long-term liabilities in the Statement of Net Position. | | |
| Debt issued | - | |
| Debt retired | 1,935,285 | |
| Amortized premium | <u>79,847</u> | 2,015,132 |
| Deferred charges on refunding reported in governmental activities are not reported in the funds. | (68,362) | (68,362) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. | 1,228,917 | 1,228,917 |
| Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 37,667 | 37,667 |
| Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities. | 72,928 | 72,928 |
| Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds | | |
| Accrual of interest | 271,807 | |
| Accrual of taxes | <u>123,101</u> | 394,908 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Compensated absences | | (241,376) |
| OPEB expense | | (251,764) |
| County's portion of collective pension expense | | (1,734,263) |
| Landfill post-closure care | | 14,565 |
| Interest expense | | <u>(124,108)</u> |
| Total adjustment | | <u><u>\$ 2,317,927</u></u> |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

None Noted.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2019, the County's deposits had a carrying amount of \$8,210,968. The bank balances with financial institutions were \$9,658,562. Of these bank balances, \$736,017 was covered by federal depository insurance and \$8,922,545 was covered by collateral held under the Pooling Method.

At June 30, 2019, Beaufort County held \$266,814 in fiduciary funds, which is included in the carrying amount above.

At June 30, 2019, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2019, the carrying amount of deposits for Beaufort County ABC Board was \$1,107,481 and the bank balance was \$1,038,802. Of these bank balances, \$270,159 was covered by federal depository insurance and \$768,643 was covered by collateral held under the Pooling Method.

2. Investments

At June 30, 2019, the County's investments consisted of \$27,418,650 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2019, the ABC Board had no investments.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

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

| Year Levied | Tax | Interest | Total |
|----------------|---------------------|---------------------|---------------------|
| 2016 | \$ 1,529,506 | \$ 500,913 | \$ 2,030,419 |
| 2017 | 1,529,506 | 363,258 | 1,892,764 |
| 2018 | 1,710,266 | 252,264 | 1,962,530 |
| 2019 | 1,765,885 | - | 1,765,885 |
| Total | \$ 6,535,163 | \$ 1,116,435 | \$ 7,651,598 |

4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

| | Accounts | Taxes and Related Accrued Interest | Due From Other Governments | Total |
|----------------------------------|---------------------|--|----------------------------------|---------------------|
| Governmental Activities: | | | | |
| General | \$ 2,259,412 | \$ 2,100,719 | \$ 2,813,531 | \$ 7,173,662 |
| Other Governmental | 341,993 | 178,319 | 40,100 | 560,412 |
| Total Receivables | 2,601,405 | 2,279,038 | 2,853,631 | 7,734,074 |
| Allowance for Doubtful Accts. | (485,040) | (553,324) | - | (1,038,364) |
| Total Gov't Activities | \$ 2,116,365 | \$ 1,725,714 | \$ 2,853,631 | \$ 6,695,710 |
| Business-type Activities: | | | | |
| Water Districts | \$ 1,993,338 | \$ - | \$ 184,354 | \$ 2,177,692 |
| Solid Waste | 886,081 | - | 196 | 886,277 |
| Total Receivables | 2,879,419 | - | 184,550 | 3,063,969 |
| Allowance for Doubtful Accts. | (945,923) | - | - | (945,923) |
| Total Business-type | \$ 1,933,496 | \$ - | \$ 184,550 | \$ 2,118,046 |

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

| | |
|----------------------------------|---------------------|
| Governmental Activities: | |
| Local Option Sales Tax | \$ 2,627,770 |
| Sales and Use Tax | 225,861 |
| Total | \$ 2,853,631 |
| Business-Type Activities: | |
| Sales and Use Tax | \$ 184,549 |
| Total | \$ 184,549 |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

5. Capital Assets

Capital asset activity for the year ended June 30, 2019, were as follows:

| <u>Governmental Activities:</u> | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|---------------------|-----------------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 6,853,330 | \$ - | \$ - | \$ 6,853,330 |
| Construction in Progress | 3,139,121 | 1,297,658 | (1,308,537) | 3,128,242 |
| Total capital assets not being depreciated | <u>9,992,451</u> | <u>1,297,658</u> | <u>(1,308,537)</u> | <u>9,981,572</u> |
| Other capital assets: | | | | |
| Buildings | 19,550,557 | 758,362 | - | 20,308,919 |
| Equipment and vehicles | 6,817,347 | 1,693,765 | (2,432,116) | 6,078,996 |
| Total other capital assets at historical cost | <u>26,367,904</u> | <u>2,452,127</u> | <u>(2,432,116)</u> | <u>26,387,915</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 9,574,521 | 449,699 | - | 10,024,220 |
| Equipment and vehicles | 4,553,200 | 666,354 | (2,104,754) | 3,114,800 |
| Total other capital assets at historical cost | <u>14,127,721</u> | <u>1,116,053</u> | <u>(2,104,754)</u> | <u>13,139,020</u> |
| Other capital assets, net | <u>12,240,183</u> | <u>1,336,074</u> | <u>(327,362)</u> | <u>13,248,895</u> |
| Governmental activities capital assets, net | <u>\$ 22,232,634</u> | <u>\$ 2,633,732</u> | <u>\$ (1,635,899)</u> | <u>\$ 23,230,467</u> |

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

| | |
|-----------------------------------|---------------------|
| Governmental Activities | |
| General government | \$ 211,494 |
| Public Safety | 559,600 |
| Economic and Physical Development | 17,184 |
| Human Services | 41,280 |
| Education | 157,563 |
| Emergency Management | 128,932 |
| | <u>\$ 1,116,053</u> |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Business-type activities:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|---------------------|---------------------|----------------------|
| Water Districts | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 105,789 | \$ - | \$ - | \$ 105,789 |
| Construction in Progress | 610,049 | 3,943,774 | (471,186) | 4,082,637 |
| Total capital assets not being depreciated | <u>715,838</u> | <u>3,943,774</u> | <u>(471,186)</u> | <u>4,188,426</u> |
| Other capital assets: | | | | |
| Plant and distribution systems | 78,504,913 | - | - | 78,504,913 |
| Furniture and equipment | 179,105 | 488,832 | (84,864) | 583,073 |
| Vehicles and motor equipment | 647,518 | 71,626 | (121,474) | 597,670 |
| Total other capital assets | <u>79,331,536</u> | <u>560,458</u> | <u>(206,338)</u> | <u>79,685,656</u> |
| Less accumulated depreciation for: | | | | |
| Plant and distribution systems | 20,142,979 | 2,080,115 | - | 22,223,094 |
| Furniture and equipment | 177,366 | 36,368 | (84,864) | 128,870 |
| Vehicles and motor equipment | 435,156 | 45,462 | (105,748) | 374,870 |
| Total accumulated depreciation | <u>20,755,501</u> | <u>2,161,945</u> | <u>(190,612)</u> | <u>22,726,834</u> |
| Total Water Districts capital assets, net | <u>\$ 59,291,873</u> | <u>\$ 2,342,287</u> | <u>\$ (486,912)</u> | <u>\$ 61,147,248</u> |
| | | | | |
| | Beginning Balances | Increases | Decreases | Ending Balances |
| Solid Waste Fund | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,368 | \$ - | \$ - | \$ 2,368 |
| Total capital assets not being depreciated: | <u>2,368</u> | <u>-</u> | <u>-</u> | <u>2,368</u> |
| Other capital assets: | | | | |
| Buildings | 47,080 | - | - | 47,080 |
| Furniture and equipment | 189,348 | - | - | 189,348 |
| Total other capital assets | <u>236,428</u> | <u>-</u> | <u>-</u> | <u>236,428</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 39,051 | 1,002 | - | 40,053 |
| Furniture and equipment | 189,348 | - | - | 189,348 |
| Total accumulated depreciation | <u>228,399</u> | <u>1,002</u> | <u>-</u> | <u>229,401</u> |
| Total Solid Waste capital assets, net | <u>\$ 10,397</u> | <u>\$ (1,002)</u> | <u>\$ -</u> | <u>\$ 9,395</u> |
| Business-type activities capital assets, net | <u>\$ 59,302,270</u> | | | <u>\$ 61,156,643</u> |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Construction Commitments

The government has active construction projects as of June 30, 2019. The projects include funded hazzard mitigation, a radio system, two water system projects, automated metering infrastructure and emergency power generators. As June 30, 2019, the government's commitments with contractors are as follows:

| <u>Project</u> | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|---------------------------|----------------------|---------------------------------|
| Hazard Mitigation | \$ 129,950 | \$ 138,250 |
| Radio System | 1,809,469 | 836,070 |
| Automated Metering System | 3,659,122 | 611,165 |
| Water Generators | 66,828 | 259,272 |
| | <u>\$ 5,665,369</u> | <u>\$ 1,844,757</u> |

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|-------------------|----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 338,834 | \$ - | \$ - | \$ 338,834 |
| Construction in Progress | - | 12,000 | - | 12,000 |
| Total capital assets not being depreciated | <u>338,834</u> | <u>12,000</u> | <u>-</u> | <u>350,834</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 1,264,077 | - | - | 1,264,077 |
| Equipment and Furniture | 327,487 | 49,964 | 131,109 | 246,342 |
| Vehicles | 75,976 | - | - | 75,976 |
| Total capital assets being depreciated | <u>1,667,540</u> | <u>49,964</u> | <u>131,109</u> | <u>1,586,395</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 643,762 | 40,931 | - | 684,693 |
| Equipment and Furniture | 291,024 | 13,442 | 129,409 | 175,057 |
| Vehicles | 10,130 | 15,195 | - | 25,325 |
| Total accumulated depreciation | <u>944,916</u> | <u>\$ 69,568</u> | <u>\$ 129,409</u> | <u>885,075</u> |
| Total capital assets being depreciated | <u>722,624</u> | | | <u>701,320</u> |
| Capital assets, net | <u>\$ 1,061,458</u> | | | <u>\$ 1,052,154</u> |

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2019, were as follows :

| | <u>Vendors</u> | <u>Other</u> | <u>Total</u> |
|--------------------------------|---------------------|--------------|---------------------|
| Governmental Activities: | | | |
| General | \$ 782,439 | \$ - | \$ 782,439 |
| Other Governmental | 421,010 | - | 421,010 |
| Total Governmental Activities | <u>\$ 1,203,449</u> | <u>\$ -</u> | <u>\$ 1,203,449</u> |
| Business-Type Activities | | | |
| Water Districts | 1,395,359 | - | 1,395,359 |
| Solid Waste | \$ 299,721 | \$ - | \$ 299,721 |
| Total Business-Type Activities | <u>\$ 1,695,080</u> | <u>\$ -</u> | <u>\$ 1,695,080</u> |

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.80% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,295,704 for the year ended June 30, 2019.

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2019, the County reported a liability of \$6,245,902 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County’s proportion was .2633%, which was a decrease of .0025% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the County recognized pension expense of \$1,758,917. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 963,594 | \$ 32,333 |
| Changes of assumptions | 1,657,421 | - |
| Net difference between projected and actual earnings on pension plan investments | 857,376 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 84,751 | 109,908 |
| County contributions subsequent to the measurement date | 1,295,704 | - |
| Total | <u>\$ 4,858,846</u> | <u>\$ 142,241</u> |

\$1,295,704 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------------|---------------------|
| 2020 | \$ 1,658,483 |
| 2021 | 1,083,544 |
| 2022 | 203,687 |
| 2023 | 475,187 |
| 2024 | - |
| Thereafter | - |
| Total | <u>\$ 3,420,901</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--------------------|---|
| Inflation | 3.0 Percent |
| Salary Increases | 3.50 percent |
| Investment Rate of | 7.00 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study as of December 31, 2014.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Fixed Income | 29% | 1.4% |
| Global Equity | 42% | 5.3% |
| Real Estate | 8% | 4.3% |
| Alternatives | 8% | 8.9% |
| Credit | 7% | 6.0% |
| Inflation Protection | 6% | 4.0% |
| | <u>100%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease <u>(6.00%)</u> | Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|---|----------------------------------|------------------------------------|----------------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 15,003,198 | \$ 6,245,902 | \$ (1,071,831) |

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance’s membership consisted of:

| | |
|-----------------------------|------------------|
| Retirees receiving benefits | 5 |
| Active plan members | <u>51</u> |
| Total | <u><u>56</u></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. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

3 *Actuarial Assumptions*

The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.50 to 7.35 percent including inflation and productivity factor |
| Discount rate | 3.64 percent, net of pension plan investment expense, including inflation |

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the RP-2014 mortality tables with adjustments for mortality improvements.

4 *Contributions*

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$75,333 as benefits came due for the reporting period.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2019, the County reported a total pension liability of \$1,063,302. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$56,869.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 47,644 |
| Changes of assumptions | 52,930 | 54,698 |
| County contributions subsequent to the measurement date | 37,667 | - |
| Total | <u>\$ 90,597</u> | <u>\$ 102,342</u> |

\$37,667 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-----------------|
| 2020 | \$ (9,683) |
| 2021 | (9,683) |
| 2022 | (9,683) |
| 2023 | (7,110) |
| 2024 | (10,833) |
| Thereafter | <u>(2,420)</u> |
| Total | <u>(49,412)</u> |

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

| | 1% Decrease (2.64%) | Discount Rate (3.64%) | 1% Increase (4.64%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 1,164,944 | \$ 1,063,302 | \$ 971,605 |

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

| | <u>2019</u> |
|--|---------------------|
| Beginning balance | \$ 1,118,105 |
| Service Cost | 69,370 |
| Interest on the total pension liability | 34,142 |
| Differences between expected and actual experience | (35,476) |
| Changes in assumptions or other inputs | (47,506) |
| Benefit payments | (75,333) |
| Ending balance of the total pension liability | <u>\$ 1,063,302</u> |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of 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, 2019 were \$197,369 which consisted of \$140,405 from the County and \$56,964 from the law enforcement officers.

The County also elected to contribute an amount equal to one percent of each general employee's salary; however, if the employee contributes one percent, the County will contribute an amount equal to two percent of each general employee's salary. All amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$525,090 which consisted of \$253,252 from the County and \$271,838 from the general employees.

d. Registers of Deeds' Supplemental Pension Fund

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,623 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$76,023 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension asset was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was .4590%, which was an increase of .0068% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$12,186. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 670 | \$ 3,470 |
| Changes of assumptions | 3,576 | - |
| Net difference between projected and actual earnings on pension plan | 12,117 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | - | 1,642 |
| County contributions subsequent to the measurement date | 5,623 | - |
| Total | <u>\$ 21,986</u> | <u>\$ 5,112</u> |

\$5,623 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------------|------------------|
| 2020 | \$ 5,157 |
| 2021 | 642 |
| 2022 | 3,571 |
| 2023 | 1,881 |
| 2024 | - |
| Thereafter | - |
| Total | <u>\$ 11,251</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--------------------|---|
| Inflation | 3.0 Percent |
| Salary Increases | 3.5 to 7.75 percent, including inflation and productivity factor |
| Investment Rate of | 3.75 percent, net of pension plan investment expense, including inflation |

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

| | 1% Decrease <u>(2.75%)</u> | Discount Rate <u>(3.75%)</u> | 1% Increase <u>(4.75%)</u> |
|---|----------------------------------|------------------------------------|----------------------------------|
| County's proportionate share of the net pension liability (asset) | \$ (59,940) | \$ (76,023) | \$ (89,586) |

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

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

e. Pensions

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

| | <u>LGERS</u> | <u>ROD</u> | <u>LEOSSA</u> | <u>Total</u> |
|--|--------------|-------------|---------------|--------------|
| Proportionate share of the Net Pension Liability (Asset) | \$ 6,245,902 | \$ (76,023) | \$ - | \$ 6,169,879 |
| Proportionate of the Net Pension Liability (Asset) | 0.2633% | 0.4590% | n/a | |
| Total Pension Liability | - | - | 1,063,302 | 1,063,302 |
| Pension Expense | 1,758,917 | 12,186 | 56,869 | 1,827,972 |
| <u>Deferred Outflows of Resources</u> | | | | |
| Differences between expected and actual experience | 963,594 | 670 | - | 964,264 |
| Changes of assumptions | 1,657,421 | 3,576 | 52,930 | 1,713,927 |
| Net difference between project and actual earnings on plan investments | 857,376 | 12,117 | - | 869,493 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 84,751 | - | - | 84,751 |
| Benefit payments and administrative costs paid subsequent to the measurement date | 1,295,704 | 5,623 | 37,667 | 1,338,994 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Difference between expected and actual experience | 32,333 | 3,470 | 47,644 | 83,447 |
| Changes of assumptions | - | - | 54,698 | 54,698 |
| Net difference between projected and actual earnings on plan investments | - | - | - | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 109,908 | 1,642 | - | 111,550 |

e. Other Postemployment Benefits

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

| | <u>General Employees</u> |
|--|--------------------------|
| Retirees and dependents receiving benefits | 16 |
| Active Plan members | <u>346</u> |
| Total | <u><u>362</u></u> |

Total OPEB Liability

The County’s total OPEB liability of \$3,390,847 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|--|--|
| Inflation | 2.50% |
| Real wage growth | 1.00% |
| Wage inflation | 3.50% |
| Salary increases, including wage inflation | |
| General employees | 3.50% - 7.75% |
| Law enforcement officers | 3.50% - 7.35% |
| Municipal bond index | 3.56% |
| Healthcare trends (Pre-Medicare) | 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028 |

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

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|---|-----------------------------|
| Balance at June 30, 2017 | \$ 2,223,386 |
| Changes for the year | |
| Service Cost | 170,916 |
| Interest | 77,264 |
| Difference between expected and actual experience | 1,007,887 |
| Changes in assumptions or other inputs | 18,405 |
| Benefit payments and implicit subsidy credit | <u>(107,011)</u> |
| Net changes | <u>1,167,461</u> |
| Balance at June 30, 2018 | <u><u>\$ 3,390,847</u></u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results for an actuarial experience study as of December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

| | <u>1% Decrease (2.89%)</u> | <u>Discount Rate (3.89%)</u> | <u>1% Increase (4.89%)</u> |
|----------------------|----------------------------|------------------------------|----------------------------|
| Total OPEB Liability | \$ 3,776,750 | \$ 3,390,847 | \$ 3,050,710 |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

| | 1% Decrease | Discount Rate | 1% Increase |
|----------------------|--------------|---------------|--------------|
| Total OPEB Liability | \$ 2,956,097 | \$ 3,390,847 | \$ 3,916,389 |

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$356,666. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 899,045 | \$ - |
| Changes of assumptions | 16,185 | 116,173 |
| Benefit payments and administrative costs made subsequent to the measurement date | 97,424 | - |
| Total | <u>\$ 1,012,654</u> | <u>\$ 116,173</u> |

\$97,424 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|---------------------|----------------|
| Year ended June 30: | |
| 2020 | \$ 107,303 |
| 2021 | 107,303 |
| 2022 | 107,303 |
| 2023 | 107,303 |
| 2024 | 107,303 |
| Thereafter | <u>262,542</u> |
| Total | <u>799,057</u> |

f. Other Employment Benefits

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

State and Federal laws regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs 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 costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$72,823 reported as landfill post-closure liability at June 30, 2019, represents a cumulative amount reported to that 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 Outflows and Inflows of Resources

Deferred outflows and inflows of resources at year-end is comprised of the following:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|---|--|
| Pensions - difference between expected and actual experience | | |
| LGERS | \$ 963,594 | \$ 32,333 |
| Register of Deeds | 670 | 3,470 |
| LEOSSA | - | 47,644 |
| OPEB | 899,045 | - |
| Changes of Assumptions | | |
| LGERS | 1,657,421 | - |
| Register of Deeds | 3,576 | - |
| LEOSSA | 52,930 | 54,698 |
| OPEB | 16,185 | 116,173 |
| Pensions - difference between projected and actual investment | | |
| LGERS | 857,376 | - |
| Register of Deeds | 12,117 | - |
| Pensions - change in proportion and difference between employer contributions and proportionate share of contributions | | |
| LGERS | 84,751 | 109,908 |
| Register of Deeds | - | 1,642 |
| Contributions to pension plan in current fiscal year | | |
| LGERS | 1,295,704 | - |
| Register of Deeds | 5,623 | - |
| Benefit payments/administration costs paid subsequent to the measurement date | | |
| LEOSSA | 37,667 | - |
| OPEB | 97,424 | - |
| Deferred Charges on Refunding | 546,897 | - |
| Prepaid taxes (General) | - | 6,486 |
| Taxes receivable, net (General) | - | 1,275,588 |
| Taxes receivable, net (Special Revenue) | - | 178,319 |
| | <u>\$ 6,530,980</u> | <u>\$ 1,826,261</u> |

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing 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 \$80,130,600 for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$750,000 for workers' compensation. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

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

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

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

Beaufort County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2019, 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.

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

7. Long-Term Obligations

a. Installment Purchases

Serviced by the General Fund:

On June 15, 2011, the County secured financing to construct the Allied Health Building at Beaufort County Community College in the amount of \$3,802,000 through a direct placement agreement. On May 1, 2013, the County entered into a permanent loan agreement with the United States Department of Agriculture's Division of Rural Development in the amount of \$3,231,285. The loan agreement offers simple interest financing at 3.5% for 30 years with annual payments of \$175,718. The loan is secured by a Deed of Trust. The note contains provisions that an event of default could (a) declare the unpaid portion of the principal and interest components immediately due and payable without notice or demand to the County (b) proceed by appropriate court action to enforce performance by the County of any or all of its covenants or to recover for the breach thereof including the payment of the installment payments due or to become due (c) exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina with respect to the enforcement of the security interest granted or reserved including without limitation, to the extent permitted by law, re-enter and take possession of the facility without any court order or other process of law and without liability for entering the premises and sell, or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale of other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage, and other sale, or other disposition costs, toward the balance due under the contract, and shall pay any remaining proceeds to the County (d) terminate the contract as to all or any part of the facility and use, operate, lease or hold all or any part of the facility as the Government in its sole discretion may decide.

\$ 2,821,095

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

1,398,000

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Installment Purchases (continued)

On October 10, 2014, the County entered into a direct placement installment purchase agreement for the purchase of the building located at 117 West Third Street. The note is secured by a Deed of Trust. The payments will be made in monthly payments of \$1,670.57 for 180 payments including interest at 4.00% annually. The note contains provisions that an event of default could (a) allow holder without further notice, declare the remainder of the principal sum, together with all interest accrued and the prepayment premium, if any, at once, due and payable and (b) the holder may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor, and endorsers of the note agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to 15% of the outstanding balance owing on the note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's right and remedies upon default.

168,993

Total serviced by the General Fund

\$ 4,388,088

Serviced by the Water Districts:

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

\$ 880,000

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

880,000

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

4,250,000

Total serviced by the enterprise funds

\$ 6,010,000

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Installment Purchases (continued)

For Beaufort County, the future minimum payments of these installment purchases as of June 30, 2019, including \$1,018,783 of interest, are:

| Year Ending June 30 | Governmental Activities | | Business-type Activities | |
|---------------------|-------------------------|--------------|--------------------------|--------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 257,421 | \$ 133,624 | \$ 410,000 | \$ 138,361 |
| 2021 | 269,670 | 126,695 | 410,000 | 128,268 |
| 2022 | 282,037 | 119,459 | 410,000 | 118,175 |
| 2023 | 295,526 | 111,892 | 410,000 | 108,081 |
| 2024 | 309,141 | 104,001 | 410,000 | 97,988 |
| 2025-2029 | 1,049,654 | 410,585 | 2,050,000 | 338,543 |
| 2030-2034 | 588,922 | 296,349 | 1,800,000 | 89,367 |
| 2035-2039 | 691,587 | 187,003 | 110,000 | - |
| 2040-2044 | 644,133 | 58,739 | - | - |
| Total | \$ 4,388,091 | \$ 1,548,347 | \$ 6,010,000 | \$ 1,018,783 |

b. Water Bonds

In August 2012, the Water Districts (blended component units of the County) issued general obligation debt totaling \$36,005,000. The balance at June 30, 2019 was \$32,520,000. The County then issued Limited Obligation Bonds in an amount sufficient to purchase all of the Districts' GO debt. The Districts and the County assign their rights to a third-party trustee who receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds.

Due to the nature of this transaction and considering that the Districts are blended component units of the County, both the current and non-current portions of the GO debt have been reclassified to a "Due to County Water Fund" in the Districts and an equal and opposite "Due from Water Districts" in the Water Fund.

c. Limited Obligation Bonds

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

The minimum payments for the limited obligation bonds as of June 30, 2019, in the business-type activities are as follows:

| Year Ending June 30 | Business-type Activities | |
|------------------------|--------------------------|---------------|
| | Limited Obligation Bonds | |
| | Principal | Interest |
| 2020 | \$ 1,305,000 | \$ 1,350,500 |
| 2021 | 1,345,000 | 1,298,300 |
| 2022 | 1,395,000 | 1,231,050 |
| 2023 | 1,440,000 | 1,161,300 |
| 2024 | 1,505,000 | 1,089,300 |
| 2025-2029 | 8,100,000 | 4,371,888 |
| 2030-2034 | 8,985,000 | 2,743,490 |
| 2035-2039 | 6,975,000 | 1,043,352 |
| 2040-2044 | 1,470,000 | 84,713 |
| Total | \$ 32,520,000 | \$ 14,373,893 |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

d. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

| | |
|--|----------------------|
| \$10,545,000 Refunding Series 2012, dated August 8, 2012, due in semi-annual installments; beginning in 2013, from \$259,000 to \$1,200,000 through April 1, 2008; interest at 2% to 5%. | \$ 7,100,000 |
| \$4,246,000 Refunding Series 2015, dated November 18, 2015, due in annual installments; beginning in 2017, from \$41,000 to \$433,000 through November 1, 2026; interest at 2.15%. | 3,673,000 |
| \$3,688,000 Refunding Series 2017, dated July 21, 2017, due in semiannual installments; beginning in 2018, from \$110,211 to \$344,785 through February 1, 2028; interest at 2.22%. | <u>3,242,000</u> |
| Total General Obligation Bonds | <u>\$ 14,015,000</u> |

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

| Year Ending June 30 | <u>Governmental Activities</u> | |
|------------------------|---------------------------------|---------------------|
| | <u>General Obligation Bonds</u> | |
| | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 1,681,000 | \$ 397,489 |
| 2021 | 1,650,000 | 362,389 |
| 2022 | 1,640,000 | 311,928 |
| 2023 | 1,633,000 | 253,684 |
| 2024 | 1,612,000 | 211,552 |
| 2025-2029 | 5,799,000 | 417,751 |
| Total | <u>\$ 14,015,000</u> | <u>\$ 1,954,793</u> |

At June 30, 2019, Beaufort County had a legal debt margin of \$440,617,534.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

e. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion of Balance |
|---------------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 15,704,000 | \$ - | \$ 1,689,000 | \$ 14,015,000 | \$ 1,681,000 |
| Unamortized premium | 718,631 | - | 79,847 | 638,784 | 79,848 |
| Direct Placement Installment Purchase | 4,634,372 | - | 246,284 | 4,388,088 | 257,421 |
| Compensated Absences | 1,191,466 | 241,376 | - | 1,432,842 | 358,211 |
| Net Pension Liability (LGERS) | 3,816,431 | 2,080,422 | - | 5,896,853 | - |
| Total Pension Liability (LEOSSA) | 1,118,105 | - | 54,803 | 1,063,302 | - |
| Net OPEB Liability | 1,569,449 | 824,091 | - | 2,393,540 | - |
| Landfill post-closure care | 87,388 | - | 14,565 | 72,823 | 14,565 |
| Total | \$ 28,839,842 | \$ 3,145,889 | \$ 2,084,499 | \$ 29,901,232 | \$ 2,391,045 |
| Business-type Activities: | | | | | |
| Unamortized premium | \$ 2,261,486 | \$ - | \$ 102,795 | \$ 2,158,691 | \$ 102,795 |
| Unamortized discounts | (286,730) | 13,037 | - | (273,693) | (13,033) |
| Limited Obligation Bonds | 33,755,000 | - | 1,235,000 | 32,520,000 | 1,305,000 |
| Direct Placement Installment Purchase | - | 4,500,000 | 250,000 | 4,250,000 | 300,000 |
| Direct Borrowing - Revolving Loan | 1,870,000 | - | 110,000 | 1,760,000 | 110,000 |
| Compensated Absences | 74,699 | 17,068 | - | 91,767 | 22,942 |
| Net Pension Liability (LGERS) | 244,410 | 104,639 | - | 349,049 | - |
| Net OPEB Liability | 653,936 | 343,371 | - | 997,307 | - |
| Total | \$ 38,572,801 | \$ 4,978,115 | \$ 1,697,795 | \$ 41,853,121 | \$ 1,827,704 |

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

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2019 consist of the following:

| | |
|--|--------------|
| Due to the Healthcare Reserve Fund from the General Fund for capital project funding. On May 1, 2018, the Healthcare Reserve Fund advanced the General Fund \$3,500,000 to be used for capital improvements to County buildings. The funds will be repaid in monthly payments of \$30,961.65 for 120 payments including interest at 1.197% annually. | \$ 3,112,911 |
| Due to the General Fund from the FEMA Flood 2015-017 Fund for the advancement of grant expenditures. | 126,779 |
| Due to the General Fund from the FEMA Flood 2015-016 Fund for the advancement of grant expenditures. | 36,039 |
| Due to the General Fund from the FEMA Hazard Mitigation 2016-003 Fund for the advancement of grant expenditures. | 65,711 |
| Due to the General Fund from the Hazard Mitigation Fund for the advancement of grant expenditures. | 52,035 |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Interfund Balances and Activity (continued)

| | |
|---|---------------------|
| Due to the General Fund from the Hazard Mitigation 2016-004 Fund for the advancement of grant expenditures. | 2,485 |
| Due to the General Fund from the Hazard Mitigation 2016-005 Fund for the advancement of grant expenditures. | 13,806 |
| Due to the General Fund from the NC Rural Economic Development Grant for the advancement of grant expenditures. | <u>250</u> |
| Total Interfund balances | <u>\$ 3,410,016</u> |

Transfers to/from other funds at June 30, 2019, consist of the following:

| | |
|--|---------------------|
| Transfer from the General Fund to the Revaluation Fund for operating expenses. | \$ 162,050 |
| Transfer from the General Fund to the Economic Development Fund for grant matches and Committee of 100 Payment. | 80,000 |
| Transfer from the General Fund to the Broad Creek Capital Reserve Fund for future capital expenses. | 55,000 |
| Transfer from the General Fund to the Jail Locking System Project Fund for capital expenses. | 1,535,300 |
| Transfer from the FY 17/18 Capital Improvements Project Fund to the General Fund to return funds not needed for project. | 16,306 |
| Transfer from the General Fund to the Radio System Capital Project Fund for capital expenses. | 131,941 |
| Transfer from the General Fund to the Coastal Management Grant Project Fund for capital expenses. | 5,000 |
| Transfer from the General Fund to the Solid Waste Fund to provide additional funds needed for Hurricane Florence tonnage overages. | 160,000 |
| Transfer from the Revaluation Project Fund to the Revaluation Fund to return funds not needed for capital expenses. | 28,306 |
| Transfer from the Solid Waste Project Funds to the Solid Waste Operating Fund to return funds not needed for capital expenses. | 90 |
| Transfer from the Solid Waste Operating Fund to the Solid Waste Project Funds to provide funds for capital expenses. | 51,700 |
| Transfer from the Water District Operating Fund to the Swan Point Mobile Home Park Project Fund for engineering expenses. | 23,030 |
| Transfer from the Standby Generator Capital Project to the Water District Operating Fund to return resources not used for capital project funding. | 128,814 |
| Transfer from the Meter Feasibility Capital Project to the Water District Operating Fund to return resources not used for capital project funding. | 1,863 |
| Total Transfers | <u>\$ 2,379,400</u> |

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

D. Net Investment in Capital Assets

| | <u>Governmental</u> | <u>Business-type</u> |
|--|----------------------|----------------------|
| Capital assets | \$ 23,230,467 | \$ 61,156,643 |
| add: deferred charges (capital related) | 546,897 | 273,693 |
| Total capital assets and related deferred charges | <u>23,777,364</u> | <u>61,430,336</u> |
| Total debt, gross | 19,041,872 | 40,688,691 |
| less: debt related to assets not owned by the County | (15,413,000) | - |
| less: capital related unspent debt issuances | - | (1,791,242) |
| Total capital debt | <u>3,628,872</u> | <u>38,897,449</u> |
| Net investment in capital assets | <u>\$ 20,148,492</u> | <u>\$ 22,532,887</u> |

E. Fund Balance

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

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

| | |
|--|----------------------|
| Total Fund Balance - General Fund | <u>\$ 21,370,871</u> |
| Less: | |
| Nonspendable (Prepays) | 34,725 |
| Stabilization by State Statute | 4,885,009 |
| Tax Revaluation | 335,314 |
| Appropriated fund balance (subsequent year's budget) | 136,395 |
| Remaining Fund Balance | <u>\$ 15,979,428</u> |

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

| | |
|--|-----------------------|
| Total Fund Balance - General Fund | \$ 21,370,871 |
| Less: | |
| Nonspendable (Prepays) | 34,725 |
| Stabilization by State Statute | 4,885,009 |
| Tax Revaluation | 335,314 |
| Appropriated fund balance (subsequent year's budget) | 136,395 |
| Working Capital / Fund Balance Policy | 21,602,216 |
| Remaining Fund Balance | <u>\$ (5,622,788)</u> |

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE I: Joint Ventures

The County participates in a joint venture to operate BHM Regional Library (“the Library”) with three other local governments. Beaufort County appoints three members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments has any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$216,300 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at 158 North Market Street, Washington, North Carolina 27889.

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

The County has an ongoing responsibility for the Community College because of the statutory responsibility to provide funding for the Community College’s facilities. The County contributed \$2,606,500 and \$246,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the Community College may be obtained from the Community College’s administrative offices at 5337 US Hwy 264 East, Washington, NC 27889.

The County, in conjunction with nine other counties, participates in the Trillium Local Management Entity for local mental health services. The County Commissioners appoint two members to the 20-member Board of Trillium. Trillium, a multi-County LME, is a separate and distinct subdivision charged by the State law with the responsibility of providing for drug and mental health prevention, treatment, and rehabilitation services. The County contributed \$177,199 to Trillium during the fiscal year ended June 30, 2019. Complete financial statements for Trillium can be obtained from the administrative offices at P.O. Box 1636, New Bern, North Carolina 28563.

NOTE V: Jointly Governed Organization

The County, in conjunction with four other counties and 39 municipalities, established the Mid-East Commission (the “Commission”). The participating governments established the Commission to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of \$15,402 to the Council during the fiscal year ended June 30, 2019.

NOTE VI: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE VII: Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2019 of \$5,850,547. The payment represents 16.57% of the County's total assessed property valuation.

NOTE VIII: Subsequent Events

In preparing the financial statements, the County has evaluated subsequent events and transactions for potential recognition or disclosure through November 7, 2019, the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

| Local Government Employees' Retirement System | | | | | | |
|---|--------------|--------------|---------------|---------------|----------------|---------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| County's proportion of the net pension liability (asset) (%) | 0.26328% | 0.26581% | 0.23587% | 0.23326% | 0.22809% | 0.21770% |
| County's proportion of the net pension liability (asset) (\$) | \$ 6,245,902 | \$ 4,060,841 | \$ 5,005,953 | \$ 1,046,857 | \$ (1,345,151) | \$ 2,624,121 |
| County's covered-employee payroll | \$15,948,696 | \$15,530,189 | \$ 13,577,675 | \$ 12,908,791 | \$ 12,497,637 | \$ 12,497,637 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 39.16% | 26.15% | 36.87% | 8.11% | -10.76% | 21.00% |
| Plan fiduciary net position as a percentage of the total pension liability** | 92.00% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

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

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

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

| Local Government Employees' Retirement System | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Contractually required contribution | \$ 1,295,704 | \$ 1,210,872 | \$ 1,125,797 | \$ 922,308 | \$ 891,406 | \$ 864,942 |
| Contributions in relation to the contractually required contribution | 1,295,704 | 1,210,872 | 1,125,797 | 922,308 | 891,406 | 864,942 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered-employee payroll | \$ 16,359,660 | \$ 15,948,696 | \$ 15,530,189 | \$ 13,577,675 | \$ 12,908,791 | \$ 12,497,637 |
| Contributions as a percentage of covered-employee payroll | 7.92% | 7.59% | 7.25% | 6.79% | 6.91% | 6.92% |

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

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|--------------|-------------|
| County's proportionate share of the net pension liability (asset) % | 0.45899% | 0.45220% | 0.44989% | 0.42409% | 0.45133% | 0.45909% |
| County's proportionate share of the net pension liability (asset) \$ | \$ (76,023) | \$ (72,140) | \$ (77,843) | \$(104,661) | \$ (102,287) | \$ (98,062) |
| County's covered-employee payroll | \$ 191,266 | \$ 189,650 | \$ 182,262 | \$ 186,360 | \$ 183,611 | \$ 183,611 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -39.75% | -38.04% | -42.71% | -56.16% | -55.71% | -53.41% |
| Plan fiduciary net position as a percentage of the total pension liability | 153.31% | 153.77% | 160.17% | 197.29% | 193.88% | 190.50% |

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

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

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| County's required contribution | \$ 5,623 | \$ 3,928 | \$ 3,955 | \$ 3,675 | \$ 3,054 | \$ 3,685 |
| Contributions in relation to contractually required contribution | <u>5,623</u> | <u>3,928</u> | <u>3,955</u> | <u>3,675</u> | <u>3,054</u> | <u>3,685</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | | |
| County's covered-employee payroll | \$ 72,096 | \$ 191,266 | \$ 189,650 | \$ 182,262 | \$ 186,360 | \$ 183,611 |
| Contributions as a percentage of covered-employee payroll | 7.80% | 2.05% | 2.09% | 2.02% | 1.64% | 2.01% |

BEAFORT COUNTY
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2018

| | 2019 | 2018 | 2017 |
|---|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 1,118,105 | \$ 1,039,037 | \$ 1,053,938 |
| Service Cost | 69,370 | 64,512 | 70,240 |
| Interest on the total pension liability | 34,142 | 38,653 | 35,963 |
| Change in benefit terms | - | - | - |
| Differences between expected and actuarial experience in the measurement of the total pension liability | (35,476) | (26,200) | - |
| Changes of assumptions and other inputs | (47,506) | 77,436 | (27,968) |
| Benefit payments | (75,333) | (75,333) | (93,136) |
| Other changes | - | - | - |
| Ending balance of total pension liability | <u>\$ 1,063,302</u> | <u>\$ 1,118,105</u> | <u>\$ 1,039,037</u> |

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

BEAUFORT COUNTY
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

| | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|
| Total pension liability | \$ 1,063,302 | \$ 1,118,105 | \$ 1,039,037 |
| Covered payroll | 2,680,824 | 2,765,059 | 2,750,952 |
| Total pension liability as a percentage of covered payroll | 39.66% | 40.44% | 37.77% |

Notes to the schedules:

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

BEAUFORT COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits
For the Year Ended June 30, 2019

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Total OPEB Liability | | |
| Service Cost | \$ 185,026 | \$ 185,026 |
| Interest on the total OPEB liability | 64,959 | 64,959 |
| Change in benefit terms | - | - |
| Differences between expected and actuarial experience in the measurement of the total pension liability | 16,801 | 16,801 |
| Changes of assumptions and other inputs | (153,229) | (153,229) |
| Benefit payments | (95,881) | (95,881) |
| Net change in total OPEB liability | 17,676 | 17,676 |
| Total OPEB liability - beginning | 2,223,385 | 2,205,709 |
| Total OPEB liability - ending | \$ 2,241,061 | \$ 2,223,385 |
| Covered payroll | \$ 13,520,354 | \$ 13,520,354 |
| Total OPEB liability as a percentage of covered payroll | 16.58% | 16.44% |

Notes to Schedule

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

| <u>Fiscal Year</u> | <u>Rate</u> |
|--------------------|-------------|
| 2018 | 3.56% |
| 2019 | 3.89% |

GENERAL FUND

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

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|---|-------------------|-------------------|------------------------------------|-------------------|
| Revenues | | | | |
| Ad valorem Taxes: | | | | |
| Current year | \$ 34,950,727 | \$ 35,236,547 | | \$ 32,584,919 |
| Panalties and interest | 249,800 | 263,496 | | 225,690 |
| Total | <u>35,200,527</u> | <u>35,500,043</u> | <u>299,516</u> | <u>32,810,609</u> |
| Local Option Sales Taxes: | | | | |
| Local option sales tax | 9,159,361 | 9,779,294 | | 9,022,108 |
| Total | <u>9,159,361</u> | <u>9,779,294</u> | <u>619,933</u> | <u>9,022,108</u> |
| Other Taxes and Licenses: | | | | |
| Documentary stamps | 175,000 | 171,439 | | 197,377 |
| Beer and wine licenses | 200 | 2,871 | | 2,674 |
| Rental vehicles receipt tax | 25,500 | 29,498 | | 25,339 |
| Total | <u>200,700</u> | <u>203,808</u> | <u>3,108</u> | <u>225,390</u> |
| Unrestricted Intergovernmental Revenues | | | | |
| Beer and wine tax | 163,000 | 148,230 | | 148,376 |
| Other | 56,000 | 65,767 | | 67,668 |
| Total | <u>219,000</u> | <u>213,997</u> | <u>(5,003)</u> | <u>216,044</u> |
| Restricted Intergovernmental Revenues | | | | |
| State and Federal grants | 10,577,725 | 10,357,671 | | 9,443,299 |
| ABC distributions/tax | 140,000 | 158,473 | | 178,186 |
| Total | <u>10,717,725</u> | <u>10,516,144</u> | <u>(201,581)</u> | <u>9,621,485</u> |
| Permits and Fees | | | | |
| Building permits and inspection fees | 100,250 | 173,375 | | 138,240 |
| Register of Deeds | 191,000 | 188,254 | | 193,955 |
| Other permits and fees | 56,700 | 93,784 | | 33,202 |
| Total | <u>347,950</u> | <u>455,413</u> | <u>107,463</u> | <u>365,397</u> |
| Sales and Services | | | | |
| Attorney fees/tax administration | 50,000 | 18,637 | | 38,555 |
| Animal control fees | 35,500 | 42,622 | | 35,068 |
| Tax collection fees | 110,000 | 110,961 | | 108,353 |
| Sheriff fees | 36,500 | 75,945 | | 56,138 |
| Electronic house arrest | - | 800 | | 300 |
| IV-D deputy travel | 71,000 | 28,817 | | 70,220 |
| Gun storage fees | - | 324 | | 161 |
| State prisoner's reimbursement | 9,200 | 11,119 | | 10,404 |
| Environmental health | 48,925 | 61,266 | | 56,365 |
| Vending and phones | 16,050 | 19,643 | | 18,437 |
| Health and immunizations | 361,079 | 199,310 | | 175,808 |
| Emergency medical transport fees | 500,000 | 632,585 | | 626,876 |
| Rescue fees | 758,454 | 821,082 | | 817,416 |
| Share of service fee | 11,200 | 12,642 | | 14,127 |
| Rent | 289,000 | 293,616 | | 284,694 |
| Cable franchise fee | 126,200 | 118,183 | | 123,893 |
| DSS aging | - | - | | - |
| NC Health Choice | 14,200 | 7,100 | | 15,908 |
| Administrative Charges | 304,387 | 304,387 | | - |
| Total | <u>2,741,695</u> | <u>2,759,039</u> | <u>17,344</u> | <u>2,452,723</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, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--|-------------------|-------------------|------------------------------------|-------------------|
| Investment Earnings | 305,000 | 523,246 | | 277,379 |
| Total | <u>305,000</u> | <u>523,246</u> | <u>218,246</u> | <u>277,379</u> |
| Miscellaneous | | | | |
| Proceeds from sales of assets/insurance claims | 70,000 | 126,320 | | 237,067 |
| Donations | 12,500 | 10,877 | | 17,519 |
| Miscellaneous | 11,500 | 18,712 | | 100,516 |
| Total | <u>94,000</u> | <u>155,909</u> | <u>61,909</u> | <u>355,102</u> |
| Total Revenues | <u>58,985,958</u> | <u>60,106,893</u> | <u>1,120,935</u> | <u>55,346,237</u> |
| Expenditures | | | | |
| General Government: | | | | |
| Governing Body | 433,766 | 417,753 | | 430,531 |
| County Manager | 468,963 | 455,988 | | 444,607 |
| Finance | 621,217 | 606,166 | | 622,094 |
| Human Resources | 208,585 | 189,607 | | 156,779 |
| Nondepartmental | 742,822 | 733,324 | | 671,815 |
| Tax Administration | 920,899 | 893,393 | | 666,712 |
| Tax Collector | 574,323 | 541,274 | | 600,061 |
| Register of Deeds | 398,768 | 375,611 | | 323,760 |
| Elections | 374,827 | 361,957 | | 319,082 |
| Public Buildings | 1,463,146 | 1,300,841 | | 1,211,015 |
| Court Facilities | 300,150 | 273,170 | | 285,104 |
| Total General Government | <u>6,507,466</u> | <u>6,149,084</u> | <u>358,382</u> | <u>5,731,560</u> |
| Public safety: | | | | |
| Sheriff | 5,813,589 | 5,688,323 | | 5,060,426 |
| Jail | 2,376,613 | 2,264,864 | | 2,560,198 |
| Emergency Communications | 1,126,251 | 1,032,672 | | 1,058,478 |
| Emergency Management | 441,712 | 441,888 | | 351,231 |
| Fire Protection | 161,072 | 123,833 | | 116,077 |
| Ambulance/rescue services | 10,000 | 10,000 | | 10,000 |
| Animal Control | 387,307 | 370,158 | | 361,497 |
| Emergency Medical Services | 2,704,849 | 2,670,611 | | 2,341,057 |
| Medical Examiner | 65,000 | 55,350 | | 56,250 |
| Total Public Safety | <u>13,086,393</u> | <u>12,657,699</u> | <u>428,694</u> | <u>11,915,214</u> |
| Economic and Physical Development: | | | | |
| Planning | 338,676 | 272,553 | | 470,539 |
| Economic Development | 287,237 | 274,581 | | 274,475 |
| Cooperative Extension | 258,320 | 235,786 | | 255,479 |
| Soil/Water Conservation | 151,447 | 127,928 | | 139,872 |
| Total Economic and Physical Develop | <u>1,035,680</u> | <u>910,848</u> | <u>124,832</u> | <u>1,140,365</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, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|---|-------------------|-------------------|------------------------------------|-------------------|
| Human services: | | | | |
| Administration - general | 249,849 | 239,195 | | 221,834 |
| AIDS control / STD | 256,746 | 221,086 | | 221,880 |
| TB Program | 71,567 | 66,465 | | 56,903 |
| Immunization | 320,769 | 272,184 | | 255,432 |
| Health Promotion | 125,081 | 120,837 | | 88,175 |
| Child Health | 493,576 | 482,008 | | 481,087 |
| Maternal Health | 429,270 | 409,224 | | 362,153 |
| WIC - administration | 361,806 | 349,559 | | 354,914 |
| Environmental Health | 797,674 | 765,552 | | 635,303 |
| Family Planning | 369,077 | 332,533 | | 311,491 |
| Jail Health | 262,397 | 255,758 | | 193,403 |
| Healthy Living | 146,134 | 60,429 | | 43,859 |
| Other Health Programs | 401,588 | 385,909 | | 321,696 |
| Total | <u>4,285,534</u> | <u>3,960,739</u> | <u>324,795</u> | <u>3,548,130</u> |
| Mental Health and Transportation: | | | | |
| General Appropriation | 157,000 | 157,000 | | 157,000 |
| Alcohol Rehabilitation | 19,200 | 20,596 | | 17,939 |
| Beaufort County Development Center | 55,000 | 55,000 | | 55,000 |
| NC Elderly Handicapped Transportation/Other | 40,783 | 40,783 | | 27,983 |
| Passages Counseling Services | 62,000 | 62,833 | | 48,757 |
| Total | <u>333,983</u> | <u>336,212</u> | <u>(2,229)</u> | <u>306,679</u> |
| Social Services | | | | |
| Administration | 7,189,215 | 6,762,463 | | 6,608,392 |
| State In-Home Aging Services | 494,639 | 490,003 | | 503,550 |
| Day Care | 25,000 | - | | 264,992 |
| Medical Assistance | 225,000 | 85,468 | | 103,304 |
| Energy Assistance | 737,063 | 481,152 | | 497,091 |
| County Provided Assistance | 765,000 | 550,331 | | 574,494 |
| Transportation | 273,946 | 273,439 | | 221,446 |
| Child Support Enforcement | 916,404 | 874,959 | | 949,568 |
| Aid to the Blind Program | 11,097 | 10,466 | | 9,193 |
| Foster Care | 775,146 | 775,957 | | 716,517 |
| Work First Program | 99,500 | 67,330 | | 54,009 |
| Total | <u>11,512,010</u> | <u>10,371,568</u> | <u>1,140,442</u> | <u>10,502,556</u> |
| Other Human Services | | | | |
| Veterans Services | 61,332 | 60,439 | | 58,979 |
| Youth Services | 209,628 | 208,029 | | 219,485 |
| Total | <u>270,960</u> | <u>268,468</u> | <u>2,492</u> | <u>278,464</u> |
| Total Human Services | <u>16,402,487</u> | <u>14,936,987</u> | <u>1,465,500</u> | <u>14,635,829</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, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|---|-------------------|----------------------|------------------------------------|----------------------|
| Cultural and recreational: | | | | |
| Recreation | 55,070 | 44,270 | | 44,270 |
| Library and Museum | 219,300 | 219,300 | | 219,300 |
| Special Appropriation | 220,500 | 190,500 | | 180,500 |
| Total Cultural and Recreational | <u>494,870</u> | <u>454,070</u> | <u>40,800</u> | <u>444,070</u> |
| Education: | | | | |
| Public School | | | | |
| Current Expense | 14,392,140 | 14,392,140 | | 14,587,005 |
| Capital Outlay | 1,115,695 | 1,115,695 | | 1,115,695 |
| SRO Funding | 765,362 | 765,362 | | - |
| Other School Expenses | 32,600 | - | | - |
| Community College | | | | |
| Current Expense | 2,606,500 | 2,606,500 | | 2,515,000 |
| Capital Outlay | 246,000 | 246,000 | | 283,000 |
| Total Education | <u>19,158,297</u> | <u>19,125,697</u> | <u>32,600</u> | <u>18,500,700</u> |
| Debt service: | | | | |
| Principal | 2,267,406 | 1,935,285 | | 1,968,257 |
| Interest and fees | 628,726 | 628,724 | | 611,982 |
| Total debt service | <u>2,896,132</u> | <u>2,564,009</u> | <u>332,123</u> | <u>2,580,239</u> |
| Total Expenditures | <u>59,581,325</u> | <u>56,798,394</u> | <u>2,782,931</u> | <u>54,947,977</u> |
| Revenue over (under) expenditures | <u>(595,367)</u> | <u>3,308,499</u> | <u>3,903,866</u> | <u>398,260</u> |
| Other financing sources (uses): | | | | |
| Transfers (to) from other funds: | | | | |
| Revaluation Fund | (162,050) | (162,050) | - | (162,050) |
| Capital Project - Courthouse Roof Replacement Fund | - | - | - | 121,448 |
| Capital Project - Radio System Project Fund | (131,941) | (131,941) | - | - |
| Capital Project - Broad Creek Capital Revert | (55,000) | (55,000) | - | (55,000) |
| Capital Project - Jail Locking System Project Fund | (1,535,300) | (1,535,300) | - | - |
| Capital Project - FY 17/18 Capital Improvement Fund | 16,306 | 16,306 | - | (3,152,372) |
| Capital Project - Capital Mangement Grant | (5,000) | (5,000) | - | - |
| Special Revenue - HCCBG - Aging | - | - | - | (8,567) |
| Special Revenue - Economic Development Fund | (80,000) | (80,000) | - | (80,000) |
| Solid Waste Fund | (160,000) | (160,000) | - | - |
| Appropriated Fund Balance | 2,718,352 | - | (2,718,352) | - |
| Contingency | (10,000) | - | 10,000 | - |
| Total other financing sources (uses) | <u>595,367</u> | <u>(2,112,985)</u> | <u>(2,708,352)</u> | <u>(3,336,541)</u> |
| Net change in fund balance | <u>\$ -</u> | 1,195,514 | <u>\$ 1,195,514</u> | (2,938,281) |
| Fund balance, beginning of year | | <u>19,840,043</u> | | <u>22,778,324</u> |
| Fund balance, end of year | | <u>\$ 21,035,557</u> | | <u>\$ 19,840,043</u> |

Beaufort County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year End June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--|------------------|-------------------|------------------------------------|-------------------|
| Revenue | | | | |
| Investment Earnings | \$ - | \$ 1,308 | \$ 1,308 | \$ - |
| Total Revenue | <u>-</u> | <u>1,308</u> | <u>1,308</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfer in - General Fund | 162,050 | 162,050 | - | 162,050 |
| Transfer in - Revaluation Project Fund | - | 28,306 | 28,306 | - |
| Transfer out - Revaluation Project | <u>(162,050)</u> | <u>-</u> | <u>162,050</u> | <u>(18,400)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>190,356</u> | <u>190,356</u> | <u>143,650</u> |
| Net change in fund balance | <u>\$ -</u> | 191,664 | <u>\$ 191,664</u> | 143,650 |
| Fund balance, beginning | | <u>143,650</u> | | <u>-</u> |
| Fund balance, ending | | <u>\$ 335,314</u> | | <u>\$ 143,650</u> |

Beaufort County, North Carolina
Revaluation Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year End June 30, 2018

| | 2019 <u>Budget</u> | 2019 <u>Actual</u> | Variance Positive (Negative) | 2018 <u>Actual</u> |
|--------------------------------------|-----------------------|-----------------------|------------------------------------|-----------------------|
| Expenditures: | | | | |
| Tax Listing | <u>\$1,064,900</u> | <u>\$ 23,895</u> | <u>\$ (1,041,005)</u> | <u>\$ 340,042</u> |
| Total Expenditures | <u>1,064,900</u> | <u>23,895</u> | <u>(1,041,005)</u> | <u>340,042</u> |
| Other financing sources (uses): | | | | |
| Transfer out - Revaluation Fund | <u>1,064,900</u> | <u>(28,306)</u> | <u>1,093,206</u> | <u>18,400</u> |
| Total Other Financing Sources (Uses) | <u>1,064,900</u> | <u>(28,306)</u> | <u>1,093,206</u> | <u>18,400</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(52,201)</u> | <u>\$ 52,201</u> | <u>(321,642)</u> |
| Fund balance, beginning | | <u>52,201</u> | | <u>373,843</u> |
| Fund balance, ending | | <u>\$ -</u> | | <u>\$ 52,201</u> |

NON-MAJOR GOVERNMENTAL FUNDS

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

Beaufort County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

| | Special Revenue Funds | Capital Project Funds | Total Non-Major Governmental Funds |
|---|-----------------------------|-----------------------------|---|
| ASSETS | | | |
| Cash and investments | \$ 2,110,231 | \$ 2,814,256 | \$ 4,924,487 |
| Taxes receivable (net) | 178,319 | - | 178,319 |
| Accounts receivable (net) | 32,530 | 349,561 | 382,091 |
| Due from other funds | 3,112,911 | - | 3,112,911 |
| Total assets | <u>\$ 5,433,991</u> | <u>\$ 3,163,817</u> | <u>\$ 8,597,808</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 380,810 | \$ 40,200 | \$ 421,010 |
| Due to other funds | - | 297,105 | 297,105 |
| Total liabilities | <u>380,810</u> | <u>337,305</u> | <u>718,115</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>178,319</u> | <u>-</u> | <u>178,319</u> |
| Fund balances: | | | |
| Nonspendable | | | |
| Advance to General Fund | 3,112,911 | - | 3,112,911 |
| Restricted: | | | |
| Stabilization by State Statute | 32,530 | 26,714 | 59,244 |
| Restricted, all other | 1,729,421 | 2,799,798 | 4,529,219 |
| Assigned | - | - | - |
| Total fund balances | <u>4,874,862</u> | <u>2,826,512</u> | <u>7,701,374</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 5,433,991</u> | <u>\$ 3,163,817</u> | <u>\$ 8,597,808</u> |

Beaufort County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

| | Special Revenue Funds | Capital Project Funds | Total Non-Major Governmental Funds |
|--|-----------------------------|-----------------------------|---|
| Revenues: | | | |
| Ad valorem taxes | \$ 3,744,767 | \$ - | \$ 3,744,767 |
| Restricted intergovernmental | 247,455 | 743,817 | 991,272 |
| Other | 81,137 | 28,250 | 109,387 |
| Investment Earnings | 9,077 | 737 | 9,814 |
| Total revenues | <u>4,082,436</u> | <u>772,804</u> | <u>4,855,240</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 4,026,637 | - | 4,026,637 |
| Health and human services | 29,779 | - | 29,779 |
| Economic and physical development | 75,414 | 2,136,306 | 2,211,720 |
| Total Expenditures | <u>4,131,830</u> | <u>2,136,306</u> | <u>6,268,136</u> |
| Revenues over (under) expenditures | <u>(49,394)</u> | <u>(1,363,502)</u> | <u>(1,412,896)</u> |
| Other financing sources (uses): | | | |
| Transfers in (out) | 80,000 | 1,710,935 | 1,790,935 |
| Total other financing sources (uses) | <u>80,000</u> | <u>1,710,935</u> | <u>1,790,935</u> |
| Net change in fund balance | 30,606 | 347,433 | 378,039 |
| Fund balances, beginning | <u>4,844,256</u> | <u>2,479,079</u> | <u>7,323,335</u> |
| Fund balances, ending | <u>\$ 4,874,862</u> | <u>\$ 2,826,512</u> | <u>\$ 7,701,374</u> |

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2019

| | HCCBG Aging | Economic Development | Fire and Rescue Tax Districs | Emergency Telephone System | State and Federal Seizures | Healthcare Reserve Fund | Total Nonmajor Special Revenue Funds |
|---|------------------|-------------------------|------------------------------------|----------------------------------|----------------------------------|-------------------------------|---|
| ASSETS | | | | | | | |
| Cash and investments | \$ 46,532 | \$ 10,093 | \$ 367,125 | \$ 86,367 | \$ 79,222 | \$ 1,520,892 | \$ 2,110,231 |
| Taxes receivable (net) | - | - | 178,319 | - | - | - | 178,319 |
| Accounts receivable (net) | 1,617 | - | - | 27,468 | 3,445 | - | 32,530 |
| Due from other funds | - | - | - | - | - | 3,112,911 | 3,112,911 |
| Total assets | <u>\$ 48,149</u> | <u>\$ 10,093</u> | <u>\$ 545,444</u> | <u>\$ 113,835</u> | <u>\$ 82,667</u> | <u>\$ 4,633,803</u> | <u>\$ 5,433,991</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | \$ 5,824 | \$ - | \$ 367,125 | \$ 7,861 | \$ - | \$ - | \$ 380,810 |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>5,824</u> | <u>-</u> | <u>367,125</u> | <u>7,861</u> | <u>-</u> | <u>-</u> | <u>380,810</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>178,319</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>178,319</u> |
| Fund Balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Advance to General Fund | - | - | - | - | - | 3,112,911 | 3,112,911 |
| Restricted: | | | | | | | |
| Stabilization by State Statute | 1,617 | - | - | 27,468 | 3,445 | - | 32,530 |
| Restricted, all other | 40,708 | 10,093 | - | 78,506 | 79,222 | 1,520,892 | 1,729,421 |
| Assigned | - | - | - | - | - | - | - |
| Total fund balances | <u>42,325</u> | <u>10,093</u> | <u>-</u> | <u>105,974</u> | <u>82,667</u> | <u>4,633,803</u> | <u>4,874,862</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 48,149</u> | <u>\$ 10,093</u> | <u>\$ 545,444</u> | <u>\$ 113,835</u> | <u>\$ 82,667</u> | <u>\$ 4,633,803</u> | <u>\$ 5,433,991</u> |

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

| | HCCBG Aging | Economic Development | Fire and Rescue Tax Districts | Emergency Telephone System | State and Federal Seizures | Healthcare Reserve Fund | Total Nonmajor Special Revenue Funds |
|--|------------------|-------------------------|-------------------------------------|----------------------------------|----------------------------------|-------------------------------|---|
| Revenues: | | | | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ 3,744,767 | \$ - | \$ - | \$ - | \$ 3,744,767 |
| Restricted intergovernmental | - | - | - | 229,761 | 17,694 | - | 247,455 |
| Other | 3,155 | - | - | - | 4,854 | 73,128 | 81,137 |
| Investment Earnings | 286 | - | - | 290 | 504 | 7,997 | 9,077 |
| Total revenues | <u>3,441</u> | <u>-</u> | <u>3,744,767</u> | <u>230,051</u> | <u>23,052</u> | <u>81,125</u> | <u>4,082,436</u> |
| Expenditures: | | | | | | | |
| Public safety | - | - | 3,744,767 | 222,102 | 59,768 | - | 4,026,637 |
| Health and human services | 29,779 | - | - | - | - | - | 29,779 |
| Economic and physical development | - | 74,798 | - | - | - | 616 | 75,414 |
| Total expenditures | <u>29,779</u> | <u>74,798</u> | <u>3,744,767</u> | <u>222,102</u> | <u>59,768</u> | <u>616</u> | <u>4,131,214</u> |
| Revenues over (under) expenditures | (26,338) | (74,798) | - | 7,949 | (36,716) | 80,509 | (49,394) |
| Other financing sources (uses): | | | | | | | |
| Transfers in (out) | - | 80,000 | - | - | - | - | 80,000 |
| Total other financing sources (uses) | <u>-</u> | <u>80,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>80,000</u> |
| Net change in fund balances | (26,338) | 5,202 | - | 7,949 | (36,716) | 80,509 | 30,606 |
| Fund balances, beginning | <u>68,663</u> | <u>4,891</u> | <u>-</u> | <u>98,025</u> | <u>119,383</u> | <u>4,553,294</u> | <u>4,844,256</u> |
| Fund balances, ending | <u>\$ 42,325</u> | <u>\$ 10,093</u> | <u>\$ -</u> | <u>\$ 105,974</u> | <u>\$ 82,667</u> | <u>\$ 4,633,803</u> | <u>\$ 4,874,862</u> |

Beaufort County, North Carolina
HCCBG Aging Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--------------------------------------|-----------------|------------------|------------------------------------|----------------|
| Revenues: | | | | |
| Other Income | \$ 6,000 | \$ 3,155 | \$ (2,845) | \$ 4,363 |
| Investment Earnings | - | 286 | | - |
| Total revenues | <u>6,000</u> | <u>3,155</u> | <u>(2,845)</u> | <u>4,363</u> |
| Expenditures: | | | | |
| Health and Human Services | 36,000 | 29,779 | 6,221 | 6,200 |
| Total expenditures | <u>36,000</u> | <u>29,779</u> | <u>6,221</u> | <u>6,200</u> |
| Revenues over (under) expenditures | <u>(30,000)</u> | <u>(26,624)</u> | <u>3,376</u> | <u>(1,837)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in - General Fund | - | - | - | - |
| Fund Balance Appropriated | 30,000 | - | (30,000) | - |
| Total other financing sources (uses) | <u>30,000</u> | <u>-</u> | <u>(30,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(26,624)</u> | <u>\$ (26,624)</u> | <u>(1,837)</u> |
| Fund balance, beginning | | <u>68,663</u> | | <u>70,500</u> |
| Fund balance, ending | | <u>\$ 42,039</u> | | <u>68,663</u> |

Beaufort County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--------------------------------------|-----------------|------------------|------------------------------------|-----------------|
| Expenditures: | | | | |
| Economic and physical development | \$ 80,000 | \$ 74,798 | \$ 5,202 | \$ 75,109 |
| Total expenditures | <u>80,000</u> | <u>74,798</u> | <u>5,202</u> | <u>75,109</u> |
| Revenues over (under) expenditures | <u>(80,000)</u> | <u>(74,798)</u> | <u>(5,202)</u> | <u>(75,109)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in - General Fund | 80,000 | 80,000 | - | 80,000 |
| Transfer out - General Fund | - | - | - | - |
| Total other financing sources (uses) | <u>80,000</u> | <u>80,000</u> | <u>-</u> | <u>80,000</u> |
| Net change in fund balance | <u>\$ -</u> | 5,202 | <u>\$ (5,202)</u> | 4,891 |
| Fund balance, beginning | | <u>4,891</u> | | <u>-</u> |
| Fund balance, ending | | <u>\$ 10,093</u> | | <u>\$ 4,891</u> |

Beaufort County, North Carolina
Fire and Rescue Tax District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts For the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|----------------------------|------------------|------------------|------------------------------------|------------------|
| Revenues: | | | | |
| Ad valorem tax | \$ 3,524,484 | \$ 3,744,767 | \$ 220,283 | \$ 3,711,022 |
| Total revenues | <u>3,524,484</u> | <u>3,744,767</u> | <u>220,283</u> | <u>3,711,022</u> |
| Expenditures: | | | | |
| Public safety expenditures | 3,524,484 | 3,744,767 | (220,283) | 3,711,022 |
| Total expenditures | <u>3,524,484</u> | <u>3,744,767</u> | <u>(220,283)</u> | <u>3,711,022</u> |
| Net Change in Fund Balance | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund balance, beginning | | - | | - |
| Fund balance, ending | | <u>\$ -</u> | | <u>\$ -</u> |

Beaufort County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts For the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--|-----------------|-------------------|------------------------------------|------------------|
| Revenues: | | | | |
| Restricted intergovernmental | \$ 189,000 | \$ 229,761 | \$ 40,761 | \$ 189,185 |
| Investment Earnings | - | 290 | 290 | - |
| Total revenues | <u>189,000</u> | <u>230,051</u> | <u>41,051</u> | <u>189,185</u> |
| Expenditures: | | | | |
| Public Safety : | | | | |
| Implemental functions | 43,234 | 33,181 | 10,053 | 8,212 |
| Telephone | 80,080 | 84,079 | (3,999) | 75,634 |
| Software maintenance | 75,168 | 69,183 | 5,985 | 57,083 |
| Hardware maintenance | 9,800 | 3,753 | 6,047 | 49,777 |
| Training | 5,192 | - | 5,192 | 850 |
| Capital outlay | 32,953 | 31,906 | 1,047 | 267,443 |
| Other expenses | 6,062 | - | 6,062 | - |
| Total expenditures | <u>252,489</u> | <u>222,102</u> | <u>30,387</u> | <u>458,999</u> |
| Revenues over (under) expenditures | <u>(63,489)</u> | <u>7,949</u> | <u>71,438</u> | <u>(269,814)</u> |
| Other financing sources (uses): | | | | |
| Fund balance appropriated | <u>63,489</u> | <u>-</u> | <u>(63,489)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>7,949</u> | <u>\$ 7,949</u> | <u>(269,814)</u> |
| Fund balance, beginning | | <u>98,025</u> | | <u>367,839</u> |
| Fund balance, ending | | <u>\$ 105,974</u> | | <u>\$ 98,025</u> |

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, 2019
With Comparative Amounts For The Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--|-----------------|------------------|------------------------------------|-------------------|
| Revenues: | | | | |
| Restricted intergovernmental | \$ 50,000 | \$ 17,694 | \$ (32,306) | \$ 27,704 |
| Miscellaneous | - | 4,854 | 4,854 | 9,637 |
| Investment Earnings | - | 504 | 504 | - |
| Total revenues | <u>50,000</u> | <u>23,052</u> | <u>(26,948)</u> | <u>37,341</u> |
| Expenditures: | | | | |
| Public safety expenditures | 100,000 | 59,768 | 40,232 | 82,072 |
| Total expenditures | <u>100,000</u> | <u>59,768</u> | <u>40,232</u> | <u>82,072</u> |
| Revenues over (under) expenditures | <u>(50,000)</u> | <u>(36,716)</u> | <u>13,284</u> | <u>(44,731)</u> |
| Other Financing Sources (Uses): | | | | |
| Appropriated fund balance | 50,000 | - | (50,000) | - |
| Total other financing sources (uses) | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | (36,716) | <u>\$ (36,716)</u> | (44,731) |
| Fund balance, beginning | | <u>119,383</u> | | <u>164,114</u> |
| Fund balance, ending | | <u>\$ 82,667</u> | | <u>\$ 119,383</u> |

Beaufort County, North Carolina
Healthcare Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year End June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|--|------------------|--------------------|------------------------------------|---------------------|
| Revenues: | | | | |
| Other income | \$ 31,400 | \$ 33,709 | \$ 2,309 | \$ 4,557,622 |
| Principal payments received | 332,121 | 332,121 | - | 54,968 |
| Interest payment received | 39,420 | 39,419 | (1) | 6,955 |
| Investment Earnings | - | 7,997 | 7,997 | - |
| Total Revenues | <u>402,941</u> | <u>413,246</u> | <u>10,305</u> | <u>4,619,545</u> |
| Expenditures: | | | | |
| Economic and physical development | 616 | 616 | - | 11,283 |
| Total Expenditures | <u>616</u> | <u>616</u> | <u>-</u> | <u>11,283</u> |
| Revenues over (under) expenditures | <u>402,325</u> | <u>412,630</u> | <u>10,305</u> | <u>4,608,262</u> |
| Other financing sources (uses): | | | | |
| Transfer to General Fund | (402,325) | - | 402,325 | (3,500,000) |
| Total other financing sources (uses) | <u>(402,325)</u> | <u>-</u> | <u>402,325</u> | <u>(3,500,000)</u> |
| Net change in fund balance | <u>\$ -</u> | \$ 412,630 | <u>\$ 412,630</u> | \$ 1,108,262 |
| Reconciling Item | | | | |
| Principal paid on intergovernment loan | | (332,121) | | (54,968) |
| Fund balance, beginning | | <u>4,553,294</u> | | <u>3,500,000</u> |
| Fund balance, ending | | <u>\$4,633,803</u> | | <u>\$ 4,553,294</u> |

CAPITAL PROJECTS FUND

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

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2019

| | FY 17/18 Capital Improvements | One NC Grant | FEMA Flood Mitigation 2015-017 | FEMA Flood Mitigation 2015-016 | FEMA Hazard Mitigation 2016-003 | Hazard Mitigation 2016-004 | Hazard Mitigation 2016-005 | Hazard Mitigation | FEMA Flood Mitigation 2014-004 | CDBG Fellows Grant 04-D-2704 |
|---|-------------------------------------|-----------------|--------------------------------------|--------------------------------------|---------------------------------------|----------------------------------|----------------------------------|----------------------|--------------------------------------|------------------------------------|
| ASSETS | | | | | | | | | | |
| Cash and Investments | \$ 49,806 | \$ 4,283 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable (net) | 22,096 | - | 127,804 | 36,039 | 66,611 | 2,485 | 17,678 | 71,980 | - | - |
| Total assets | <u>\$ 71,902</u> | <u>\$ 4,283</u> | <u>\$ 127,804</u> | <u>\$ 36,039</u> | <u>\$ 66,611</u> | <u>\$ 2,485</u> | <u>\$ 17,678</u> | <u>\$ 71,980</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 1,673 | \$ - | \$ 1,025 | \$ - | \$ 900 | \$ - | \$ 3,872 | \$ 19,945 | \$ - | \$ - |
| Due to other funds | - | - | 126,779 | 36,039 | 65,711 | 2,485 | 13,806 | 52,035 | - | - |
| Total liabilities | <u>1,673</u> | <u>-</u> | <u>127,804</u> | <u>36,039</u> | <u>66,611</u> | <u>2,485</u> | <u>17,678</u> | <u>71,980</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Stabilization by State Statue | 22,096 | - | - | - | - | - | - | - | - | - |
| Restricted, all other | 48,133 | 4,283 | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>70,229</u> | <u>4,283</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 71,902</u> | <u>\$ 4,283</u> | <u>\$ 127,804</u> | <u>\$ 36,039</u> | <u>\$ 66,611</u> | <u>\$ 2,485</u> | <u>\$ 17,678</u> | <u>\$ 71,980</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Non-Major Capital Project Funds
Combining Balance Sheets
June 30, 2019

| | NC Rural Econ Devel 2016- 045-3201-2587 | CDBG Disaster Recovery 17-R3007 | Stream Debris Removal | Jail Locking System Improvements | Radio System Project | Coastal Management Grant | Broad Creek Capital Reserve Fund | Wrights Creek PARTF 2017-820 | Total Nonmajor Capital Projects Funds |
|---|---|---------------------------------------|--------------------------|--|-------------------------|--------------------------------|--|------------------------------------|--|
| ASSETS | | | | | | | | | |
| Cash and Investments | \$ - | \$ - | \$ - | \$ 1,535,300 | \$ 956,682 | \$ 5,000 | \$ 163,784 | \$ 99,401 | \$ 2,814,256 |
| Accounts receivable (net) | 250 | - | - | - | 4,618 | - | - | - | 349,561 |
| Total assets | <u>\$ 250</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,535,300</u> | <u>\$ 961,300</u> | <u>\$ 5,000</u> | <u>\$ 163,784</u> | <u>\$ 99,401</u> | <u>\$ 3,163,817</u> |
| LIABILITIES AND FUND BALANCE: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ - | \$ - | \$ 12,785 | \$ - | \$ - | \$ - | \$ 40,200 |
| Due to other funds | 250 | - | - | - | - | - | - | - | 297,105 |
| Total liabilities | <u>250</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,785</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>337,305</u> |
| Fund balances: | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Stabilization by State Statue | - | - | - | - | 4,618 | - | - | - | 26,714 |
| Restricted, all other | - | - | - | 1,535,300 | 943,897 | 5,000 | 163,784 | 99,401 | 2,799,798 |
| Assigned | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,535,300</u> | <u>948,515</u> | <u>5,000</u> | <u>163,784</u> | <u>99,401</u> | <u>2,826,512</u> |
| Total liabilities and fund balances | <u>\$ 250</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,535,300</u> | <u>\$ 961,300</u> | <u>\$ 5,000</u> | <u>\$ 163,784</u> | <u>\$ 99,401</u> | <u>\$ 3,163,817</u> |

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2019

| | FY 17/18 Capital Improvements | One NC Grant | FEMA Flood Mitigation 2015-017 | FEMA Flood Mitigation 2015-016 | FEMA Hazard Mitigation 2016-003 | Hazard Mitigation 2016-004 | Hazard Mitigation 2016-005 | Hazard Mitigation | FEMA Flood Mitigation 2014-004 | CDBG Fellows Grant 04-D-2704 |
|--|-------------------------------------|-----------------|--------------------------------------|--------------------------------------|---------------------------------------|----------------------------------|----------------------------------|----------------------|--------------------------------------|------------------------------------|
| Revenues: | | | | | | | | | | |
| Restricted intergovernmental | \$ - | \$ 25,000 | \$ 128,406 | \$ 57,039 | 59,609 | \$ 2,485 | \$ 17,678 | \$ 468,660 | \$ (30,500) | \$ - |
| Investment earnings | - | - | - | - | - | - | - | - | - | - |
| Other | - | 4,050 | 24,200 | - | - | - | - | - | - | - |
| Total revenues | - | 29,050 | 152,606 | 57,039 | 59,609 | 2,485 | 17,678 | 468,660 | (30,500) | - |
| Expenditures: | | | | | | | | | | |
| Public Safety | - | - | - | - | - | - | - | - | - | - |
| Health and human services | - | - | - | - | - | - | - | - | - | - |
| Economic and physical development | 1,210,997 | 33,334 | 184,403 | 57,039 | 59,609 | 2,485 | 17,678 | 468,660 | - | - |
| Total expenditures | 1,210,997 | 33,334 | 184,403 | 57,039 | 59,609 | 2,485 | 17,678 | 468,660 | - | - |
| Revenues over (under) expenditures | (1,210,997) | (4,284) | (31,797) | - | - | - | - | - | (30,500) | - |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in (out) | (16,306) | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (16,306) | - | - | - | - | - | - | - | - | - |
| Net change in fund balances | (1,227,303) | (4,284) | (31,797) | - | - | - | - | - | (30,500) | - |
| Fund balances, beginning | 1,297,532 | 8,567 | 31,797 | - | - | - | - | - | 30,500 | - |
| Fund balances, ending | \$ 70,229 | \$ 4,283 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Beaufort County, North Carolina
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2019

| | NC Rural Econ Devel 2016- 045-3201-2587 | CDBG Disaster Recovery 17-R3007 | Stream Debris Removal | Jail Locking System Improvements | Radio System Project | Coastal Management Grant | Broad Creek Capital Reserve Fund | Wrights Creek PARTF 2017-820 | Total Nonmajor Capital Projects Funds |
|---|---|---------------------------------------|--------------------------|--|-------------------------|--------------------------------|--|------------------------------------|--|
| Revenues: | | | | | | | | | |
| Restricted intergovernmental | \$ 15,440 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 743,817 |
| Investment earnings | - | - | - | - | - | - | 737 | - | 737 |
| Other | - | - | - | - | - | - | - | - | 28,250 |
| Total revenues | <u>15,440</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>737</u> | <u>-</u> | <u>772,804</u> |
| Expenditures: | | | | | | | | | |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Health and human services | - | - | - | - | - | - | - | - | - |
| Economic and physical development | 15,440 | - | - | - | 86,661 | - | - | - | 2,136,306 |
| Total expenditures | <u>15,440</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>86,661</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,136,306</u> |
| Revenues over (under) expenditures | - | - | - | - | (86,661) | - | 737 | - | (1,363,502) |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in (out) | - | - | - | 1,535,300 | 131,941 | 5,000 | 55,000 | - | 1,710,935 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,535,300</u> | <u>131,941</u> | <u>5,000</u> | <u>55,000</u> | <u>-</u> | <u>1,710,935</u> |
| Net change in fund balances | - | - | - | 1,535,300 | 45,280 | 5,000 | 55,737 | - | 347,433 |
| Fund balances, beginning | - | - | - | - | 903,235 | - | 108,047 | 99,401 | 2,479,079 |
| Fund balances, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,535,300</u> | <u>\$ 948,515</u> | <u>\$ 5,000</u> | <u>\$ 163,784</u> | <u>\$ 99,401</u> | <u>\$ 2,826,512</u> |

Beaufort County, North Carolina
FY 17/18 Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Completed Project | Variance Positive (Negative) |
|--------------------------------------|--------------------------|---------------------|--------------------|--------------------|----------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | | |
| Expenditures: | | | | | | |
| Roof replacements | \$ 597,836 | \$ 354,450 | \$ 243,382 | \$ 597,832 | \$ (597,832) | \$ 4 |
| Financial service center remodel | 648,268 | 65,642 | 538,403 | 604,045 | - | 44,223 |
| Courthouse improvements | 1,464,940 | 1,420,698 | 21,487 | 1,442,185 | (1,442,185) | 22,755 |
| Site work/paving | 139,750 | 6,050 | 132,992 | 139,042 | (139,042) | 708 |
| Modular unit | 33,000 | - | 31,849 | 31,849 | (31,849) | 1,151 |
| Capital outlay - equipment | 252,272 | 8,000 | 242,884 | 250,884 | (250,884) | 1,388 |
| Total expenditures | <u>3,136,066</u> | <u>1,854,840</u> | <u>1,210,997</u> | <u>3,065,837</u> | <u>(2,461,792)</u> | <u>70,229</u> |
| Revenues over (under) expenditures | <u>(3,136,066)</u> | <u>(1,854,840)</u> | <u>(1,210,997)</u> | <u>(3,065,837)</u> | <u>2,461,792</u> | <u>70,229</u> |
| Other financing sources (uses): | | | | | | |
| Transfers (to)/from other funds | <u>3,136,066</u> | <u>3,152,372</u> | <u>(16,306)</u> | <u>3,136,066</u> | <u>(2,461,792)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>3,136,066</u> | <u>3,152,372</u> | <u>(16,306)</u> | <u>3,136,066</u> | <u>(2,461,792)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 1,297,532</u> | <u>(1,227,303)</u> | <u>\$ 70,229</u> | <u>\$ -</u> | <u>\$ 70,229</u> |
| Fund balance, beginning | | | <u>1,297,532</u> | | | |
| Fund balance, end | | | <u>\$ 70,229</u> | | | |

Beaufort County, North Carolina
One NC Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

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

Beaufort County, North Carolina
FEMA Flood Mitigation 2015-017 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|------------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA-PJ- 04-NC-2015-017 | \$ 557,645 | \$ 176,224 | \$ 128,406 | \$ 304,630 | \$ (253,015) |
| Owner's contributions | 61,961 | 31,797 | 24,200 | 55,997 | (5,964) |
| Total revenues | <u>619,606</u> | <u>208,021</u> | <u>152,606</u> | <u>360,627</u> | <u>(258,979)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 619,606 | 176,224 | 184,403 | 360,627 | 258,979 |
| Total expenditures | <u>619,606</u> | <u>176,224</u> | <u>184,403</u> | <u>360,627</u> | <u>258,979</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 31,797</u> | <u>(31,797)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>31,797</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
FEMA Flood Mitigation 2015-016 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA- PJ-04-NC-2015-016 | \$ 282,944 | \$ 116,828 | \$ 57,039 | \$ 173,867 | \$ (109,077) |
| Total revenues | <u>282,944</u> | <u>116,828</u> | <u>57,039</u> | <u>173,867</u> | <u>(109,077)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 282,944 | 116,828 | 57,039 | 173,867 | 109,077 |
| Total expenditures | <u>282,944</u> | <u>116,828</u> | <u>57,039</u> | <u>173,867</u> | <u>109,077</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | - | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-003 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA- PJ-04-NC-2016-003 | \$ 215,760 | \$ 7,002 | \$ 59,609 | \$ 66,611 | \$ (149,149) |
| Total revenues | <u>215,760</u> | <u>7,002</u> | <u>59,609</u> | <u>66,611</u> | <u>(149,149)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 215,760 | 7,002 | 59,609 | 66,611 | 149,149 |
| Total expenditures | <u>215,760</u> | <u>7,002</u> | <u>59,609</u> | <u>66,611</u> | <u>149,149</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | - | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-004 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA-PJ- 04-NC-2016-004 | \$ 73,015 | \$ - | \$ 2,485 | \$ 2,485 | \$ (70,530) |
| Total revenues | <u>73,015</u> | <u>-</u> | <u>2,485</u> | <u>2,485</u> | <u>(70,530)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 73,015 | - | 2,485 | 2,485 | 70,530 |
| Total expenditures | <u>73,015</u> | <u>-</u> | <u>2,485</u> | <u>2,485</u> | <u>70,530</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>-</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-005 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA- PJ-04-NC-2016-005 | \$ 539,590 | \$ - | \$ 17,678 | \$ 17,678 | \$ (521,912) |
| Total revenues | <u>539,590</u> | <u>-</u> | <u>17,678</u> | <u>17,678</u> | <u>(521,912)</u> |
| Expenditures: | | | | | |
| Economic and physical development | 539,590 | - | 17,678 | 17,678 | 521,912 |
| Total expenditures | <u>539,590</u> | <u>-</u> | <u>17,678</u> | <u>17,678</u> | <u>521,912</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>-</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
Hazard Mitigation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--|--------------------------|------------------|-----------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental - HMGP 1969-011 | \$ 858,030 | \$ 811,492 | \$ - | \$ 811,492 | \$ (46,538) |
| Restricted intergovernmental - HMGP 1969-011R | 844,042 | 82,897 | 468,660 | 551,557 | (292,485) |
| Restricted intergovernmental - HMGP 1969-012 | 93,600 | 93,466 | - | 93,466 | (134) |
| Restricted intergovernmental - HMGP 4019-022 | 149,063 | 149,064 | - | 149,064 | 1 |
| Homeowner's contribution | 69,309 | 69,309 | - | 69,309 | - |
| Total revenues | <u>2,014,044</u> | <u>1,206,228</u> | <u>468,660</u> | <u>1,674,888</u> | <u>(339,156)</u> |
| Expenditures | | | | | |
| Economic and physical development | <u>2,014,044</u> | <u>1,206,228</u> | <u>468,660</u> | <u>1,674,888</u> | <u>339,156</u> |
| Total expenditures | <u>2,014,044</u> | <u>1,206,228</u> | <u>468,660</u> | <u>1,674,888</u> | <u>339,156</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | - | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
FEMA Flood Mitigation 2014-004 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues: | | | | | |
| Restricted intergovernmental - FMA- PJ-04-NC-2014-004 | \$ 1,643,532 | \$ 1,459,941 | \$ (30,500) | \$ 1,429,441 | \$ (214,091) |
| Owner's Contribution | 30,500 | 30,500 | - | 30,500 | - |
| Total revenues | <u>1,674,032</u> | <u>1,490,441</u> | <u>(30,500)</u> | <u>1,459,941</u> | <u>(214,091)</u> |
| Expenditures | | | | | |
| Economic and physical development | 1,674,032 | 1,459,941 | - | 1,459,941 | 214,091 |
| Total expenditures | <u>1,674,032</u> | <u>1,459,941</u> | <u>-</u> | <u>1,459,941</u> | <u>214,091</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 30,500</u> | <u>(30,500)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>30,500</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
CDBG Fellowship Grant 04-D-2704
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Completed Project | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|----------------------|------------------------------------|
| Revenues: | | | | | | |
| Restricted intergovernmental - 04-D-2704 | \$ 50,000 | \$ 43,309 | \$ - | \$ 43,309 | (43,309) | \$ (6,691) |
| Total revenues | <u>50,000</u> | <u>43,309</u> | <u>-</u> | <u>43,309</u> | <u>(43,309)</u> | <u>(6,691)</u> |
| Expenditures | | | | | | |
| Economic and physical development | 50,000 | 43,309 | - | 43,309 | (43,309) | 6,691 |
| Total expenditures | <u>50,000</u> | <u>43,309</u> | <u>-</u> | <u>43,309</u> | <u>(43,309)</u> | <u>6,691</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>-</u> | | | |
| Fund balance, end | | | <u>\$ -</u> | | | |

Beaufort County, North Carolina
North Carolina Economic Development Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - 2016-045- 3201-2587 | \$ 158,000 | \$ 35,398 | \$ 15,440 | \$ 50,838 | \$ (107,162) |
| Total revenues | <u>158,000</u> | <u>35,398</u> | <u>15,440</u> | <u>50,838</u> | <u>(107,162)</u> |
| Expenditures | | | | | |
| Economic and physical development | 158,000 | 35,398 | 15,440 | 50,838 | 107,162 |
| Total expenditures | <u>158,000</u> | <u>35,398</u> | <u>15,440</u> | <u>50,838</u> | <u>107,162</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | - | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
Community Development Block Grant Fund - 17R3007
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - CDBG- DR-17-R-3007 | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ (1,000,000) |
| Total revenues | <u>1,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,000,000)</u> |
| Expenditures | | | | | |
| Economic and physical development | 1,000,000 | - | - | - | 1,000,000 |
| Total expenditures | <u>1,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,000,000</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>-</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
Stream Debris Removal Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| NC Department of Agriculture - G40100008513SWC | \$ 20,206 | \$ 13,272 | \$ - | \$ 13,272 | \$ (6,934) |
| NC Department of Agriculture - 17175404 | 311,909 | 67,222 | - | 67,222 | (244,687) |
| Total revenues | <u>332,115</u> | <u>80,494</u> | <u>-</u> | <u>80,494</u> | <u>(251,621)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Rowland Creek cleanout expense | 2,932 | - | - | - | 2,932 |
| Bear Creek cleanout expense | 5,994 | 1,992 | - | 1,992 | 4,002 |
| Cuckolds Creek cleanout expense | 11,280 | 11,280 | - | 11,280 | - |
| Stream debris removal | 311,909 | 67,222 | - | 67,222 | 244,687 |
| Total expenditures | <u>332,115</u> | <u>80,494</u> | <u>-</u> | <u>80,494</u> | <u>251,621</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance, beginning | | | <u>-</u> | | |
| Fund balance, end | | | <u>\$ -</u> | | |

Beaufort County, North Carolina
Jail Locking System Improvements
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | Total to Date | Variance Positive (Negative) |
|--------------------------------------|--------------------------|----------------|-----------------|------------------|------------------------------------|
| | | Prior Years | Current Year | | |
| Revenues: | | | | | |
| Restricted intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - | - |
| Expenditures | | | | | |
| Public Safety | | | | | |
| Permit Prep Fees | 25,000 | - | - | - | 25,000 |
| Capital Improvement | 798,000 | - | - | - | 798,000 |
| Safekeeping Capacity | 630,000 | - | - | - | 630,000 |
| Contingency | 82,300 | - | - | - | 82,300 |
| Total expenditures | 1,535,300 | - | - | - | 1,535,300 |
| Other Financing Sources (Uses) | | | | | |
| Transfer from General Fund | 1,535,300 | - | 1,535,300 | 1,535,300 | - |
| Total Other Financing Sources (Uses) | 1,535,300 | - | 1,535,300 | 1,535,300 | - |
| Net change in fund balance | \$ - | \$ - | 1,535,300 | \$ 1,535,300 | \$ 1,535,300 |
| Fund balance, beginning | | | - | | |
| Fund balance, end | | | \$ 1,535,300 | | |

Beaufort County, North Carolina
Radio System Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--------------------------------------|--------------------------|-------------------|---------------------------|-------------------|------------------------------------|
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Capital outlay - equipment | \$ 1,938,410 | \$ 903,234 | \$ 86,661 | \$ 989,895 | \$ 948,515 |
| Total expenditures | <u>1,938,410</u> | <u>903,234</u> | <u>86,661</u> | <u>989,895</u> | <u>948,515</u> |
| Revenues over (under) expenditures | <u>(1,938,410)</u> | <u>(903,234)</u> | <u>(86,661)</u> | <u>(989,895)</u> | <u>948,515</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer in - General Fund | 1,938,410 | 1,806,469 | 131,941 | 1,938,410 | - |
| Total other financing sources (uses) | <u>1,938,410</u> | <u>1,806,469</u> | <u>131,941</u> | <u>1,938,410</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 903,235</u> | 45,280 | <u>\$ 948,515</u> | <u>\$ 948,515</u> |
| Fund balance, beginning | | | <u>903,235</u> | | |
| Fund balance, end | | | <u>\$ 948,515</u> | | |

Beaufort County, North Carolina
Coastal Management Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--------------------------------------|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenue | | | | | |
| Coastal Management Grant | \$ 20,000 | \$ - | \$ - | \$ - | \$ (20,000) |
| Total Revenues | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(20,000)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Professional Services | 25,000 | - | - | - | 25,000 |
| Total expenditures | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| Revenues over (under) expenditures | <u>(5,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,000</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer in - General Fund | 5,000 | - | 5,000 | 5,000 | - |
| Total other financing sources (uses) | <u>5,000</u> | <u>-</u> | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 5,000 | <u>\$ 5,000</u> | <u>\$ 5,000</u> |
| Fund balance, beginning | | | <u>-</u> | | |
| Fund balance, end | | | <u>\$ 5,000</u> | | |

Beaufort County, North Carolina
Broad Creek Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|-------------------------------------|-----------------|-------------------|------------------------------------|-------------------|
| Revenues: | | | | |
| Investment Earnings | \$ - | \$ 737 | \$ 737 | \$ - |
| Total revenues | <u>-</u> | <u>737</u> | <u>737</u> | <u>-</u> |
| Expenditures | | | | |
| Economic and physical development | | | | |
| Capital outlay | 55,000 | - | 55,000 | - |
| Total expenditures | <u>55,000</u> | <u>-</u> | <u>55,000</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>(55,000)</u> | <u>737</u> | <u>55,737</u> | <u>-</u> |
| Other Financing Source (Uses) | | | | |
| Transfer from General Fund | 55,000 | 55,000 | - | 55,000 |
| Total other financing source (uses) | <u>55,000</u> | <u>55,000</u> | <u>-</u> | <u>55,000</u> |
| Net change in fund balance | <u>\$ -</u> | 55,737 | <u>\$ 55,737</u> | 55,000 |
| Fund balance, beginning | | <u>108,047</u> | | <u>53,047</u> |
| Fund balance, end | | <u>\$ 163,784</u> | | <u>\$ 108,047</u> |

Beaufort County, North Carolina
PARTF Wright's Creek Phase II Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|------------------|------------------|------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Wright's Creek Access PARTF - 2017-820 | \$ 100,606 | \$ - | \$ - | \$ - | \$ (100,606) |
| Total revenues | <u>100,606</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(100,606)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Equipment | 9,784 | - | - | - | 9,784 |
| Planning and design | 12,576 | 1,205 | - | 1,205 | 11,371 |
| Septic system | 10,000 | - | - | - | 10,000 |
| Rest rooms | 35,000 | - | - | - | 35,000 |
| Boardwalk | 33,300 | - | - | - | 33,300 |
| Pier | 16,190 | - | - | - | 16,190 |
| Picnic shelters | 50,000 | - | - | - | 50,000 |
| Gazebo | 5,878 | - | - | - | 5,878 |
| Parking/walkway | 19,500 | - | - | - | 19,500 |
| Contingency | 8,983 | - | - | - | 8,983 |
| Total expenditures | <u>201,211</u> | <u>1,205</u> | <u>-</u> | <u>1,205</u> | <u>200,006</u> |
| Revenues over (under) expenditures | <u>(100,605)</u> | <u>(1,205)</u> | <u>-</u> | <u>(1,205)</u> | <u>99,400</u> |
| Other Financing Source (Uses) | | | | | |
| Transfer from General Fund | 100,605 | 100,606 | - | 100,606 | (1) |
| Total other financing source (uses) | <u>100,605</u> | <u>100,606</u> | <u>-</u> | <u>100,606</u> | <u>(1)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 99,401</u> | <u>-</u> | <u>\$ 99,401</u> | <u>\$ 99,401</u> |
| Fund balance, beginning | | | <u>99,401</u> | | |
| Fund balance, end | | | <u>\$ 99,401</u> | | |

ENTERPRISE FUND

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

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2019
With Comparative Amounts For the Year Ended June 30, 2018

| | 2019 <u>Budget</u> | 2019 <u>Actual</u> | Variance Positive (Negative) | 2018 <u>Actual</u> |
|-------------------------------------|-----------------------|-----------------------|------------------------------------|-----------------------|
| Revenues: | | | | |
| Operating Revenues: | | | | |
| Solid waste fees | \$ 3,288,259 | \$ 3,346,187 | \$ | \$ 3,329,634 |
| Scrap tire disposal fees | 82,848 | 66,092 | | 99,328 |
| White goods disposal fees | 21,000 | 19,507 | | 30,479 |
| Solid waste disposal fees | 28,600 | 31,863 | | 28,379 |
| Interest/tax collections | 17,200 | 45,459 | | 28,399 |
| Hurricane Reimbursement | 56,202 | 64,943 | | - |
| Total operating revenues | <u>3,494,109</u> | <u>3,574,051</u> | <u>79,942</u> | <u>3,516,219</u> |
| Nonoperating Revenues: | | | | |
| Rent | - | 7,656 | | - |
| Investment Earnings | - | 5,714 | | - |
| Total nonoperating revenues | <u>-</u> | <u>13,370</u> | <u>13,370</u> | <u>-</u> |
| Expenditures: | | | | |
| Administration: | | | | |
| Salaries and Employee Benefits | 13,745 | 12,698 | | - |
| Computer Support | 2,463 | 2,463 | | 2,000 |
| Contract Services | 102,219 | 94,218 | | - |
| Insurance and Bonds | 772 | 772 | | - |
| Other Expenses | 5,000 | - | | - |
| Telephone | 257 | 257 | | 350 |
| Administrative Cost to General Fund | 84,301 | 84,301 | | - |
| Total | <u>208,757</u> | <u>194,709</u> | <u>14,048</u> | <u>2,350</u> |
| Solid waste fees and expenses | | | | |
| Landfill | 1,187,547 | 1,185,092 | | 1,091,759 |
| Transfer station | 1,498,078 | 1,498,425 | | 1,381,515 |
| Convenience | 669,546 | 676,668 | | 634,362 |
| Disposal fees | 130,604 | 126,286 | | 115,809 |
| Maintenance | 122,884 | 110,826 | | 60,596 |
| Total | <u>3,608,659</u> | <u>3,597,297</u> | <u>11,362</u> | <u>3,284,041</u> |
| Total Expenditures | <u>3,817,416</u> | <u>3,792,006</u> | <u>25,410</u> | <u>3,286,391</u> |
| Revenues over (under) Expenditures | <u>(323,307)</u> | <u>(204,585)</u> | <u>118,722</u> | <u>229,828</u> |

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2019
With Comparative Amounts For the Year Ended June 30, 2018

| | 2019 <u>Budget</u> | 2019 <u>Actual</u> | Variance Positive (Negative) | 2018 <u>Actual</u> |
|--|-----------------------|-----------------------|------------------------------------|-----------------------|
| Other Financing Sources (Uses): | | | | |
| Transfer in - General Fund | 160,000 | 160,000 | - | - |
| Transfer from Solid Waste project | - | 90 | 90 | - |
| Transfer out - Solid Waste project | (51,700) | (51,700) | - | - |
| Appropriated Fund Balance | 215,007 | - | (215,007) | - |
| Total Other Financing Sources (Uses) | <u>323,307</u> | <u>108,390</u> | <u>(214,917)</u> | <u>-</u> |
| Revenues and other financing sources (uses) over expenditures | \$ <u>-</u> | \$ (96,195) | \$ <u>(96,195)</u> | \$ 229,828 |
| Reconciliation form budgetary basis (modified) accrual to full accrual: | | | | |
| Depreciation | | (1,002) | | (1,177) |
| Professional Services (from E-1a) | | (4,625) | | (8,000) |
| Professional Services (from E-1b) | | (51,610) | | - |
| Transfers from other funds (E-1b) | | 51,700 | | - |
| Transfers to other funds (E-1b) | | <u>(90)</u> | | <u>-</u> |
| Total Reconciling Items | | <u>(5,627)</u> | | <u>(9,177)</u> |
| Change in net position | | \$ <u>(101,822)</u> | | \$ <u>220,651</u> |

Beaufort County, North Carolina
Landfill Cap Work Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Completed Project | Variance Positive (Negative) |
|--|--------------------------|-----------------|-------------------|------------------|----------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | | |
| Expenditures | | | | | | |
| Professional services | \$ 12,625 | \$ 8,000 | \$ 4,625 | \$ 12,625 | \$ (12,625) | \$ - |
| Total expenditures | <u>12,625</u> | <u>8,000</u> | <u>4,625</u> | <u>12,625</u> | <u>(12,625)</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>(12,625)</u> | <u>(8,000)</u> | <u>(4,625)</u> | <u>(12,625)</u> | <u>12,625</u> | <u>-</u> |
| Other Financing Source (Uses) | | | | | | |
| Transfer from Solid Waste Fund | 12,625 | 12,625 | - | 12,625 | (12,625) | - |
| Total other financing source (uses) | <u>12,625</u> | <u>12,625</u> | <u>-</u> | <u>12,625</u> | <u>(12,625)</u> | <u>-</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ 4,625</u> | <u>\$ (4,625)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Solid Waste Capital Project Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Completed Project | Variance Positive (Negative) |
|--|--------------------------|----------------|-----------------|------------------|----------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | | |
| Expenditures | | | | | | |
| Engineering | \$ 39,700 | \$ - | \$ 39,700 | \$ 39,700 | \$ (39,700) | \$ - |
| Survey - Permits | 12,000 | - | 11,910 | 11,910 | (11,910) | 90 |
| Total expenditures | <u>51,700</u> | <u>-</u> | <u>51,610</u> | <u>51,610</u> | <u>(51,610)</u> | <u>90</u> |
| Revenues over (under) expenditures | <u>(51,700)</u> | <u>-</u> | <u>(51,610)</u> | <u>(51,610)</u> | <u>51,610</u> | <u>90</u> |
| Other Financing Source (Uses) | | | | | | |
| Transfer from Solid Waste Fund | 51,700 | - | 51,700 | 51,700 | (51,700) | - |
| Transfer to Solid Waste Fund | - | - | (90) | (90) | 90 | (90) |
| Total other financing source (uses) | <u>51,700</u> | <u>-</u> | <u>51,610</u> | <u>51,610</u> | <u>(51,610)</u> | <u>(90)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2019

Exhibit E-2

With Comparative Amounts For the Year Ended June 30, 2018

| | 2019 Budget | 2019 Actual | Variance Positive (Negative) | 2018 Actual |
|---|------------------|-------------------|------------------------------------|-------------------|
| Revenues: | | | | |
| Operating Revenues: | | | | |
| Water Sales | \$ 6,897,910 | \$ 6,913,262 | \$ | \$ 6,540,773 |
| Tap on fees | 164,000 | 173,051 | | 167,475 |
| Miscellaneous | 269,996 | 256,893 | | 279,034 |
| Total operating revenues | <u>7,331,906</u> | <u>7,343,206</u> | <u>11,300</u> | <u>6,987,282</u> |
| Nonoperating revenues: | | | | |
| Interest Earned on Investments | 1,000 | 168,449 | | 98,967 |
| Total Nonoperating Revenues | <u>1,000</u> | <u>168,449</u> | <u>167,449</u> | <u>98,967</u> |
| Total Revenues | <u>7,332,906</u> | <u>7,511,655</u> | <u>178,749</u> | <u>7,086,249</u> |
| Expenditures: | | | | |
| Administration: | | | | |
| Supplies | 4,000 | 3,402 | | 3,665 |
| Telephone | 40,000 | 37,791 | | 37,877 |
| Travel | 74,935 | 77,956 | | 75,117 |
| Utilities | 181,280 | 180,366 | | 187,632 |
| Computer support | 74,500 | 34,367 | | - |
| Other administration expenses | 161,751 | 134,466 | | 86,745 |
| Total | <u>536,466</u> | <u>468,348</u> | <u>68,118</u> | <u>391,036</u> |
| Water treatment and distribution | | | | |
| Salaries and employee benefits | 1,359,474 | 1,299,347 | | 1,329,756 |
| Water purchase | 740,000 | 895,058 | | 909,144 |
| Supplies | 306,672 | 273,493 | | 253,349 |
| Maintenance | 385,665 | 352,683 | | 375,187 |
| Hurricane Matthew expenses | 6,166 | 6,166 | | - |
| Other expenses | 463,834 | 345,308 | | 391,035 |
| Administrative Cost to General Fund | 220,086 | 220,086 | | |
| Total | <u>3,481,897</u> | <u>3,392,141</u> | <u>89,756</u> | <u>3,258,471</u> |
| Budgetary appropriations: | | | | |
| Capital outlay | 261,311 | 111,166 | | |
| Principal payment on long term debt | 1,595,000 | 1,595,000 | | 1,267,225 |
| Interest, fees, and amortization | 1,522,915 | 1,640,616 | | 1,445,936 |
| Total | <u>3,379,226</u> | <u>3,346,782</u> | <u>32,444</u> | <u>2,713,161</u> |
| Total Expenditures | <u>7,397,589</u> | <u>7,207,271</u> | <u>190,318</u> | <u>6,362,668</u> |
| Revenues over (under) Expenditures | <u>(64,683)</u> | <u>304,384</u> | <u>369,067</u> | <u>723,581</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In - Projects | - | 130,677 | 130,677 | |
| Transfers out - Projects | (369,660) | (23,030) | 346,630 | - |
| Total Other Financing Sources (Uses) | <u>(369,660)</u> | <u>107,647</u> | <u>477,307</u> | <u>-</u> |
| Fund Balance Appropriated | <u>434,343</u> | <u>-</u> | <u>(434,343)</u> | <u>-</u> |
| Revenues and other financing sources (uses) over expenditures | <u>\$ -</u> | <u>\$ 412,031</u> | <u>\$ 412,031</u> | <u>\$ 723,581</u> |

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2019

Exhibit E-2

With Comparative Amounts For the Year Ended June 30, 2018

| | <u>2019</u> <u>Budget</u> | <u>2019</u> <u>Actual</u> | <u>Variance</u> <u>Positive</u> <u>(Negative)</u> | <u>2018</u> <u>Actual</u> |
|---|------------------------------|------------------------------|---|------------------------------|
| Reconciliation form budgetary basis (modified) | | | | |
| accrual to full accrual: | | | | |
| Revenues over Expenditures and other financing sources | \$ | <u>412,031</u> | | \$ <u>723,581</u> |
| Depreciation | | (2,161,944) | | (2,102,016) |
| Amortization | | 89,757 | | 89,763 |
| Debt principal | | 1,595,000 | | 1,267,225 |
| Capital outlay | | 89,272 | | - |
| Capital contributions (Project Funds) | | 226,330 | | 40,493 |
| Installment proceeds (Project Funds) | | 15,647 | | 13,498 |
| Investment Earnings (Project Funds) | | 74,533 | | |
| Misc Revenue (Project Funds) | | 3,008 | | |
| Transfers In (Out) (Project Funds) | | (107,647) | | |
| Increase (decrease) in deferred outflows of resources - pension | | 82,453 | | (67,450) |
| (Increase) decrease in net pension liability | | (104,639) | | 49,712 |
| (Increase) decrease in deferred inflows of resources - pension | | 886 | | 4,059 |
| Increase (decrease) in deferred outflows of resources - OPEB | | 257,514 | | 36,167 |
| (Increase) decrease in net OPEB liability | | (343,370) | | (33,398) |
| (Increase) decrease in deferred inflows of resources - OPEB | | 5,450 | | (39,618) |
| (Increase) decrease in accrued vacation payable | | <u>(17,068)</u> | | <u>(3,174)</u> |
| Total reconciling items | | <u>(294,818)</u> | | <u>(744,739)</u> |
| Change in net position | \$ | <u><u>117,213</u></u> | | \$ <u><u>(21,158)</u></u> |

Beaufort County, North Carolina
CL2 Conversion Project - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0090 | \$ 401,100 | \$ - | \$ 7,500 | \$ 7,500 | \$ (393,600) |
| Total revenues | <u>401,100</u> | <u>-</u> | <u>7,500</u> | <u>7,500</u> | <u>(393,600)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 350,000 | - | - | - | 350,000 |
| Planning and engineering prior to construction | 42,300 | - | - | - | 42,300 |
| Technical services during construction | 92,700 | - | - | - | 92,700 |
| Administration | 14,000 | - | 10,000 | 10,000 | 4,000 |
| Land purchase | 1,000 | - | - | - | 1,000 |
| Contingency | 24,773 | - | - | - | 24,773 |
| Other | 10,027 | - | - | - | 10,027 |
| Total expenditures | <u>534,800</u> | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>524,800</u> |
| Revenues over (under) expenditures | <u>(133,700)</u> | <u>-</u> | <u>(2,500)</u> | <u>(2,500)</u> | <u>131,200</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 133,700 | - | 2,500 | 2,500 | (131,200) |
| Total other financing source (uses) | <u>133,700</u> | <u>-</u> | <u>2,500</u> | <u>2,500</u> | <u>(131,200)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Gaylord Booster Pump Station 53 - Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0010 | \$ 1,453,500 | \$ 21,743 | \$ 929 | \$ 22,672 | \$ (1,430,828) |
| Total revenues | <u>1,453,500</u> | <u>21,743</u> | <u>929</u> | <u>22,672</u> | <u>(1,430,828)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 1,435,000 | - | - | - | 1,435,000 |
| Planning and engineering prior to construction | 136,700 | - | - | - | 136,700 |
| Technical services during construction | 213,900 | 3,991 | - | 3,991 | 209,909 |
| Administration | 48,000 | 25,000 | 1,239 | 26,239 | 21,761 |
| Land purchase | 25,000 | - | - | - | 25,000 |
| Contingency | 79,400 | - | - | - | 79,400 |
| Total expenditures | <u>1,938,000</u> | <u>28,991</u> | <u>1,239</u> | <u>30,230</u> | <u>1,907,770</u> |
| Revenues over (under) expenditures | <u>(484,500)</u> | <u>(7,248)</u> | <u>(310)</u> | <u>(7,558)</u> | <u>476,942</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 484,500 | 7,248 | 310 | 7,558 | (476,942) |
| Total other financing source (uses) | <u>484,500</u> | <u>7,248</u> | <u>310</u> | <u>7,558</u> | <u>(476,942)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Southside Water Treatment Plant Expansion - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0019 | \$ 2,250,000 | \$ 18,750 | \$ 1,012 | \$ 19,762 | \$ (2,230,238) |
| Total revenues | <u>2,250,000</u> | <u>18,750</u> | <u>1,012</u> | <u>19,762</u> | <u>(2,230,238)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 1,080,000 | - | - | - | 1,080,000 |
| Construction - Contract No. 2 | 1,185,000 | - | - | - | 1,185,000 |
| Planning and engineering prior to construction | 206,700 | 25,000 | - | 25,000 | 181,700 |
| Technical services during construction | 339,100 | - | 376 | 376 | 338,724 |
| Administration | 48,000 | - | 973 | 973 | 47,027 |
| Land purchase | 10,000 | - | - | - | 10,000 |
| Contingency | 131,200 | - | - | - | 131,200 |
| Total expenditures | <u>3,000,000</u> | <u>25,000</u> | <u>1,349</u> | <u>26,349</u> | <u>2,973,651</u> |
| Revenues over (under) expenditures | <u>(750,000)</u> | <u>(6,250)</u> | <u>(337)</u> | <u>(6,587)</u> | <u>743,413</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 750,000 | 6,250 | 337 | 6,587 | (743,413) |
| Total other financing source (uses) | <u>750,000</u> | <u>6,250</u> | <u>337</u> | <u>6,587</u> | <u>(743,413)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
CL2 Conversion Project - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0091 | \$ 733,500 | \$ - | \$ 7,500 | \$ 7,500 | \$ (726,000) |
| Total revenues | <u>733,500</u> | <u>-</u> | <u>7,500</u> | <u>7,500</u> | <u>(726,000)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 700,000 | - | - | - | 700,000 |
| Planning and engineering prior to construction | 76,600 | - | - | - | 76,600 |
| Technical services during construction | 116,600 | - | - | - | 116,600 |
| Administration | 14,000 | - | 10,000 | 10,000 | 4,000 |
| Land purchase | 1,000 | - | - | - | 1,000 |
| Contingency | 51,463 | - | - | - | 51,463 |
| Other | 18,337 | - | - | - | 18,337 |
| Total expenditures | <u>978,000</u> | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>968,000</u> |
| Revenues over (under) expenditures | <u>(244,500)</u> | <u>-</u> | <u>(2,500)</u> | <u>(2,500)</u> | <u>242,000</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 244,500 | - | 2,500 | 2,500 | (242,000) |
| Total other financing source (uses) | <u>244,500</u> | <u>-</u> | <u>2,500</u> | <u>2,500</u> | <u>(242,000)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
CL2 Conversion Project- Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0085 | \$ 401,100 | \$ - | \$ 7,500 | \$ 7,500 | \$ (393,600) |
| Total revenues | <u>401,100</u> | <u>-</u> | <u>7,500</u> | <u>7,500</u> | <u>(393,600)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 350,000 | - | - | - | 350,000 |
| Planning and engineering prior to construction | 42,300 | - | - | - | 42,300 |
| Technical services during construction | 92,700 | - | - | - | 92,700 |
| Administration | 14,000 | - | 10,000 | 10,000 | 4,000 |
| Land purchase | 1,000 | - | - | - | 1,000 |
| Contingency | 24,773 | - | - | - | 24,773 |
| Other | 10,027 | - | - | - | 10,027 |
| Total expenditures | <u>534,800</u> | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>524,800</u> |
| Revenues over (under) expenditures | <u>(133,700)</u> | <u>-</u> | <u>(2,500)</u> | <u>(2,500)</u> | <u>131,200</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 133,700 | - | 2,500 | 2,500 | (131,200) |
| Total other financing source (uses) | <u>133,700</u> | <u>-</u> | <u>2,500</u> | <u>2,500</u> | <u>(131,200)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
CL2 Conversion Project - Water District VI
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0093 | \$ 1,115,000 | \$ - | \$ 5,000 | \$ 5,000 | \$ (1,110,000) |
| Total revenues | <u>1,115,000</u> | <u>-</u> | <u>5,000</u> | <u>5,000</u> | <u>(1,110,000)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 1,650,000 | - | - | - | 1,650,000 |
| Planning and engineering prior to construction | 159,200 | - | - | - | 159,200 |
| Technical services during construction | 241,800 | - | - | - | 241,800 |
| Administration | 14,100 | - | 10,000 | 10,000 | 4,100 |
| Land purchase | 1,000 | - | - | - | 1,000 |
| Contingency | 124,875 | - | - | - | 124,875 |
| Other | 39,025 | - | - | - | 39,025 |
| Total expenditures | <u>2,230,000</u> | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>2,220,000</u> |
| Revenues over (under) expenditures | <u>(1,115,000)</u> | <u>-</u> | <u>(5,000)</u> | <u>(5,000)</u> | <u>1,110,000</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 1,115,000 | - | 5,000 | 5,000 | (1,110,000) |
| Total other financing source (uses) | <u>1,115,000</u> | <u>-</u> | <u>5,000</u> | <u>5,000</u> | <u>(1,110,000)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
CL2 Conversion Project - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| State Drinking Water Reserve Grant - H-SRP-D-17-0089 | \$ 504,000 | \$ - | \$ 7,500 | \$ 7,500 | \$ (496,500) |
| Total revenues | <u>504,000</u> | <u>-</u> | <u>7,500</u> | <u>7,500</u> | <u>(496,500)</u> |
| Expenditures | | | | | |
| Construction - Contract No. 1 | 450,000 | - | - | - | 450,000 |
| Planning and engineering prior to construction | 52,500 | - | - | - | 52,500 |
| Technical services during construction | 109,600 | - | - | - | 109,600 |
| Administration | 14,000 | - | 10,000 | 10,000 | 4,000 |
| Land purchase | 1,000 | - | - | - | 1,000 |
| Contingency | 32,300 | - | - | - | 32,300 |
| Other | 12,600 | - | - | - | 12,600 |
| Total expenditures | <u>672,000</u> | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>662,000</u> |
| Revenues over (under) expenditures | <u>(168,000)</u> | <u>-</u> | <u>(2,500)</u> | <u>(2,500)</u> | <u>165,500</u> |
| Other Financing Source (Uses) | | | | | |
| DWSRF Revolving Loan | 168,000 | - | 2,500 | 2,500 | \$ (165,500) |
| Total other financing source (uses) | <u>168,000</u> | <u>-</u> | <u>2,500</u> | <u>2,500</u> | <u>(165,500)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Stand-by Generator Fund - Water Districts I, III, IV, VI, and VII
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Completed Projects | Variance Positive (Negative) |
|---|--------------------------|-------------------|---------------------|------------------|-----------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | | |
| Expenditures | | | | | | |
| Engineering | \$ 33,744 | \$ 32,676 | \$ - | \$ 32,676 | \$ (32,676) | \$ 1,068 |
| Administration | 49,024 | 43,346 | - | 43,346 | (43,346) | 5,678 |
| Capital outlay - equipment | 421,800 | 374,074 | 21,090 | 395,164 | (395,164) | 26,636 |
| Contingency | 25,231 | - | - | - | - | 25,231 |
| Phase II Improvements | 70,201 | - | - | - | - | 70,201 |
| Total expenditures | <u>600,000</u> | <u>450,096</u> | <u>21,090</u> | <u>471,186</u> | <u>(471,186)</u> | <u>128,814</u> |
| Revenues over (under) expenditures | <u>(600,000)</u> | <u>(450,096)</u> | <u>(21,090)</u> | <u>(471,186)</u> | <u>471,186</u> | <u>(128,814)</u> |
| Other Financing Source (Uses) | | | | | | |
| Transfer from Water District I | 133,917 | 133,917 | - | 133,917 | (133,917) | - |
| Transfer from Water District III | 24,552 | 24,552 | - | 24,552 | (24,552) | - |
| Transfer from Water District IV | 64,389 | 64,389 | - | 64,389 | (64,389) | - |
| Transfer from Water District VI | 242,715 | 242,715 | - | 242,715 | (242,715) | - |
| Transfer from Water District VII | 134,427 | 134,427 | - | 134,427 | (134,427) | - |
| Transfer to Water District | - | - | (128,814) | (128,814) | 128,814 | 128,814 |
| Total other financing source (uses) | <u>600,000</u> | <u>600,000</u> | <u>(128,814)</u> | <u>471,186</u> | <u>(471,186)</u> | <u>128,814</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ 149,904</u> | <u>\$ (149,904)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Northside Generator Fund - Water Districts I, II, III, IV, and V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|------------------------------------|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Golden Leaf Foundation Grant | \$ 450,000 | \$ - | \$ 104,269 | \$ 104,269 | \$ (345,731) |
| Total Revenues | <u>450,000</u> | <u>-</u> | <u>104,269</u> | <u>104,269</u> | <u>(345,731)</u> |
| Expenditures | | | | | |
| Engineering | 100,000 | - | 37,441 | 37,441 | (62,559) |
| Construction | 350,000 | - | 66,828 | 66,828 | (283,172) |
| Total expenditures | <u>450,000</u> | <u>-</u> | <u>104,269</u> | <u>104,269</u> | <u>(345,731)</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Advanced Metering Infrastructure Fund - All Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|--|--------------------------|----------------|--------------------|--------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | |
| Revenues: | | | | | |
| Sales tax refunds | \$ 212,558 | \$ - | \$ 149,048 | \$ 149,048 | \$ (63,510) |
| Investment Earnings | - | - | 74,533 | 74,533 | 74,533 |
| Miscellaneous Revenue | - | - | 3,008 | 3,008 | 3,008 |
| Total revenues | <u>212,558</u> | <u>-</u> | <u>226,589</u> | <u>226,589</u> | <u>14,031</u> |
| Expenditures | | | | | |
| System improvements | 4,328,698 | - | 3,699,416 | 3,699,416 | 629,282 |
| Program management | 237,985 | - | 129,088 | 129,088 | 108,897 |
| Other fees/charges | 5,000 | - | 1,250 | 1,250 | 3,750 |
| Contingency | 140,875 | - | - | - | 140,875 |
| Total expenditures | <u>4,712,558</u> | <u>-</u> | <u>3,829,754</u> | <u>3,829,754</u> | <u>882,804</u> |
| Revenues over (under) expenditures | <u>(4,500,000)</u> | <u>-</u> | <u>(3,603,165)</u> | <u>(3,603,165)</u> | <u>896,835</u> |
| Other Financing Source (Uses) | | | | | |
| Installment proceeds | 4,500,000 | - | 4,500,000 | 4,500,000 | - |
| Total other financing source (uses) | <u>4,500,000</u> | <u>-</u> | <u>4,500,000</u> | <u>4,500,000</u> | <u>-</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 896,835</u> | <u>\$ 896,835</u> | <u>\$ 896,835</u> |

Beaufort County, North Carolina
Meter Feasibility Fund - All Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Actual | | | Completed Project | Variance Positive (Negative) |
|--|--------------------------|-----------------|-------------------|------------------|----------------------|------------------------------------|
| | | Prior Years | Current Year | Total to Date | | |
| Expenditures | | | | | | |
| Professional services | \$ 83,675 | \$ 81,812 | \$ - | \$ 81,812 | \$ (81,812) | \$ 1,863 |
| Total expenditures | <u>83,675</u> | <u>81,812</u> | <u>-</u> | <u>81,812</u> | <u>(81,812)</u> | <u>1,863</u> |
| Revenues over (under) expenditures | <u>(83,675)</u> | <u>(81,812)</u> | <u>-</u> | <u>(81,812)</u> | <u>81,812</u> | <u>1,863</u> |
| Other Financing Source (Uses) | | | | | | |
| Transfer from Water Districts | 83,675 | 83,675 | - | 83,675 | (83,675) | - |
| Transfer to Water Districts | - | - | (1,863) | (1,863) | 1,863 | (1,863) |
| Total other financing source (uses) | <u>83,675</u> | <u>83,675</u> | <u>(1,863)</u> | <u>81,812</u> | <u>(81,812)</u> | <u>(1,863)</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ 1,863</u> | <u>\$ (1,863)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Northside Generator Fund - Phase II - Water Districts I, II, III, IV, and V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual | | Variance Positive (Negative) |
|------------------------------------|--------------------------|----------------|-----------------|------------------|------------------------------------|
| | | | Current Year | Total to Date | |
| Revenues: | | | | | |
| Golden Leaf Foundation Grant | \$ 296,300 | \$ - | \$ - | \$ - | \$ (296,300) |
| Total Revenues | <u>296,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(296,300)</u> |
| Expenditures | | | | | |
| Engineering | 44,100 | - | - | - | 44,100 |
| Construction | 252,200 | - | - | - | 252,200 |
| Total expenditures | <u>296,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>296,300</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Beaufort County, North Carolina
Swan Point Mobile Home Park - Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

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

Beaufort County, North Carolina
North Carolina Economic Development Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2019

| | Project Authorization | Prior Years | Actual Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted intergovernmental - U-468 | \$ 337,000 | \$ 24,150 | \$ 85,120 | \$ 109,270 | \$ (227,730) |
| Total revenues | <u>337,000</u> | <u>24,150</u> | <u>85,120</u> | <u>109,270</u> | <u>(227,730)</u> |
| Expenditures | | | | | |
| Water Line Improvements | 337,000 | 24,150 | 85,120 | 109,270 | 227,730 |
| Total expenditures | <u>337,000</u> | <u>24,150</u> | <u>85,120</u> | <u>109,270</u> | <u>227,730</u> |
| Revenue and other sources over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

AGENCY FUNDS

Agency funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds.

Beaufort County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

Exhibit F-1

| | Balance July 1, 2018 | Additions | Deductions | Balance June 30, 2019 |
|----------------------------------|-------------------------|------------------|------------------|--------------------------|
| <u>Social Service Trust Fund</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 103,400 | \$ 631,926 | \$ 596,214 | \$ 139,112 |
| Liabilities: | | | | |
| Accounts payable | \$ 103,400 | \$ 596,214 | \$ 631,926 | \$ 139,112 |
| <u>Sheriff Account</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 11,763 | \$ 144,398 | \$ 150,681 | \$ 5,480 |
| Liabilities: | | | | |
| Accounts payable | \$ 11,763 | \$ 150,681 | \$ 144,398 | \$ 5,480 |
| <u>Tax Collection Fund</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 102,337 | \$ 6,023,576 | \$ 6,067,170 | \$ 58,743 |
| Taxes receivable | 424,162 | 120,561 | 143,761 | 400,962 |
| Total assets | <u>526,499</u> | <u>6,144,137</u> | <u>6,210,931</u> | <u>459,705</u> |
| Liabilities: | | | | |
| Intergovernmental payable | \$ 526,499 | \$ 6,210,931 | \$ 6,144,137 | \$ 459,705 |
| <u>Drainage Assessments</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 298 | \$ 188,030 | \$ 188,296 | \$ 32 |
| Taxes receivable | 3,328 | 1,813 | 1,457 | 3,684 |
| Total assets | <u>3,626</u> | <u>189,843</u> | <u>189,753</u> | <u>3,716</u> |
| Liabilities: | | | | |
| Intergovernmental payable | \$ 3,626 | \$ 189,753 | \$ 189,843 | \$ 3,716 |
| <u>4-H</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 42,932 | \$ 62,245 | \$ 75,747 | \$ 29,430 |
| Liabilities: | | | | |
| Accounts payable | \$ 42,932 | \$ 75,747 | \$ 62,245 | \$ 29,430 |
| <u>Cooperative Extension</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 37,808 | \$ 57,501 | \$ 61,292 | \$ 34,017 |
| Liabilities: | | | | |
| Accounts payable | \$ 37,808 | \$ 61,292 | \$ 57,501 | \$ 34,017 |
| <u>Total - All Agency Funds</u> | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 298,538 | \$ 7,107,676 | \$ 7,139,400 | \$ 266,814 |
| Taxes receivable | 427,490 | 122,374 | 145,218 | 404,646 |
| Total assets | <u>726,028</u> | <u>7,230,050</u> | <u>7,284,618</u> | <u>671,460</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 726,028 | \$ 7,284,618 | \$ 7,230,050 | \$ 671,460 |

OTHER SCHEDULES

This section includes additional information on property taxes.

Beaufort County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Exhibit G-1

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2018</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2019</u> |
|--------------------------------------|--|----------------------|------------------------------------|--|
| 2017-2018 | \$ - | \$ 35,287,210 | \$ 34,685,212 | \$ 601,998 |
| 2016-2017 | 652,037 | - | 369,531 | 282,506 |
| 2015-2016 | 304,182 | - | 118,501 | 185,681 |
| 2014-2015 | 148,815 | - | 32,540 | 116,275 |
| 2013-2014 | 111,389 | - | 20,249 | 91,140 |
| 2012-2013 | 137,861 | - | 12,027 | 125,834 |
| 2011-2012 | 146,152 | - | 6,805 | 139,347 |
| 2010-2011 | 114,104 | - | 4,388 | 109,716 |
| 2009-2010 | 92,696 | - | 3,802 | 88,894 |
| 2008-2009 | 90,511 | - | 2,990 | 87,521 |
| 2007-2008 | 86,967 | - | 86,967 | - |
| Totals | <u>\$ 1,884,714</u> | <u>\$ 35,287,210</u> | <u>\$ 35,343,012</u> | <u>\$ 1,828,912</u> |
| | | | | <u>553,324</u> |
| | | | | <u>\$ 1,275,588</u> |
| <u>Reconciliation with revenues:</u> | | | | |
| | | | | \$ 35,500,043 |
| | | | | Reconciling items: |
| | | | | Interest collected (263,496) |
| | | | | Taxes written off 84,105 |
| | | | | Refunds 13,625 |
| | | | | Miscellaneous 8,735 |
| | | | | <u>\$ 35,343,012</u> |

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2019

Exhibit G-2

| | County - wide | | | Total Levy | |
|--|-------------------------|-------|-------------------|--|---------------------------------|
| | Property Valuation | Rate | Amount of Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| | Original levy: | | | | |
| Property taxed at current year's rate | \$ 5,639,713,226 | 0.615 | \$ 34,684,236 | \$ 31,837,169 | \$ 2,847,067 |
| Total | 5,639,713,226 | | 34,684,236 | 31,837,169 | 2,847,067 |
| Discoveries | 98,044,553 | 0.615 | 602,974 | 602,974 | - |
| Totals | <u>\$ 5,737,757,779</u> | | | | |
| Net levy | | | 35,287,210 | 32,440,143 | 2,847,067 |
| Current year's taxes collected | | | <u>34,685,212</u> | <u>31,838,145</u> | <u>2,847,067</u> |
| Uncollected taxes at June 30, 2019 | | | \$ <u>601,998</u> | \$ <u>601,998</u> | \$ <u>-</u> |
| Current levy collection percentage | | | <u>98.29%</u> | <u>98.14%</u> | <u>100.00%</u> |

Beaufort County, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2019

| Taxpayer | Type of Business | Valuation | Percentage of Total Assessed Valuation |
|---------------------------------|----------------------------------|----------------|--|
| PCS Phosphate Company Inc. | Phosphate Mining/Acid Production | \$ 950,505,184 | 16.57% |
| Weyerhaeuser Co | Tree Farm Operation | 112,088,001 | 1.95% |
| Purified Acid Partnership | Acid Production | 61,315,063 | 1.07% |
| VFS Leasing Co | Leasing | 24,573,558 | 0.43% |
| FPI Carolinas, LLC | Agriculture | 14,084,413 | 0.25% |
| Pearl Brittain Inc | Real Estate | 12,606,383 | 0.22% |
| Gregory Poole Leasing LLC | Equipment Rental | 12,110,260 | 0.21% |
| Clarcor Engine Mobile Solutions | Automotive Diesel Components | 11,136,752 | 0.19% |
| Flanders Filters Inc | Manufacturing | 10,163,480 | 0.18% |
| Wal-Mart Real Estate Business | Real Estate | 10,129,687 | 0.18% |

COMPLIANCE SECTION

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



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the 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, 2019, and the related notes to the financial statements, which collectively comprises Beaufort County's basic financial statements, and have issued our report thereon dated November 7, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaufort County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Whiteville, NC

November 7, 2019



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Beaufort County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Beaufort County's major federal programs for the year ended June 30, 2019. Beaufort County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Beaufort County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occur with governance. Iudes 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Beaufort County's compliance.

Opinion on Each Major Federal Program

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Beaufort County's internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2019-001, 2019-002, 2019-003] that we consider to be significant deficiencies.

Beaufort County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, North Carolina
November 7, 2019



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Beaufort County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Beaufort County's major state programs for the year ended June 30, 2019. Beaufort County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Beaufort County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major state program. However, our audit does not provide a legal determination of Beaufort County's compliance.

Opinion on Each Major State Program

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Beaufort County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 7, 2019

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? ___yes _X_no
- Significant Deficiency(s) identified ___yes _X_none reported

Noncompliance material to financial statements noted ___yes _X_no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? ___yes _X_no
- Significant Deficiency(s) identified _X_yes ___none reported

Noncompliance material to federal awards ___yes _X_no

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

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

Identification of major federal programs:

| CFDA # | Program Name |
|----------------|--|
| 93.658, 93.659 | IV-E Foster Care and Adoption Assistance Cluster |
| 93.778 | Medical Assistance Program |

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

Auditee qualified as low-risk auditee? _X_yes ___no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ___yes _X_no
- Significant Deficiency(s) identified ___yes _X_none reported

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

Identification of major State programs:

| Program Name |
|--|
| IV-E Foster Care and Adoption Assistance Cluster |
| Medical Assistance Program |
| School Nurse Funding Initiative |
| Juvenile Crime Prevention Programs |
| Golden LEAF Grant - Hurricane Matthew Recovery Grant |
| Public School Building Capital Fund - Lottery Proceeds |

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

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

Finding: 2019-001

SIGNIFICANT DEFICIENCY

Eligibility

| | |
|--|--|
| Criteria: | In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits. |
| Condition: | There were twelve errors discovered during our procedures that inaccurate information was entered when determining eligibility. Four of the twelve errors were due to inaccurate household member information; eight of the twelve errors were due to inaccurate budget calculation. |
| Questioned Costs: | The amounts paid out for the above ineligible participants did not exceed the threshold for a questioned cost determination. |
| Context: | We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the Medicaid administrative cost compliance audit. |
| Effect: | For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, a participant could have been approved to receive benefits for which they were not eligible. |
| Cause: | Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility. |
| Recommendation: | Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions. |
| Views of responsible officials and planned corrective actions: | The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. |

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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

US Department of Health and Human Services

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

Finding: 2019-002

SIGNIFICANT DEFICIENCY

Eligibility

| | |
|--|--|
| Criteria: | Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation. |
| Condition: | There were seventeen errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. Seven of the seventeen errors for which online verification for resources were incomplete. |
| Questioned Costs: | The amounts paid out for the above ineligible participants did not exceed the threshold for a question costs determination. |
| Context: | We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the Medicaid administrative cost compliance audit. |
| Effect: | For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, applicants could have been received assistance for which they were not eligible. |
| Cause: | Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility. |
| Recommendation: | Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions. |
| Views of responsible officials and planned corrective actions: | The County agrees with the finding. Supervisors will review action reports regularly to determine if corrective action was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. |

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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

US Department of Health and Human Services

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

Finding: 2019-003

SIGNIFICANT DEFICIENCY

Eligibility

| | |
|--|---|
| Criteria: | The State sends notification to the County when a participant is no longer eligible under SSI determination. The County has a certain time period to initiate an ex parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled. |
| Condition: | Two applicants were not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated. |
| Questioned Costs: | The amounts paid out for the above ineligible participants did not exceed the threshold for a questioned cost determination. |
| Context: | We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to the Medicaid administrative cost compliance audit. |
| Effect: | County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible. |
| Cause: | Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which receipt was also receiving benefits. |
| Recommendation: | Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received. |
| Views of responsible officials and planned corrective actions: | The County agrees with the finding. Supervisors will review action reports regularly to determine if corrective action was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. |

Section IV. State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICIENCY: Finding 2019-001 and 2019-002 also apply to State requirements and State Awards.



**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2019**

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Question Costs

Finding 2019-001

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Records will be reviewed internally to ensure proper documentation is in place. Training will be provided to ensure staff is aware of required information that is needed to be included in files as well as the importance of keeping complete and accurate records. Staff will also be trained on ensuring that all files include online verifications, documented resources of income and verifying that the amounts agree with information entered in NCF AST. In addition, staff will be trained on providing documentation in case notes that clearly indicates the actions taken and the results of those actions.

Proposed completion date: Records will be second partied monthly to ensure accuracy of case files. Training will begin Tuesday, November 19, 2019 to review findings and corrective action items. Trainings will continue every Tuesday to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews.

Finding 2019-002

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Records will be reviewed internally to ensure proper documentation is in place. Training will be provided to staff to ensure they are aware of the requirement for calculating resources correctly and entering the same amount of resources into NCF AST. Staff will be trained in ensuring that all files include online verifications, documented resources of income and verifying that the amounts agree with information in NCF AST. In addition, staff will be trained on providing documentation in case notes that clearly indicates the actions taken and the results of those actions.

Proposed completion date: Records will be second partied monthly to ensure accuracy of case files. Training will begin Tuesday, November 19, 2019 to review findings and corrective action items. Trainings will continue every Tuesday to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews.

Finding 2019-003

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Staff will be trained on the importance of sharing state communications as related to applicants' benefits. Staff will also be trained on information that should be maintained in case file, the importance of complete and accurate record keeping as well as resource calculations. Training will be provided on the process required when state communications are received. Supervisor will monitor all reports provided to ensure state communications received are acted on in a timely manner. Supervisor will also be responsible for second partying files with SSI terminations.

Proposed completion date: Training will begin Tuesday, November 19, 2019 to review findings and corrective action items. Training will continue every Tuesday to review policy changes, NCF AST updates as well as common areas that may be found during second party reviews.

Section IV - State Award Findings and Question Costs

None Reported.

**Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

No Prior Year Finding Reported.

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

| Grantor/Pass-through Grantor/Program title | Federal CFDA Number | State/ Pass-through Grantor's Number | Federal Expenditures | State Expenditures | Passed- through to Subrecipients | Local Expenditures |
|---|---------------------------|---|-------------------------|-----------------------|--|-----------------------|
| <u>FEDERAL AWARDS</u> | | | | | | |
| <u>U.S. Department of Agriculture</u> | | | | | | |
| Passed through N. C. Department of Health and Human Services | | | | | | |
| Division of Public Health | | | | | | |
| Special Supplemental Nutrition Program for | | | | | | |
| Women, Infants, & Children | | | | | | |
| | 10.557 | | \$ 321,239 | \$ - | \$ - | - |
| Passed through N.C. Department of Health and Human Services | | | | | | |
| Division of Social Services | | | | | | |
| Administration: | | | | | | |
| State Administrative Matching Grants | | | | | | |
| for Supplemental Nutrition Assist. Program | | | | | | |
| | 10.561 | | 603,418 | 29,280 | - | 574,138 |
| Total US Department of Agriculture | | | | | | |
| | | | 924,657 | 29,280 | - | 574,138 |
| <u>U.S. Department of Health and Human Services</u> | | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Public Health: | | | | | | |
| Public Health Emergency Preparedness | | | | | | |
| | 93.069 | | | | | |
| Hospital Preparedness Program (HPP) and Public Health | | | | | | |
| | 93.074 | | 31,826 | - | - | - |
| Emergency Preparedness (PHEP) Aligned Cooperative | | | | | | |
| Agreements | | | | | | |
| Project Grants and Cooperative Agreements for Tuberculosis | | | | | | |
| | 93.116 | | 50 | - | - | - |
| Family Planning Services | | | | | | |
| | 93.217 | | 30,395 | - | - | - |
| Immunization Grants | | | | | | |
| | 93.268 | | 14,202 | - | - | - |
| Public Health Emergency Response: Cooperative Agreement for | | | | | | |
| | 93.354 | | 19,371 | - | - | - |
| Emergency Response: Public Health Crisis Response | | | | | | |
| Preventive Health and Health Services Block Grant funded | | | | | | |
| solely with Prevention and Public Health Funds (PPHF) | | | | | | |
| | 93.758 | | 39,946 | - | - | - |
| Cancer Prevention and Control Programs for State, Territorial | | | | | | |
| | 93.898 | | 20,400 | - | - | - |
| and Tribal Organizations | | | | | | |
| Preventive Health Services_Sexually Transmitted Diseases | | | | | | |
| | 93.977 | | 97 | - | - | - |
| Control Grants | | | | | | |
| Maternal and Child Health Services Block Grant | | | | | | |
| | 93.994 | | 75,719 | 37,185 | - | - |
| Temporary Assistance for Needy Families (TANF) Cluster | | | | | | |
| Division of Social Services | | | | | | |
| TANF - Work First | | | | | | |
| | 93.558 | | 962,583 | - | - | - |
| Division of Public Health | | | | | | |
| TANF - Work First | | | | | | |
| | 93.558 | | 8,195 | - | - | - |
| Total TANF Cluster | | | | | | |
| | | | 970,778 | - | - | - |
| Foster Care and Adoption Cluster: | | | | | | |
| Foster Care - Title IV-E | | | | | | |
| | 93.658 | | 501,916 | 90,187 | - | 348,886 |
| Adoption Assistance | | | | | | |
| | 93.659 | | 82 | - | - | 82 |
| Foster Care | | | | | | |
| | N/A | | 41,728 | - | - | - |
| Total Foster Care and Adoption Cluster | | | | | | |
| | | | 543,726 | 90,187 | - | 348,968 |
| Child Support Enforcement | | | | | | |
| | 93.563 | | 635,949 | - | - | 327,610 |
| Low-Income Home Energy Assistance | | | | | | |
| Administration | | | | | | |
| | 93.568 | | 51,231 | - | - | - |
| Energy Assistance Payments | | | | | | |
| | 93.568 | | 311,901 | - | - | - |
| Crisis Intervention Program | | | | | | |
| | 93.568 | | 161,124 | - | - | - |
| Total Low-Income Home Energy Assistance | | | | | | |
| | | | 524,256 | - | - | - |

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

| Grantor/Pass-through Grantor/Program title | Federal CFDA Number | State/ Pass-through Grantor's Number | Federal Expenditures | State Expenditures | Passed- through to Subrecipients | Local Expenditures |
|--|---------------------------|---|-------------------------|-----------------------|--|-----------------------|
| Stephanie Tubbs Jones Child Welfare Services Program | | | | | | |
| Permanency Planning - Families for Kids | 93.645 | | 12,192 | - | - | 4,064 |
| Total Stephanie Tubbs Jones Child Welfare Services Program | | | | | | |
| Chafee Foster Care Independence Program | 93.674 | | 5,280 | 1,320 | - | - |
| SSBG - Other Service and Training | 93.667 | | 274,452 | - | - | 91,484 |
| Division of Aging and Adult Services: | | | | | | |
| Division of Social Services | | | | | | |
| SSBG - In Home Service | 93.667 | | 7,382 | - | - | 1,055 |
| CPS TANF to SSBG | 93.667 | | 18,927 | - | - | - |
| Pas-through Mid-East Commission | | | | | | |
| SSBG- In-Home Service | 93.667 | | 19,622 | 561 | - | 2,243 |
| Total Social Service Block Grant | | | 320,383 | 561 | - | 94,782 |
| Division of Child Development and Early Education | | | | | | |
| Subsidized Child Care | | | | | | |
| <u>Child Care Development Fund Cluster:</u> | | | | | | |
| Division of Social Services | | | | | | |
| Childcare Development Mandatory and | | | | | | |
| Match Fund - Administration | 93.596 | | 159,641 | - | - | - |
| Total Subsidized Child Care | | | 159,641 | - | - | - |
| Passed through Piedmont Triad Council of Governments | | | | | | |
| Division of Aging and Adult Services | | | | | | |
| <u>Aging Cluster:</u> | | | | | | |
| Special Programs for the Aging - Title III B | | | | | | |
| Grants for Supportive Services and Senior Centers | 93.044 | | 84,363 | 4,963 | - | 9,925 |
| Special Programs for the Aging - Title III C | | | | | | |
| Nutrition Services | 93.045 | | 105,503 | 6,206 | - | 12,412 |
| Nutrition Services Incentive Program | 93.053 | | 15,826 | - | - | - |
| Total Aging Cluster | | | 205,692 | 11,169 | - | 22,337 |
| Medical Assistance Program | 93.778 | | 1,295,663 | 4,055 | - | 590,435 |
| State Children's Insurance Program - N.C. Health Choice | 93.767 | | 23,368 | - | - | - |
| Total U.S. Department of Health and Human Services | | | 4,928,934 | 144,477 | - | 1,388,196 |
| <u>U.S. Department of Transportation</u> | | | | | | |
| Beaufort County | 20.205 | | 4,497 | 1,285 | - | 642 |
| Total U.S. Department of Transportation | | | 4,497 | 1,285 | - | 642 |
| <u>U.S. Department of Homeland Security</u> | | | | | | |
| Passed through N.C. Department of Public Safety | | | | | | |
| Division of Emergency Management: | | | | | | |
| Flood Mitigation Assistance - FMA2015-17 | 97.029 | | 184,404 | - | - | - |
| Flood Mitigation Assistance - FMA2015-16 | 97.029 | | 57,039 | - | - | - |
| Flood Mitigation Assistance - FMA2016-03 | 97.029 | | 59,609 | - | - | - |
| Flood Mitigation Assistance - FMA2016-04 | 97.029 | | 2,485 | - | - | - |
| Flood Mitigation Assistance - FMA2016-05 | 97.029 | | 17,678 | - | - | - |
| Total Flood Mitigation Assistance Grant | | | 321,215 | - | - | - |
| Disaster Grant - Public Assistance (Presidentially Declared Disasters) | 97.036 | | 209,936 | - | - | - |

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

| Grantor/Pass-through Grantor/Program title | Federal CFDA Number | State/ Pass-through Grantor's Number | Federal Expenditures | State Expenditures | Passed- through to Subrecipients | Local Expenditures |
|---|---------------------------|---|-------------------------|-----------------------|--|-----------------------|
| | | | | | | |
| Hazardous Mitigation Grant | 97.039 | | 468,660 | - | - | - |
| Homeland Security Grant Program | 97.067 | | 38,524 | - | - | - |
| Total U.S. Department of Homeland Security | | | 1,038,335 | - | - | - |
| Total Federal Awards | | | \$ 6,896,423 | \$ 175,042 | \$ - | \$ 1,962,976 |

STATE AWARDS

N.C. Department of Health and Human Services

Division of Public Health

| | | | | | | |
|---|--|--|------|-----------|------|------|
| Food and Lodging Fees | | | \$ - | \$ 16,473 | \$ - | \$ - |
| Mosquito Abatement (Hurricane Florence) | | | - | 145,735 | - | - |
| CHA/CHIP Peer Review | | | - | 84,054 | - | - |
| General Communicable Disease Control | | | - | 2,684 | - | - |
| Child Health | | | - | 844 | - | - |
| HIV/STD State | | | - | 3,923 | - | - |
| Integrated Targeted Testing Services (ITTS) | | | - | 38,718 | - | - |
| STD Drugs | | | - | 1,369 | - | - |
| Breast and Cervical Cancer Program | | | - | 11,475 | - | - |
| School Nurse Funding Initiative | | | - | 250,000 | - | - |
| Healthy Beginnings | | | - | 78,225 | - | - |
| Family Planning - State | | | - | 45,304 | - | - |
| Maternal Health (HMHC) | | | - | 29,382 | - | - |
| Women's Health Service Fund | | | - | 7,681 | - | - |
| TB Control | | | - | 25,721 | - | - |
| Total Division of Public Health | | | - | 741,588 | - | - |

Division of Social Services:

| | | | | | | |
|-----------------------------------|--|--|---|---------|---|-----------|
| State Child Welfare/CPS/CS LD | | | - | 26,720 | - | - |
| AFDC Incent/Prog Integrity | | | - | 219 | - | - |
| County Funded Programs | | | - | - | - | 1,140,568 |
| Emergency Assist Private | | | - | 7,343 | - | - |
| Non-Allocating County Cost | | | - | - | - | 257,500 |
| F/C at Risk Maximization | | | - | 8,421 | - | 3,945 |
| Extended FC/Max Non IV-E | | | - | - | - | - |
| SFHF Maximization | | | - | 25,604 | - | 25,604 |
| State Foster Home | | | - | 52,645 | - | 52,644 |
| Total Division of Social Services | | | - | 120,952 | - | 1,480,261 |

Passed-Through the Mid-East Commission

Division of Aging and Adult Services:

| | | | | | | |
|--|--|--|---|-----------|---|-----------|
| State Appropriation - Access | | | - | 27,223 | - | 3,025 |
| State Appropriation - In-Home Services | | | - | 186,417 | - | 20,713 |
| State Appropriation - Home Delivered Meals | | | - | 45,729 | - | 5,081 |
| Total Division of Aging | | | - | 259,369 | - | 28,819 |
| Total N.C. Department of Health and Human Services | | | - | 1,121,909 | - | 1,509,080 |

N.C. Department of Transportation

Rural Operating Assistance Program (ROAP) Cluster:

| | | | | | | |
|---|--|--|---|---------|---|---|
| ROAP - WorkFirst Transitional - Employment | | | - | 12,800 | - | - |
| ROAP - Rural General Public Program | | | - | 79,689 | - | - |
| ROAP - Elderly and Disabled Transportation Assistance Program | | | - | 69,957 | - | - |
| Total N.C. Department of Transportation | | | - | 162,446 | - | - |

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

| Grantor/Pass-through Grantor/Program title | State/ Federal | | Federal Expenditures | State Expenditures | Passed- through to Subrecipients | Local Expenditures |
|---|-------------------|-------------------------------------|-------------------------|-----------------------|--|-----------------------|
| | CFDA Number | Pass-through Grantor's Number | | | | |
| <u>N.C. Dept. of Public Safety</u> | | | | | | |
| Juvenile Crime Prevention Programs | | | - | 152,389 | 152,389 | 13,641 |
| Division of Emergency Management | | | | | | |
| Criminal Justice Partnership Program | | | - | 62,525 | - | - |
| Total Agency N.C. Department of Public Safety | | | - | 214,914 | 152,389 | 13,641 |
| <u>N.C. Department of Agriculture and Consumer Services</u> | | | | | | |
| Spay Neuter Program | | | - | 11,488 | - | - |
| Soil and Water Tech Assistance Grant | | | - | 19,017 | - | - |
| Soil and Water Grant COTTON Project | | | - | 2,070 | - | - |
| Total N.C. Department of Agriculture and Consumer Services | | | - | 32,575 | - | - |
| <u>N.C. Department of Environment Quality</u> | | | | | | |
| Scrap Tire Fund - SWMGT | | | - | 14,890 | - | - |
| Division of Water Infrastructure | | | | | | |
| Drinking Water State Reserve Program - H-SRP-D-17-0090 | | | - | 7,500 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0010 | | | - | 929 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0019 | | | - | 1,012 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0091 | | | - | 7,500 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0085 | | | - | 7,500 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0093 | | | - | 5,000 | - | - |
| Drinking Water State Reserve Program - H-SRP-D-17-0089 | | | - | 7,500 | - | - |
| Total Drinking Water State Reserve Program | | | - | 36,941 | - | - |
| Total N.C. Department of Environment Quality | | | - | 51,831 | - | - |
| <u>N.C. Department of Commerce</u> | | | | | | |
| One NC Grant | | | - | 33,334 | - | - |
| Building Reuse Grant 2016-045-3201-2587 | | | - | 15,440 | - | - |
| Industrial Development Fund/Utility Fund U-468 | | | - | 85,120 | - | - |
| Golden LEAF Grant - Hurricane Matthew Recovery Grant | | | - | 104,269 | - | - |
| Total N.C. Department of Commerce | | | - | 238,163 | - | - |
| <u>N.C. Department of Public Instruction</u> | | | | | | |
| Public School Building Capital Fund - Lottery Proceeds | | | - | 490,000 | - | - |
| Total N.C. Department of Public Instruction | | | - | 490,000 | - | - |
| Total State Assistance | | | - | 2,311,838 | 152,389 | 1,522,721 |
| Total Assistance Federal and State Assistance | | | \$ 6,896,423 | \$ 2,486,880 | \$ 152,389 | \$ 3,485,697 |

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Beaufort County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Beaufort County, it is not intended to and does not present the financial position, changes in net position or cash flows of Beaufort County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

| Grantor/Pass-through Grantor/Program title | Federal | State/ Pass-through | Federal | State | Passed- through to | Local |
|---|----------------|------------------------|--------------|--------------|-----------------------|--------------|
| | CFDA Number | Grantor's Number | Expenditures | Expenditures | Subrecipients | Expenditures |

Note 5: Benefit Payments Issued by the State

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

| <u>Program Title</u> | <u>CFDA No.</u> | <u>Federal</u> | <u>State</u> |
|--|-----------------|----------------|---------------|
| Medical Assistance Program | 93.778 | \$ 56,019,121 | \$ 29,502,584 |
| Children's Health Insurance Program | 93.767 | 1,167,764 | - |
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 840,761 | - |
| Food and Nutrition Services | 10.561 | 13,221,917 | - |
| Family Preservation | 93.556 | 22,269 | - |
| IV-E Adopt & Vendor | 93.659 | 585,149 | 142,898 |
| TANF Payments & Penalties | 93.558 | 229,476 | - |
| CWS Adopt, Vendor, Guard | N/A | - | 163,211 |
| SAA/SAD HB 1030 | N/A | - | 16,116 |
| SC/SA Domiciliary Care | N/A | - | 482,626 |