

BEAUFORT COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2020

BEAUFORT COUNTY, NORTH CAROLINA  
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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, 2020, 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.

**Members**  
**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**

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, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 64 and 65, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 66 and 67, 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 68 and 69, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 70 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 30, 2020 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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 30, 2020

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, 2020. 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**

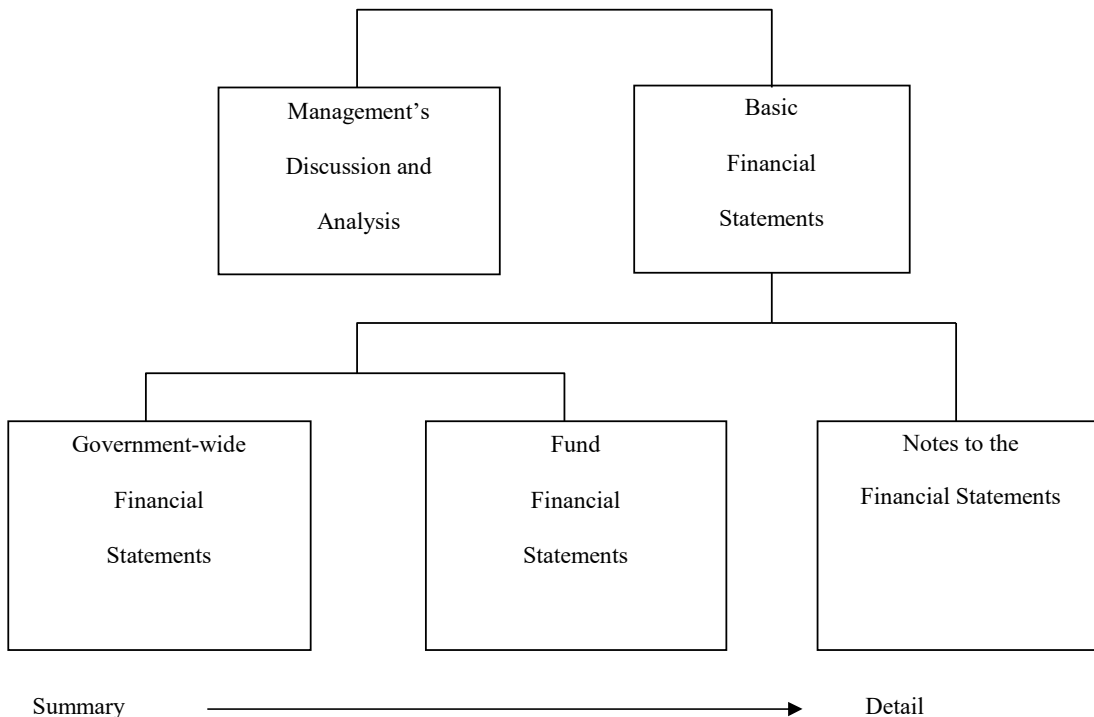
- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$65,136,398 (net position).
- Beaufort County's total net position increased by \$5,314,075, mainly due to a significant increase in net position of both the governmental activities and business-type activities.
- As of June 30, 2020, Beaufort County's governmental funds reported combined ending fund balances of \$32,402,047, an increase of \$3,329,802 in comparison with the prior year. Approximately 37.88% of this total amount or \$12,274,602 is restricted or committed.
- Also at June 30, 2020, unassigned fund balance for the General Fund was \$20,463,556, or 34.83% of total general fund expenditures of \$58,759,368 for the fiscal year.
- Beaufort County's total debt decreased by \$3,658,720 or 6.43% during the current fiscal year. The key factor in this decrease was the scheduled payments on outstanding debt.

**Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**

Figure 1



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 64 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 37,487,168	\$ 32,083,917	\$ 11,376,561	\$ 12,203,390	\$ 48,863,729	\$ 44,287,307
Capital assets	24,052,352	23,230,467	60,402,561	61,156,643	84,454,913	84,387,110
Total assets	<u>61,539,520</u>	<u>55,314,384</u>	<u>71,779,122</u>	<u>73,360,033</u>	<u>133,318,642</u>	<u>128,674,417</u>
Total deferred outflows of resources	5,199,052	5,965,765	528,955	565,215	5,728,007	6,530,980
Current and other liabilities	3,236,811	1,327,557	923,530	1,928,810	4,160,341	3,256,367
Long-term liabilities outstanding	29,154,680	29,901,232	40,220,173	41,853,121	69,374,853	71,754,353
Total liabilities	<u>32,391,491</u>	<u>31,228,789</u>	<u>41,143,703</u>	<u>43,781,931</u>	<u>73,535,194</u>	<u>75,010,720</u>
Total deferred inflows of resources	337,074	330,237	37,983	42,117	375,057	372,354
Net position:						
Net investment in capital assets	21,077,583	20,148,492	21,792,325	22,532,887	42,869,908	42,681,379
Restricted	8,998,686	9,473,472	-	-	8,998,686	9,473,472
Unrestricted	3,933,738	99,159	9,334,066	7,568,313	13,267,804	7,667,472
Total net position	<u>\$ 34,010,007</u>	<u>\$ 29,721,123</u>	<u>\$ 31,126,391</u>	<u>\$ 30,101,200</u>	<u>\$ 65,136,398</u>	<u>\$ 59,822,323</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 \$65,136,398 as of June 30, 2020. The County's net position increased by \$5,314,075 for the fiscal year ended June 30, 2020. One of the largest portions \$42,869,908 (65.82%) 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 \$8,998,686 (13.82%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13,267,804 is unrestricted.

The government's net investment in capital assets increased by \$188,529 or (.44%). This increase is attributable to the purchasing and construction of additional assets.

BEAUFORT COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

BEAUFORT COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,072,730	\$ 3,377,741	\$ 11,461,282	\$ 10,920,265	\$ 14,534,012	\$ 14,298,006
Operating grants and contributions	10,925,514	9,474,193	-	-	10,925,514	9,474,193
Capital grants and contributions	1,155,259	1,262,067	530,552	241,977	1,685,811	1,504,044
General revenues:						
Property taxes	41,107,433	39,639,718	-	-	41,107,433	39,639,718
Other taxes	10,461,358	9,983,101	-	-	10,461,358	9,983,101
Investment earnings	417,534	534,368	112,096	248,696	529,630	783,064
Miscellaneous	534,332	735,649	7,656	7,656	541,988	743,305
Total revenues	67,674,160	65,006,837	12,111,586	11,418,594	79,785,746	76,425,431
Expenses:						
General government	6,428,537	6,051,310	-	-	6,428,537	6,051,310
Public safety	17,922,005	16,897,964	-	-	17,922,005	16,897,964
Economic and physical development	2,980,059	2,222,901	-	-	2,980,059	2,222,901
Human services	16,087,641	15,165,042	-	-	16,087,641	15,165,042
Cultural and recreation	424,402	454,070	-	-	424,402	454,070
Education	18,997,516	19,283,260	-	-	18,997,516	19,283,260
Interest and fees on long-term debt	545,116	741,347	-	-	545,116	741,347
Water and Solid Waste	-	-	11,086,395	11,563,203	11,086,395	11,563,203
Total expenses	63,385,276	60,815,894	11,086,395	11,563,203	74,471,671	72,379,097
Increase in net position before transfers and special items	4,288,884	4,190,943	1,025,191	(144,609)	5,314,075	4,046,334
Transfers and special items	-	(160,000)	-	160,000	-	-
Increase in net position after transfers and special items	4,288,884	4,030,943	1,025,191	15,391	5,314,075	4,046,334
Net position, beginning	29,721,123	25,690,180	30,101,200	30,085,809	59,822,323	55,775,989
Restatement	-	-	-	-	-	-
Net position, beginning, restated	29,721,123	25,690,180	30,101,200	30,085,809	59,822,323	55,775,989
Net position, ending	\$ 34,010,007	\$ 29,721,123	\$ 31,126,391	\$ 30,101,200	\$ 65,136,398	\$ 59,822,323

**Governmental activities.** Governmental activities increased the County's net position by \$4,288,884 during the fiscal year. Key elements of this increase include:

- Capital grants and contributions totaling \$1,155,259
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 4.82% less than budgeted in FY 2019-2020

BEAUFORT COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Business-type activities.** Business-type activities increased Beaufort County's net position by \$1,025,191. Key elements of this increase include:

- Capital grants and contributions totaling \$530,553
- 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 \$20,962,679, while total fund balance reached \$25,303,138. 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 35.68% of general fund expenditures, while total fund balance represents 43.06% of that same amount.

At June 30, 2020, the governmental funds of Beaufort County reported a combined fund balance of \$32,402,047, a 11.45% 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 \$2,564,275 increase and are summarized as follows:

- \$2,451,055 increase in restricted governmental revenues
- \$560 increase in permits and fees
- \$2,410 increase in sales and service
- \$110,250 in miscellaneous revenue

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$1,552,721 increase and are summarized as follows:

- \$1,060,932 increase in general government activity
- \$193,899 increase in public safety
- \$41,738 increase in economic and physical development
- \$224,552 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 \$2,585,076, and \$141,544 was budgeted to be transferred back into the General Fund.
- Fund balance appropriated totaled \$491,373.

During the year, General Fund revenue came in 0.78% higher than budgetary estimates and actual expenditures came in 4.82% lower than appropriations. Originally, \$136,395 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 \$9,334,066 at June 30, 2020. There was an increase in net position of \$1,025,191. The water districts reported a net increase of \$704,972 as a result of a 3% rate increase.

Net position in the Solid Waste Fund increased by \$320,219 as a result of operations during the fiscal year. Solid waste revenues increased by \$345,529 due to an adjustment in the annual solid waste fee of \$10.

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

**Capital Assets.** Beaufort County's capital assets for its governmental and business – type activities as of June 30, 2020, totals \$84,454,913 (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 \$67,802, a 3.54% increase for governmental activities and a 1.23% decrease for business-type activities.

Major capital asset transactions during the year include:

- Advanced Infrastructure Metering Project was essentially complete at June 30, 2020. The total cost of the two-year project was \$4,508,206.
- Phase I of grant funded work on the Northside generators for the water system were completed at a total cost of \$359,614 and phase II began during fiscal year.
- Design of a hydraulic model for the water system began at a cost of \$126,852.
- The county-wide radio system project was completed at year end at a total cost of \$1,937,964.
- Major repair work began on the County jail door locking system amounting to \$400,400 at June 30, 2020.
- \$100,605 of PARTF grant funds were returned to the State and \$100,605 of 50% matching funds were transferred back to the General Fund in FY 19/20 for the Wright's Creek Phase II Project.
- Various vehicles were purchase during the fiscal year for the Sheriff's Office, Emergency Management, EMS, and the water operations.

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	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,853,330	\$ 6,853,330	\$ 108,157	\$ 108,157	\$ 6,961,487	\$ 6,961,487
Building and system	10,448,475	10,284,699	54,542,100	56,288,847	64,990,575	66,573,546
Machinery and equipment	4,782,569	2,964,196	973,526	677,005	5,756,095	3,641,201
Construction in progress	1,967,978	3,128,242	4,778,778	4,082,635	6,746,756	7,210,877
<b>Total</b>	<b>\$ 24,052,352</b>	<b>\$ 23,230,467</b>	<b>\$ 60,402,561</b>	<b>\$ 61,156,644</b>	<b>\$ 84,454,913</b>	<b>\$ 84,387,111</b>

Additional information on the County's capital assets can be found beginning on page 39 of this audited financial report.

**Long-term Debt.** As of June 30, 2020, Beaufort County had total debt outstanding of \$53,274,368, all of which is backed by the full faith and credit of the County. Of this amount, \$12,334,000 is owed in general obligation school bonds, \$31,215,000 is outstanding for the Water District limited obligation bonds, and \$9,725,368 is obligated for installment note balances.

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

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 12,334,000	\$ 14,015,000	\$ -	\$ -	\$ 12,334,000	\$ 14,015,000
Limited Obligation Bonds	-	-	31,215,000	32,520,000	31,215,000	32,520,000
Installment Purchases	4,125,368	4,388,088	5,600,000	6,010,000	9,725,368	10,398,088
<b>Total</b>	<b>\$ 16,459,368</b>	<b>\$ 18,403,088</b>	<b>\$ 36,815,000</b>	<b>\$ 38,530,000</b>	<b>\$ 53,274,368</b>	<b>\$ 56,933,088</b>

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 \$451,984,399.

Additional information regarding Beaufort County's long-term debt can be found beginning on page 55 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 fiscal year 2020-2021 totals \$59,370,676, a \$268,067 decrease when compared to the FY 2019-2020 original budget of \$59,638,743. The reason for the decrease is due to budget cuts made in anticipation of the negative fiscal impacts of the COVID-19 virus. General government and administration operations decreased \$425,246, human services increased by \$341,436, mainly in Department of Social Services and the Health Department, education decreased by \$180,000 and public safety was decreased by \$4,257. In addition, the County implemented a hiring freeze in April 2020 which required departments to receive approval from the Board of Commissioners before filling vacant positions. County employees did not receive a cost of living adjustment at July 1, 2020.

There is \$221,854 General Fund contingency for FY 2020-2021 as well as adequate fund balance available for appropriation at the Board's discretion should emergency items arise during the year.

The water system operational budget remained practically flat when comparing the fiscal year 2020-2021 original budget to the previous year, with an increase of only \$3,906 (\$7,570,091 compared to \$7,566,185). Again, due the unknown effects of the COVID-19 pandemic on revenues, every effort was made to keep expenditures to a minimum.

In 2018, the seven water districts were merged into one single operational water system and a rate study was performed in order to transform the seven different water rates into one uniform rate over a 5-year period. FY 2020-2021 will be year three of the plan. The water systems advanced metering infrastructure project was completed during fiscal year 2019-2020 resulting in more accurate meter readings. Water sales revenue is expected to increase due to the more precise readings.

The annual fee for Solid Waste increased by \$10, from \$155 to \$165. This increase was necessary to cover the increasing cost of processing the County's waste due to increasing solid waste tonnage year after year. Over the past five years waste tonnage has grown by 10%, from 20,034 tons in 2015 to 25,531 tons in 2020. The County continues to explore ways to improve its solid waste operations and control the increasing solid waste processing costs.

**Budget Highlights for Fiscal Year Ending June 30, 2021**

The following factors were also considered when preparing the County's budget for fiscal year 2020-2021:

- The fiscal impacts of COVID-19 were unknown at the time when the fiscal year 2020-2021 budget was being developed. The Stay at Home executive order and closing of non-essential businesses were expected to have a negative impact on county revenues, particularly sales tax revenue.
- The unemployment rate for Beaufort County increased from 5.0% at June 30, 2019 to 9.1% in May 2020 when the FY 20-21 budget was being finalized with unknown future unemployment rates for the county, state, and nation due to the pandemic.
- Sales tax revenues were budgeted to be down by \$1,089,830 when compared to the prior year.
- Overall expenses were reduced in the general fund by \$268,067.
- The property tax rate remained at \$.635/\$100 assessed valuation for the 2020 levy.
- Despite the pandemic, ad valorem tax revenue was expected to remain at 98% collected.

The County is five months into fiscal year 2020-2021 and fortunately, thus far, the County has not realized a drastic decrease in revenues as a result of the COVID-19 pandemic. Sales tax revenue for the months of July, Aug, and September 2020 are up 12% compared to the same three months in 2019. Ad valorem tax payments are starting to come in for the County and are tracking slightly ahead of last year's collections as of November 30, 2020.

North Carolina Executive Order 124 and 142 prohibited utility penalties, interest, and disconnections between the period of March 31, 2020 and July 29, 2020. This resulted in approximately \$160,000 in lost water revenues; however, water sales were up during this same period. It is not known how much of the additional water sales revenue is attributable to telework and remote learning as opposed to more accurate meter readings as a result of the County's new metering system.

BEAUFORT COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The County has also received in excess of \$2 million dollars in grant funding related to the COVID-19 pandemic. COVID grant funds allocated to Beaufort County Elections were used to ensure the safety and security of the 2020 elections, the Department of Social Services is using funding in support of adult and child protective services, meal programs, and low-income energy assistance program. COVID-19 funds allocated to the Health Department are being used for COVID related testing, contact tracing, education and detection efforts. CARES funding in the amount of \$1.4 million was used to supplant Emergency Management Services salaries and benefits. Because these grant funds covered an existing, budgeted County expenditure, \$1.4 million dollars converted to general fund balance. The County has subsequently spent or committed to spend the \$1.4 million dollars of fund balance on the following; a metal building at the Health Department for drive thru testing and vaccinations, two building generators, special HVAC filters, cleaning of HVAC air ducts, future matching funds for broad band, laptops for telework, and an essential worker payment to County staff.

**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, 2020**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Beaufort County ABC Board</b>
<b>ASSETS</b>				
Cash and cash investments	\$ 30,560,898	\$ 9,493,923	\$ 40,054,821	\$ 788,072
Taxes receivable (net)	1,880,370	-	1,880,370	-
Accounts receivables (net)	4,466,836	1,741,263	6,208,099	-
Internal balances	-	-	-	-
Net pension asset	79,941	-	79,941	-
Inventories	-	-	-	648,197
Prepaid items	-	-	-	-
Restricted cash and cash equivalents	499,123	141,375	640,498	-
Capital assets:				
Land, improvements, and construction in progress	8,821,308	4,886,935	13,708,243	338,834
Other capital assets, net of depreciation	15,231,044	55,515,626	70,746,670	1,254,474
Total capital assets	24,052,352	60,402,561	84,454,913	1,593,308
Total assets	\$ 61,539,520	\$ 71,779,122	\$ 133,318,642	\$ 3,029,577
<b>DEFERRED OUTFLOWS OF RESOURCE</b>	\$ 5,199,052	\$ 528,955	\$ 5,728,007	\$ 144,526
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 2,640,971	\$ 659,735	\$ 3,300,706	\$ 354,207
Accrued interest payable	114,174	122,420	236,594	-
Customer deposits	-	141,375	141,375	-
Unspent CARES Act Funding	481,666	-	481,666	-
Long-term liabilities:				
Due within one year	2,401,146	1,894,837	4,295,982	-
Due in more than one year	26,753,535	38,325,337	65,078,871	205,312
Total long-term liabilities	29,154,680	40,220,173	69,374,853	205,312
Total liabilities	\$ 32,391,491	\$ 41,143,703	\$ 73,535,194	\$ 559,519
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 337,074	\$ 37,983	\$ 375,057	\$ 1,159
<b>NET POSITION</b>				
Net investment in capital assets	\$ 21,077,583	\$ 21,792,325	\$ 42,869,908	\$ 1,593,308
Restricted for:				
State Statute	4,715,811	-	4,715,811	-
Other	4,282,875	-	4,282,875	-
Working capital	-	-	-	207,542
Unrestricted (deficit)	3,933,738	9,334,066	13,267,804	812,575
Total net position	\$ 34,010,007	\$ 31,126,391	\$ 65,136,398	\$ 2,613,425

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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Beaufort County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 6,428,537	\$ 1,079,362	\$ 20,481	\$ -	\$ (5,328,694)	\$ -	\$ (5,328,694)	\$ -
Public safety	17,922,005	1,703,131	1,993,572	-	(14,225,302)	-	(14,225,302)	-
Economic and physical development	2,980,059	-	106,511	671,259	(2,202,289)	-	(2,202,289)	-
Human services	16,087,641	290,237	8,775,936	-	(7,021,468)	-	(7,021,468)	-
Environmental Protection	-	-	29,014	-	29,014	-	29,014	-
Cultural and recreation	424,402	-	-	-	(424,402)	-	(424,402)	-
Education	18,997,516	-	-	484,000	(18,513,516)	-	(18,513,516)	-
Interest on long-term debt	545,116	-	-	-	(545,116)	-	(545,116)	-
Total governmental activities	63,385,276	3,072,730	10,925,514	1,155,259	(48,231,773)	-	(48,231,773)	-
Business-type activities:								
Solid Waste	3,611,358	3,919,580	-	-	-	308,222	308,222	-
Water Districts	7,475,037	7,541,702	-	530,552	-	597,217	597,217	-
Total business-type activities	11,086,395	11,461,282	-	530,552	-	905,439	905,439	-
Total primary government	74,471,671	14,534,012	10,925,514	1,685,811	(48,231,773)	905,439	(47,326,334)	-
<b>Component Units:</b>								
Beaufort County ABC Board	5,164,018	5,396,106	-	-	-	-	-	232,088
Total component units	\$ 5,164,018	\$ 5,396,106	\$ -	\$ -	-	-	-	232,088
General revenues:								
Taxes:								
Property taxes, levied for general purpose					41,107,433	-	41,107,433	-
Local option sales tax					10,232,655	-	10,232,655	-
Other taxes and licenses					228,703	-	228,703	-
Investment earnings, unrestricted					417,534	112,096	529,630	2,091
Miscellaneous, unrestricted					534,332	7,656	541,988	133
Transfers					-	-	-	-
Total general revenues, special items, and transfers					52,520,657	119,752	52,640,409	2,224
Change in net position					4,288,884	1,025,191	5,314,075	234,312
Net position-beginning					29,721,123	30,101,200	59,822,323	2,379,113
Net position-ending					\$ 34,010,007	\$ 31,126,391	\$ 65,136,398	\$ 2,613,425

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

**Beaufort County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>Major Governmental Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Other Governmental Funds</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,842,434	\$ 5,718,464	\$ 30,560,898
Taxes Receivable, net	1,409,800	191,497	1,601,297
Accounts Receivable, net	4,091,484	375,352	4,466,836
Due from other funds	248,975	2,776,793	3,025,768
Cash and cash equivalents-Restricted	499,123	-	499,123
Total assets	<u>\$ 31,091,816</u>	<u>\$ 9,062,106</u>	<u>\$ 40,153,922</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,599,912	\$ 1,041,059	\$ 2,640,971
Due to other funds	2,776,793	248,975	3,025,768
Unspent CARES Act Funding	-	481,666	481,666
Total liabilities	<u>4,376,705</u>	<u>1,771,700</u>	<u>6,148,405</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Receivable	1,409,800	191,497	1,601,297
Prepaid Taxes	2,173	-	2,173
Total deferred inflows of resources	<u>1,411,973</u>	<u>191,497</u>	<u>1,603,470</u>
Fund balances:			
Nonspendable:			
Advance to General Fund	-	2,776,793	2,776,793
Restricted:			
State statute	4,340,459	375,352	4,715,811
Other	-	4,282,875	4,282,875
Committed:			
Tax Revaluation	499,123	-	499,123
Assigned:			
Subsequent year's expenditures	-	-	-
Unassigned:	20,463,556	(336,111)	20,127,445
Total fund balances	<u>25,303,138</u>	<u>7,098,909</u>	<u>32,402,047</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,091,816</u>	<u>\$ 9,062,106</u>	<u>\$ 40,153,922</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, 2020**

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

Total Fund Balance - Governmental Funds	\$ 32,402,047
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,052,352
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	279,073
Net Pension Asset	79,941
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	1,408,034
ROD	3,871
Pension related deferrals	
LGERS	2,478,332
ROD	8,672
LEOSSA	72,556
OPEB related deferrals	654,095
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	30,115
Benefit payments for the OPEB plan paid subsequent to the measurement date	64,842
Deferred charges on refunding reported in governmental activities are not required in the funds	478,535
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	1,601,297
Pension Related Deferrals	
LGERS	(152,255)
ROD	(4,127)
LEOSSA	(108,987)
OPEB related deferrals	(69,532)
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	(17,076,562)
Compensated absences	(1,548,250)
Net OPEB Liability	(2,672,690)
Net Pension Liability	(6,762,379)
Total Pension Liability	(1,094,799)
Accrued interest payable	(114,174)
Net position of governmental activities	<u>\$ 34,010,007</u>

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

**Beaufort County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<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>
<b>REVENUES</b>			
Ad valorem taxes	\$ 37,158,836	\$ 3,793,945	\$ 40,952,781
Local option sales tax	10,232,655	-	10,232,655
Other taxes and licenses	228,703	-	228,703
Unrestricted intergovernmental	616,789	-	616,789
Restricted intergovernmental	10,753,803	1,126,948	11,880,751
Permits and fees	358,464	-	358,464
Sales and services	2,581,577	-	2,581,577
Investment earnings	408,198	9,336	417,534
Miscellaneous	210,620	44,601	255,221
Total revenues	<u>62,549,645</u>	<u>4,974,830</u>	<u>67,524,475</u>
<b>EXPENDITURES</b>			
Current:			
General government	6,099,760	-	6,099,760
Public safety	12,860,884	5,226,635	18,087,519
Economic and physical development	1,025,685	1,922,322	2,948,007
Human services	15,257,067	27,708	15,284,775
Cultural and recreational	424,402	-	424,402
Education	18,839,953	-	18,839,953
Debt service:			
Principal	1,943,721	-	1,943,721
Interest and other charges	566,536	-	566,536
Total expenditures	<u>57,018,008</u>	<u>7,176,665</u>	<u>64,194,673</u>
Excess (deficiency) of revenues over expenditures	<u>5,531,637</u>	<u>(2,201,835)</u>	<u>3,329,802</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	141,990	1,599,370	1,741,360
Transfers (out)	<u>(1,741,360)</u>	<u>-</u>	<u>(1,741,360)</u>
Total other financing sources and uses	<u>(1,599,370)</u>	<u>1,599,370</u>	<u>-</u>
Net change in fund balance	3,932,267	(602,465)	3,329,802
Fund balances-beginning	<u>21,370,871</u>	<u>7,701,374</u>	<u>29,072,245</u>
Fund balances-ending	<u>\$ 25,303,138</u>	<u>\$ 7,098,909</u>	<u>\$ 32,402,047</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, 2020**

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

Net changes in fund balances - total governmental funds	\$ 3,329,802
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	2,060,769
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.	(1,233,917)
Gain (Loss) on Disposals - amount by which cost exceeded accumulated	(4,967)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,411,905
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	30,115
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	64,842
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.	1,943,721
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).	9,934
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(115,408)
County's portion of collective pension expense	(3,057,060)
OPEB Expense	(331,555)
Landfill postclosure cost	14,565
Amortized premium / discount	11,486
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	147,386
Increase (decrease) in accrued taxes receivable	7,266
Total changes in net position of governmental activities	<u>\$ 4,288,884</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, 2020**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 36,761,076	\$ 36,761,076	\$ 37,158,836	\$ 397,760
Local option sales tax	9,486,896	9,486,896	10,232,655	745,759
Other taxes and licenses	223,160	223,160	228,703	5,543
Unrestricted intergovernmental	216,848	216,848	616,789	399,941
Restricted intergovernmental	9,246,286	11,697,341	10,753,803	(943,538)
Permits and fees	374,045	374,605	358,464	(16,141)
Sales and services	2,685,527	2,687,937	2,581,577	(106,360)
Investment earnings	400,000	400,000	406,439	6,439
Miscellaneous	108,510	218,760	210,620	(8,140)
Total revenues	<u>\$ 59,502,348</u>	<u>\$ 62,066,623</u>	<u>\$ 62,547,886</u>	<u>\$ 481,263</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 6,255,647	\$ 7,316,579	\$ 6,099,760	\$ 1,216,819
Public safety	13,157,265	13,351,164	12,860,884	490,280
Economic and physical development	1,007,344	1,049,082	1,025,685	23,397
Human services	15,825,206	16,049,758	15,257,067	792,691
Cultural and recreational	445,201	438,901	424,402	14,499
Education	18,819,953	18,852,553	18,839,953	12,600
<b>Debt service:</b>				
Principal retirement	2,274,540	2,279,840	1,943,721	336,119
Interest and other charges	566,537	566,537	566,536	1
Total expenditures	<u>\$ 58,351,693</u>	<u>\$ 59,904,414</u>	<u>\$ 57,018,008</u>	<u>\$ 2,886,406</u>
Revenues over (under) expenditures	<u>\$ 1,150,655</u>	<u>\$ 2,162,209</u>	<u>\$ 5,529,878</u>	<u>\$ 3,367,669</u>
<b>Other financing sources (uses):</b>				
Transfer - Out	\$ (1,072,050)	\$ (2,585,076)	\$ (1,903,410)	\$ 681,666
Transfer - In	-	141,544	141,990	446
Fund balance appropriated	136,395	491,373	-	(491,373)
Contingency	(215,000)	(210,050)	-	210,050
Total other financing sources (uses)	<u>\$ (1,150,655)</u>	<u>\$ (2,162,209)</u>	<u>\$ (1,761,420)</u>	<u>\$ 400,789</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,768,458</u>	<u>\$ 3,768,458</u>
<b>Fund balances:</b>				
Beginning of year, July 1			<u>21,035,557</u>	
End of year, June 30			<u>\$ 24,804,015</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			1,759	
Transfer from General Fund			162,050	
Expenditures			-	
Fund balance, beginning of year			<u>335,314</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 25,303,138</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, 2020**

	MAJOR		Totals
	Solid Waste	Water Districts	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 680,738	8,813,185	\$ 9,493,923
Accounts receivable (net)	649,681	1,091,582	1,741,263
Due from other funds	-	-	-
Total current assets	<u>1,330,419</u>	<u>9,904,767</u>	<u>11,235,186</u>
Noncurrent assets:			
Restricted - cash and cash equivalents	-	141,375	141,375
Capital assets:			
Land and Improvements	2,368	105,789	108,157
Construction in process	-	4,778,778	4,778,778
Buildings, Improvements, and Equipment	236,428	80,432,776	80,669,204
Less accumulated depreciation	(230,228)	(24,923,350)	(25,153,578)
Total capital assets	<u>8,568</u>	<u>60,393,993</u>	<u>60,402,561</u>
Total noncurrent assets	<u>8,568</u>	<u>60,535,368</u>	<u>60,543,936</u>
Total assets	<u>1,338,987</u>	<u>70,440,135</u>	<u>71,779,122</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	-	230,044	230,044
OPEB deferrals	-	298,911	298,911
Total deferred outflows of resources	<u>-</u>	<u>528,955</u>	<u>528,955</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	324,925	334,810	659,735
Accrued interest payable	-	122,420	122,420
Customer deposits	-	141,375	141,375
Compensated absences	-	24,009	24,009
Installment purchase	-	410,000	410,000
Limited obligation bonds	-	1,345,000	1,345,000
Original issue discount / premium	-	115,828	115,828
Total current liabilities	<u>324,925</u>	<u>2,493,442</u>	<u>2,818,367</u>
Noncurrent liabilities:			
Installment purchase	-	5,190,000	5,190,000
Limited Obligation Bonds	-	29,870,000	29,870,000
Net pension liability	-	400,283	400,283
Total OPEB Liability	-	1,113,619	1,113,619
Original issue discount / premium	-	1,679,409	1,679,409
Compensated Absences	-	72,026	72,026
Total noncurrent liabilities	<u>-</u>	<u>38,325,337</u>	<u>38,325,337</u>
Total liabilities	<u>324,925</u>	<u>40,818,778</u>	<u>41,143,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	-	9,012	9,012
OPEB deferrals	-	28,971	28,971
Total deferred inflows of resources	<u>-</u>	<u>37,983</u>	<u>37,983</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,568	21,783,757	21,792,325
Unrestricted	1,005,494	8,328,572	9,334,066
Total net position	<u>\$ 1,014,062</u>	<u>\$ 30,112,329</u>	<u>\$ 31,126,391</u>

**Beaufort County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2020**

	MAJOR		
	Solid Waste	Water Districts	Totals
Revenues:			
Operating Revenues:			
Water sales	\$ -	\$ 7,139,583	\$ 7,139,583
Tap on fees	-	185,482	185,482
Solid Waste fees	3,720,321	-	3,720,321
Miscellaneous Revenue	199,259	216,637	415,896
Total Operating Revenues	<u>3,919,580</u>	<u>7,541,702</u>	<u>11,461,282</u>
Expenditures:			
Operating Expenses:			
Salaries and employee benefits	16,292	1,518,273	1,534,565
Water purchase	-	785,752	785,752
Water operations and maintenance	-	1,570,683	1,570,683
Solid waste operations and maintenance	3,594,239	-	3,594,239
Depreciation	827	2,196,516	2,197,343
Total Expenditures	<u>3,611,358</u>	<u>6,071,224</u>	<u>9,682,582</u>
Operating income (loss)	<u>308,222</u>	<u>1,470,478</u>	<u>1,778,700</u>
Nonoperating Revenues (Expenses)			
Rent	7,656	-	7,656
Interest Earned on Investments	4,341	107,755	112,096
Interest Expense	-	(1,403,813)	(1,403,813)
Total Nonoperating Revenues (Expenses)	<u>11,997</u>	<u>(1,296,058)</u>	<u>(1,284,061)</u>
Income (Loss) before contributions and transfers	320,219	174,420	494,639
Transfers in (out)	-	-	-
Capital contributions	-	529,585	529,585
Installment proceeds	-	967	967
Change in net position	320,219	704,972	1,025,191
Total net position, beginning	<u>693,843</u>	<u>29,407,357</u>	<u>30,101,200</u>
Total net position, ending	<u>\$ 1,014,062</u>	<u>\$ 30,112,329</u>	<u>\$ 31,126,391</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, 2020**

	MAJOR		Totals
	Solid Waste	Water Districts	June 30, 2020
Cash flows from operating activities:			
Cash received from customers	\$ 3,933,012	\$ 7,603,901	\$ 11,536,913
Cash paid for goods and services	(3,569,035)	(2,368,366)	(5,937,401)
Cash paid to employees for services	(16,292)	(1,314,333)	(1,330,625)
Customer deposits received	-	25,350	25,350
Net cash provided (used) by operating activities	<u>347,685</u>	<u>3,946,552</u>	<u>4,294,237</u>
Cash flows from noncapital financing activities			
Transfers in (out)	-	-	-
Miscellaneous	7,656	-	7,656
Interest on Investments	4,341	107,755	112,096
Due from other funds	-	-	-
Net cash provided (used) by noncapital financial activities	<u>11,997</u>	<u>107,755</u>	<u>119,752</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(2,342,092)	(2,342,092)
Principal paid on bond maturities and equipment contracts	-	(1,715,000)	(1,715,000)
Interest paid on bond maturities and equipment contracts	-	(1,488,860)	(1,488,860)
Proceeds from long term borrowing	-	967	967
Capital contributions	-	680,950	680,950
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(4,864,035)</u>	<u>(4,864,035)</u>
Net increase (decrease) in cash and cash equivalents	<u>359,682</u>	<u>(809,728)</u>	<u>(450,046)</u>
Cash and cash equivalents, July 1	<u>321,056</u>	<u>9,764,288</u>	<u>10,085,344</u>
Cash and cash equivalents, June 30	<u>\$ 680,738</u>	<u>\$ 8,954,560</u>	<u>\$ 9,635,298</u>

(continued)

**Beaufort County, North Carolina**  
**Statement of Cash Flows - Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2020**

	MAJOR		
	Solid Waste	Water Districts	June 30, 2020
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 308,222	\$ 1,470,478	\$ 1,778,700
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 827	\$ 2,196,516	\$ 2,197,343
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	13,432	62,199	75,631
(Increase) decrease in deferred outflows of resources for pensions	-	41,490	41,490
(Increase) decrease in deferred outflows of resources - OPEB	-	(5,230)	(5,230)
Increase (decrease) in accounts payable and accrued liabilities	25,204	(11,931)	13,273
Increase (decrease) in deposits	-	25,350	25,350
Increase (decrease) in OPEB	-	116,313	116,313
Increase (decrease) in deferred inflows - pensions	-	1,063	-
Increase (decrease) in deferred inflows - OPEB	-	(5,197)	-
Increase (decrease) in net pension liability	-	51,234	51,234
Increase (decrease) in compensated absences	-	4,267	4,267
Total adjustments	<u>39,463</u>	<u>2,476,074</u>	<u>2,519,671</u>
Net cash provided (used) by operating activities	\$ <u>347,685</u>	\$ <u>3,946,552</u>	\$ <u>4,294,237</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, 2020**

		Agency Funds
<b>Assets</b>		
Cash and investments	\$	268,588
Accounts Receivable		6,672
Total Assets	\$	275,260
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$	275,260
Total liabilities		275,260
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; 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; and the EMS Billing and Collections, which accounts for funds received for EMS billings on behalf of our agencies within the County.

*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, the Healthcare Reserve Fund, CARES Act Funding, One NC Grant, NC Housing Finance, NC Rural Economic Development, CDBG, Coastal Management Grant, and Economic Development Initiative Fund are reported as nonmajor special revenue funds. The FY 17/18 Capital Improvements Fund, Hazard Mitigation Fund, five FEMA Flood Mitigation Funds, the Stream Debris Removal Fund, the Jail Locking System Improvement Fund, the Radio System Project Fund, the PARTF Wright’s Creek Phase II Project Fund, the Capital Reserve Fund, and the Facility Improvements 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 majority of the County and the ABC Board's investments are carried at fair value. The North Carolina Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of those funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

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	
<b>Governmental Activities</b>	
General Fund	
Tax Revaluation	\$ 499,123
Total Governmental Activities	499,123
<b>Business-Type Activities</b>	
Water Districts	
Customer deposits	141,375
Total Business-Type Activities	141,375
Total Restricted Cash	\$ 640,498

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, 2019. 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.

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

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

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

BEAUFORT COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS

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 on the Statement of Net Position.

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

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, 2020, 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.

**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, 2020, nonspendable fund balance consists of the advance to the General Fund from the Healthcare Reserve Fund.

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

**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	\$ 499,123	\$ -
Total	\$ 499,123	\$ -

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

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

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	\$ 25,303,138
Less:	
Stabilization by State statute	4,340,459
Tax Revaluation	499,123
Subsequent year's expenditures	-
Total available fund balance	<u>\$ 20,463,556</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 Benefit Cost-Sharing Plans

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

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 \$1,607,960 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).	\$ 38,271,839
Less accumulated depreciation	<u>(14,219,487)</u>
Net capital assets	24,052,352
Net pension asset	79,941
Contribution to the pension plan in the current fiscal year	1,411,905
Contribution to the OPEB plan in the current fiscal year	64,842
Benefits payments and pension administration costs for LEOSSA	30,115
Pension related deferrals	2,294,191
OPEB related deferrals	584,563
Deferred charges on refunding reported in governmental activities are not required in the	478,535
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)	279,073
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,601,297
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	(17,076,562)
Net pension obligation	(1,094,799)
Total OPEB liability	(2,672,690)
Net pension liability	(6,762,379)
Compensated absences	(1,548,250)
Accrued interest payable	(114,174)
	<u>(29,268,854)</u>
Total adjustment	<u>\$ 1,607,960</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 \$959,082 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	\$ 2,060,769	
Depreciation	<u>(1,233,917)</u>	826,852
Cost of disposal capital assets not recorded in the fund statements	<u>(4,967)</u>	(4,967)
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 retired	1,943,721	
Amortized premium	<u>79,848</u>	2,023,569
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.	1,411,905	1,411,905
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	30,115	30,115
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities.	64,842	64,842
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	7,266	
Accrual of taxes	<u>147,386</u>	154,652
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		(115,408)
OPEB expense		(331,555)
County's portion of collective pension expense		(3,057,060)
Landfill post-closure care		14,565
Interest expense		<u>9,934</u>
Total adjustment	<u>\$</u>	<u>959,082</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, 2020, the County's deposits had a carrying amount of \$20,763,172. The bank balances with financial institutions were \$21,663,473. Of these bank balances, \$736,017 was covered by federal depository insurance and \$21,237,124 was covered by collateral held under the Pooling Method.

At June 30, 2020, Beaufort County held \$268,588 in fiduciary funds, which is included in the carrying amount above.

At June 30, 2020, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2020, the carrying amount of deposits for Beaufort County ABC Board was \$780,526 and the bank balance was \$944,474. Of these bank balances, \$288,395 was covered by federal depository insurance and \$656,079 was covered by collateral held under the Pooling Method.

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

2 . Investments

As of June 30, 2020, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 2,639,639	\$ 2,639,639	\$ -	\$ -
NC Capital Management Trust - Term Portfolio*	Fair Value - Level 1	17,558,836	17,558,836	-	-
Total		\$ 20,198,475	\$ 20,198,475	\$ -	\$ -

\*As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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

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

At June 30, 2020, the ABC Board had no investments.

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

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

Year Levied	Tax	Interest	Total
2017	\$ 1,529,506	\$ 397,672	\$ 1,927,178
2018	1,710,266	290,749	2,001,015
2019	1,765,885	141,270	1,907,155
2020	1,755,422	-	1,755,422
Total	\$ 6,761,079	\$ 829,691	\$ 7,590,770

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 1,759,267	\$ 2,261,491	\$ 3,019,611	\$ 7,040,369
Other Governmental	360,470	191,497	14,882	566,849
Total Receivables	2,119,737	2,452,988	3,034,493	7,607,218
Allowance for Doubtful Accts.	(687,394)	(572,618)	-	(1,260,012)
Total Gov't Activities	<u>\$ 1,432,343</u>	<u>\$ 1,880,370</u>	<u>\$ 3,034,493</u>	<u>\$ 6,347,206</u>
Business-type Activities:				
Water Districts	\$ 1,810,638	\$ -	\$ 43,564	\$ 1,854,202
Solid Waste	903,684	-	239	903,923
Total Receivables	2,714,322	-	43,803	2,758,125
Allowance for Doubtful Accts.	(1,016,862)	-	-	(1,016,862)
Total Business-type	<u>\$ 1,697,460</u>	<u>\$ -</u>	<u>\$ 43,803</u>	<u>\$ 1,741,263</u>

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

Governmental Activities:	
Local Option Sales Tax	\$ 2,771,663
Sales and Use Tax	262,830
Total	<u>\$ 3,034,493</u>
Business-Type Activities:	
Sales and Use Tax	\$ 43,802
Total	<u>\$ 43,802</u>

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

5. Capital Assets

Capital asset activity for the year ended June 30, 2020, 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	3,128,242	1,406,905	(2,567,169)	1,967,978
Total capital assets not being depreciated	<u>9,981,572</u>	<u>1,406,905</u>	<u>(2,567,169)</u>	<u>8,821,308</u>
Other capital assets:				
Buildings	20,308,919	629,205	-	20,938,124
Equipment and vehicles	6,078,996	2,591,828	(158,417)	8,512,407
Total other capital assets at historical cost	<u>26,387,915</u>	<u>3,221,033</u>	<u>(158,417)</u>	<u>29,450,531</u>
Less accumulated depreciation for:				
Buildings	10,024,220	465,429	-	10,489,649
Equipment and vehicles	3,114,800	768,488	(153,450)	3,729,838
Total other capital assets at historical cost	<u>13,139,020</u>	<u>1,233,917</u>	<u>(153,450)</u>	<u>14,219,487</u>
Other capital assets, net	<u>13,248,895</u>	<u>1,987,116</u>	<u>(4,967)</u>	<u>15,231,044</u>
Governmental activities capital assets, net	<u>\$ 23,230,467</u>	<u>\$ 3,394,021</u>	<u>\$ (2,572,136)</u>	<u>\$ 24,052,352</u>

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

Governmental Activities	
General government	\$ 211,979
Public Safety	628,860
Economic and Physical Development	21,308
Human Services	43,315
Education	157,563
Emergency Management	170,892
	<u>\$ 1,233,917</u>

BEAUFORT COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water Districts</b>				
Capital assets not being depreciated:				
Land	\$ 105,789	\$ -	\$ -	\$ 105,789
Construction in Progress	4,082,635	1,389,952	(693,809)	4,778,778
Total capital assets not being depreciated	<u>4,188,424</u>	<u>1,389,952</u>	<u>(693,809)</u>	<u>4,884,567</u>
Other capital assets:				
Plant and distribution systems	78,504,914	334,195	-	78,839,109
Furniture and equipment	583,074	359,614	-	942,688
Vehicles and motor equipment	597,671	53,308	-	650,979
Total other capital assets	<u>79,685,659</u>	<u>747,117</u>	<u>-</u>	<u>80,432,776</u>
Less accumulated depreciation for:				
Plant and distribution systems	22,223,094	2,080,115	-	24,303,209
Furniture and equipment	128,869	67,831	-	196,700
Vehicles and motor equipment	374,871	48,570	-	423,441
Total accumulated depreciation	<u>22,726,834</u>	<u>2,196,516</u>	<u>-</u>	<u>24,923,350</u>
Total Water Districts capital assets, net	<u>\$ 61,147,249</u>	<u>\$ (59,447)</u>	<u>\$ (693,809)</u>	<u>\$ 60,393,993</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Fund</b>				
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	40,053	827	-	40,880
Furniture and equipment	189,348	-	-	189,348
Total accumulated depreciation	<u>229,401</u>	<u>827</u>	<u>-</u>	<u>230,228</u>
Total Solid Waste capital assets, net	<u>\$ 9,395</u>	<u>\$ (827)</u>	<u>\$ -</u>	<u>\$ 8,568</u>
Business-type activities capital assets, net	<u>\$ 61,156,644</u>			<u>\$ 60,402,561</u>

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

Construction Commitments

The government has active construction projects as of June 30, 2020. The projects include funded hazard mitigation, a water system project, courthouse improvements, automated metering infrastructure, and emergency power generators. As June 30, 2020, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hazard Mitigation	\$ 106,000	\$ 201,000
Housing Rehab	-	105,984
Hysucat Waterline	181,793	76,266
Water Phase 2 Generators	311,395	14,705
Water Phase 3 Generators	27,360	258,034
Jail Locking Upgrade	400,401	371,664
Courthouse Improvements - HVAC Cleaning	-	40,030
AMI Upgrade	4,245,851	24,435
	<u>\$ 5,272,800</u>	<u>\$ 1,092,118</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2020, 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>350,834</u>	<u>-</u>	<u>12,000</u>	<u>338,834</u>
Capital assets being depreciated:				
Buildings	1,264,077	608,729	-	1,872,806
Equipment and Furniture	246,342	27,282	-	273,624
Vehicles	75,976	-	-	75,976
Total capital assets being depreciated	<u>1,586,395</u>	<u>636,011</u>	<u>-</u>	<u>2,222,406</u>
Less accumulated depreciation for:				
Buildings	684,693	46,534	-	731,227
Equipment and Furniture	175,057	21,127	-	196,184
Vehicles	25,325	15,196	-	40,521
Total accumulated depreciation	<u>885,075</u>	<u>\$ 82,857</u>	<u>\$ -</u>	<u>967,932</u>
Total capital assets being depreciated	<u>701,320</u>			<u>1,254,474</u>
Capital assets, net	<u>\$ 1,052,154</u>			<u>\$ 1,593,308</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows :

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,599,912	\$ -	\$ 1,599,912
Other Governmental	1,041,059	-	1,041,059
Total Governmental Activities	<u>\$ 2,640,971</u>	<u>\$ -</u>	<u>\$ 2,640,971</u>
Business-Type Activities			
Water Districts	334,810	-	334,810
Solid Waste	\$ 324,925	\$ -	\$ 324,925
Total Business-Type Activities	<u>\$ 659,735</u>	<u>\$ -</u>	<u>\$ 659,735</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](http://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, 2020, was 9.70% of compensation for law enforcement officers and 9.0% 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 \$1,491,379 for the year ended June 30, 2020.

*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, 2020, the County reported a liability of \$7,162,662 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. 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, 2020, the County's proportion was .2623% (measured as of June 30, 2019), which was a decrease of .0010% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$3,169,601. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,226,429	\$ -
Changes of assumptions	1,167,395	-
Net difference between projected and actual earnings on pension plan investments	174,707	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	56,500	161,267
County contributions subsequent to the measurement date	1,491,379	-
Total	<u>\$ 4,116,410</u>	<u>\$ 161,267</u>

\$1,491,379 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2021	\$ 1,256,451
2022	379,965
2023	650,327
2024	177,021
2025	-
Thereafter	-
Total	<u>\$ 2,463,764</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 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 rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2018 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, 2020 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 2018 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)	\$ 16,382,318	\$ 7,162,662	\$ (500,740)

*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, 2018, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	5
Active plan members	52
Total	<u>57</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, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.26 percent

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

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, 2020, the County reported a total pension liability of \$1,094,799. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$56,183.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 66,339
Changes of assumptions	72,556	42,648
County contributions subsequent to the measurement date	30,115	-
Total	<u>\$ 102,671</u>	<u>\$ 108,987</u>

\$30,115 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, 2020. 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:	
2021	\$ (9,032)
2022	(9,032)
2023	(6,459)
2024	(10,182)
2025	(1,769)
Thereafter	43
Total	<u>(36,431)</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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
County's proportionate share of the net pension liability (asset)	\$ 1,202,401	\$ 1,094,799	\$ 997,405

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

	<u>2020</u>
Beginning balance	\$ 1,063,302
Service Cost	65,548
Interest on the total pension liability	37,333
Differences between expected and actual experience	(34,230)
Changes in assumptions or other inputs	38,179
Benefit payments	(75,333)
Ending balance of the total pension liability	<u>\$ 1,094,799</u>

BEAUFORT COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at December 31, 2018 (measurement date) to 3.26 percent at December 31, 2019 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2018 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 and Non-Law Enforcement Employees

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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, 2020 were \$201,482 which consisted of \$147,932 from the County and \$53,550 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, 2020 were \$588,415 which consisted of \$251,100 from the County and \$337,315 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](http://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 \$3,871 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$79,941 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension asset was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was .4049%, which was a decrease of .0541% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$8,408. At June 30, 2020, 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	\$ -	\$ 3,855
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan	818	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	7,854	272
County contributions subsequent to the measurement date	3,871	-
Total	<u>\$ 12,543</u>	<u>\$ 4,127</u>

\$3,871 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2021	\$ 791
2022	3,407
2023	1,926
2024	(1,579)
2025	-
Thereafter	-
Total	<u>\$ 4,545</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 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, 2018 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, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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)	\$ (66,081)	\$ (79,941)	\$ (91,660)

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, 2018, 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, 2019, with an actuarial valuation date of December 31, 2018.

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)	\$ 7,162,662	\$ (79,941)	\$ -	\$ 7,082,721
Proportionate of the Net Pension Liability (Asset)	0.2623%	0.4049%	n/a	
Total Pension Liability	-	-	1,094,799	1,094,799
Pension Expense	3,169,601	8,408	56,183	3,234,192
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	1,226,429	-	-	1,226,429
Changes of assumptions	1,167,395	-	72,556	1,239,951
Net difference between project and actual earnings on plan investments	174,707	818	-	175,525
Changes in proportion and differences between contributions and proportionate share of contributions	56,500	7,854	-	64,354
Benefit payments and administrative costs paid subsequent to the measurement date	1,491,379	3,871	30,115	1,525,365
<b><u>Deferred Inflows of Resources</u></b>				
Difference between expected and actual experience	-	3,855	66,339	70,194
Changes of assumptions	-	-	42,648	42,648
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	161,267	272	-	161,539

e. Other Postemployment Benefits

Healthcare Benefits

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

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

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

Membership of the HCB Plan consisted of the following at June 30, 2019, 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 \$3,786,309 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 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	3.50%
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**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2018</b>	\$ 3,390,847
<b>Changes for the year</b>	
Service Cost	242,634
Interest	129,368
Difference between expected and actual experience	(976)
Changes in assumptions or other inputs	156,060
Benefit payments and implicit subsidy credit	<u>(131,624)</u>
<b>Net changes</b>	<u>395,462</u>
<b>Balance at June 30, 2019</b>	<u><u>\$ 3,786,309</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%

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

The actuarial assumptions used in the June 30, 2019 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 4,222,940	\$ 3,786,309	\$ 3,401,136

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	\$ 3,257,705	\$ 3,786,309	\$ 4,430,937

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$463,812. At June 30, 2020, 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	\$ 775,434	\$ 858
Changes of assumptions	151,200	97,645
Benefit payments and administrative costs made subsequent to the measurement date	91,214	-
Total	<u>\$ 1,017,848</u>	<u>\$ 98,503</u>

\$91,214 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 126,010
2022	126,010
2023	126,010
2024	126,010
2025	126,010
Thereafter	198,081
Total	<u>\$ 828,131</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 \$58,258 reported as landfill post-closure liability at June 30, 2020, 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	\$ 1,226,429	\$ -
Register of Deeds	-	3,855
LEOSSA	-	66,339
OPEB	775,434	858
Changes of Assumptions		
LGERS	1,167,395	-
Register of Deeds	-	-
LEOSSA	72,556	42,648
OPEB	151,200	97,645
Pensions - difference between projected and actual investment		
LGERS	174,707	-
Register of Deeds	818	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	56,500	161,267
Register of Deeds	7,854	272
Contributions to pension plan in current fiscal year		
LGERS	1,491,379	-
Register of Deeds	3,871	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	30,115	-
OPEB	91,214	-
Deferred Charges on Refunding	478,535	-
Prepaid taxes (General)	-	2,173
Taxes receivable, net (General)	-	1,409,800
Taxes receivable, net (Special Revenue)	-	191,497
	<u>\$ 5,728,007</u>	<u>\$ 1,976,354</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 \$91,008,300 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. In accordance with G.S. 15B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety. Also, in accordance with G.S. 15B-803(b), each store manager is bonded in the amount of \$50,000 secured by a corporate surety.

6. Contingent Liabilities

At June 30, 2020, 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.

\$ 2,738,816

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.

1,231,000

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.

	155,552
Total serviced by the General Fund	\$ 4,125,368

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.

\$ 825,000

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.

825,000

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.

	3,950,000
Total serviced by the enterprise funds	\$ 5,600,000

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, 2020, including \$2,295,145 of interest, are:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	322,885	95,887	410,000	87,895
2026-2030	841,981	381,885	2,050,000	288,077
2031-2035	602,678	275,912	1,500,000	51,938
2036-2040	715,792	162,798	-	-
2041-2045	485,658	36,194	-	-
Total	<u>\$ 4,125,368</u>	<u>\$ 1,414,723</u>	<u>\$ 5,600,000</u>	<u>\$ 880,422</u>

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, 2020 was \$31,215,000. 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, 2020, in the business-type activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
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	1,545,000	1,014,050
2026-2030	8,270,000	4,047,176
2031-2035	8,815,000	2,384,090
2036-2040	6,175,000	770,139
2041-2045	725,000	27,988
Total	<u>\$ 31,215,000</u>	<u>\$ 13,023,393</u>

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, 2020 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%.	\$ 6,280,000
\$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%.	3,189,000
\$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>2,865,000</u>
Total General Obligation Bonds	<u><u>\$ 12,334,000</u></u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
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	1,591,000	169,959
2026-2030	4,208,000	247,792
Total	<u><u>\$ 12,334,000</u></u>	<u><u>\$ 1,557,304</u></u>

At June 30, 2020, Beaufort County had a legal debt margin of \$451,984,399.

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, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 14,015,000	\$ -	\$ 1,681,000	\$ 12,334,000	\$ 1,650,000
Unamortized premium	638,784	-	79,848	558,936	79,848
Direct Placement Installment Purchase	4,388,088	-	262,720	4,125,368	269,670
Compensated Absences	1,432,842	115,408	-	1,548,250	387,063
Net Pension Liability (LGERS)	5,896,853	865,526	-	6,762,379	-
Total Pension Liability (LEOSSA)	1,063,302	31,497	-	1,094,799	-
Total OPEB Liability	2,393,540	279,150	-	2,672,690	-
Landfill post-closure care	72,823	-	14,565	58,258	14,565
<b>Total</b>	<b>\$ 29,901,232</b>	<b>\$ 1,291,581</b>	<b>\$ 2,038,133</b>	<b>\$ 29,154,680</b>	<b>\$ 2,401,146</b>
<b>Business-type Activities:</b>					
Unamortized premium	\$ 2,158,691	\$ -	\$ 102,795	\$ 2,055,896	\$ 102,795
Unamortized discounts	(273,693)	13,033	-	(260,660)	(13,033)
Limited Obligation Bonds	32,520,000	-	1,305,000	31,215,000	1,345,000
Direct Placement Installment Purchase	4,250,000	-	300,000	3,950,000	300,000
Direct Borrowing - Revolving Loan	1,760,000	-	110,000	1,650,000	110,000
Compensated Absences	91,767	4,267	-	96,034	24,009
Net Pension Liability (LGERS)	349,049	51,234	-	400,283	-
Total OPEB Liability	997,307	116,312	-	1,113,619	-
<b>Total</b>	<b>\$ 41,853,121</b>	<b>\$ 184,846</b>	<b>\$ 1,817,795</b>	<b>\$ 40,220,172</b>	<b>\$ 1,868,771</b>

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, 2020 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.	\$ 2,776,793
Due to the General Fund from the FEMA Flood 2015-017 Fund for the advancement of grant expenditures.	54,050
Due to the General Fund from the FEMA Hazard Mitigation 2016-003 Fund for the advancement of grant expenditures.	64,000
Due to the General Fund from the FEMA Hazard Mitigation 2016-004 Fund for the advancement of grant expenditures.	5,495

BEAUFORT COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS

Interfund Balances and Activity (continued)

Due to the General Fund from the Hazard Mitigation 2016-005 Fund for the advancement of grant expenditures.	113,915
Due to the General Fund from the NC Housing Finance Grant for the advancement of grant expenditures.	<u>11,515</u>
Total Interfund balances	<u><u>\$ 3,025,768</u></u>
Transfers to/from other funds at June 30, 2020, 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.	785,710
Transfer from the FY 17/18 Capital Improvements Project Fund to the General Fund to return funds not needed for project.	40,938
Transfer from the Radio System Capital Project Fund to the General Fund for residual equity transfer.	446
Transfer from the Capital Project Fund to the General Fund to return matching grant funds not needed to the General Fund.	(100,606)
Transfer from the General Fund to the Facility Improvements Capital Project Fund to provide additional funds for facility improvements.	(820,650)
Transfer from the Standby Generator Capital Project to the Water District Operating Fund to return restricted sales tax.	9,816
Transfer from the Water Fund to the Gaylord Pump Station Capital Project to provide grant matching funds.	75,000
Total Transfers	<u><u>\$ 287,704</u></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	\$ 24,052,352	\$ 60,402,561
add: deferred charges (capital related)	478,535	260,660
Total capital assets and related deferred charges	<u>24,530,887</u>	<u>60,663,221</u>
Total debt, gross	17,018,304	38,870,896
less: debt related to assets not owned by the County	(13,565,000)	-
less: capital related unspent debt issuances	-	-
Total capital debt	<u>3,453,304</u>	<u>38,870,896</u>
Net investment in capital assets	<u>\$ 21,077,583</u>	<u>\$ 21,792,325</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>\$ 25,303,138</u>
Less:	
Nonspendable (Prepays)	-
Stabilization by State Statute	4,340,459
Tax Revaluation	499,123
Appropriated fund balance (subsequent year's budget)	-
Remaining Fund Balance	<u>\$ 20,463,556</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	\$ 25,303,138
Less:	
Nonspendable (Prepays)	-
Stabilization by State Statute	4,340,459
Tax Revaluation	499,123
Appropriated fund balance (subsequent year's budget)	-
Working Capital / Fund Balance Policy	21,944,839
Remaining Fund Balance	<u>\$ (1,481,283)</u>

BEAUFORT COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE IV: Joint Ventures

The County participates in a joint venture to operate BHM Regional Library (“the Library”) with three other local governments. Beaufort County appoints three members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments has any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$221,631 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 \$2,697,118 and \$240,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. 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, 2020. 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 \$179,053 to Trillium during the fiscal year ended June 30, 2020. 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, 2020.

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 2020 of \$7,094,283. The payment represents 19.08% 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 30, 2020, the date these financial statements were available to be issued.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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- ~ 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 Seven Fiscal Years\***

<b>Local Government Employees' Retirement System</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.26228%	0.26328%	0.26581%	0.23587%	0.23326%	0.22809%	0.21770%
County's proportion of the net pension liability (asset) (\$)	\$ 7,162,662	\$ 6,245,902	\$ 4,060,841	\$ 5,005,953	\$ 1,046,857	\$ (1,345,151)	\$ 2,624,121
County's covered payroll	\$16,359,660	\$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 payroll	43.78%	39.16%	26.15%	36.87%	8.11%	-10.76%	21.00%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	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 Seven Fiscal Years**

<b>Local Government Employees' Retirement System</b>							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,491,379	\$ 1,295,704	\$ 1,210,872	\$ 1,125,797	\$ 922,308	\$ 891,406	\$ 864,942
Contributions in relation to the contractually required contribution	1,491,379	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>	<u>\$ -</u>
County's covered payroll	\$ 16,341,089	\$ 16,359,660	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791	\$ 12,497,637
Contributions as a percentage of covered payroll	9.13%	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 Seven Fiscal Years\***

	<u>2020</u>	<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) %	0.40493%	0.45899%	0.45220%	0.44989%	0.42409%	0.45133%	0.45909%
County's proportionate share of the net pension liability (asset) \$	\$ (79,941)	\$ (76,023)	\$ (72,140)	\$ (77,843)	\$(104,661)	\$ (102,287)	\$ (98,062)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	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 Seven Fiscal Years\***

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,871	\$ 5,623	\$ 3,928	\$ 3,955	\$ 3,675	\$ 3,054	\$ 3,685
Contributions in relation to contractually required contribution	<u>3,871</u>	<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>	<u>\$ -</u>

**BEAFORT COUNTY**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning Balance	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	\$ 1,053,938
Service Cost	65,548	69,370	64,512	70,240
Interest on the total pension liability	37,333	34,142	38,653	35,963
Change in benefit terms	-	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(34,230)	(35,476)	(26,200)	-
Changes of assumptions and other inputs	38,179	(47,506)	77,436	(27,968)
Benefit payments	(75,333)	(75,333)	(75,333)	(93,136)
Other changes	-	-	-	-
Ending balance of total pension liability	<u>\$ 1,094,799</u>	<u>\$ 1,063,302</u>	<u>\$ 1,118,105</u>	<u>\$ 1,039,037</u>

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

**BEAUFORT COUNTY**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2020**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,094,799	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037
Covered payroll	2,784,246	2,680,824	2,765,059	2,750,952
Total pension liability as a percentage of covered payroll	39.32%	39.66%	40.44%	37.77%

Notes to the schedules:

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

**BEAUFORT COUNTY**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 242,634	\$ 170,916	\$ 185,026
Interest on the total OPEB liability	129,368	77,264	64,960
Change in benefit terms	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(976)	1,007,887	16,801
Changes of assumptions and other inputs	156,060	18,405	(153,229)
Benefit payments	(131,624)	(107,011)	(95,881)
<b>Net change in total OPEB liability</b>	<b>395,462</b>	<b>1,167,461</b>	<b>17,677</b>
<b>Total OPEB liability - beginning</b>	<b>3,390,847</b>	<b>2,223,386</b>	<b>2,205,709</b>
<b>Total OPEB liability - ending</b>	<b>\$ 3,786,309</b>	<b>\$ 3,390,847</b>	<b>\$ 2,223,386</b>
<b>Covered payroll</b>	<b>\$ 14,536,223</b>	<b>\$ 13,520,354</b>	<b>\$ 13,520,354</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>26.05%</b>	<b>25.08%</b>	<b>16.44%</b>

**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%
2020	3.50%

## **GENERAL FUND**

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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.

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**Beaufort County, North Carolina  
General Fund**

Exhibit B-1

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020**

**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
<b>Revenues</b>				
Ad valorem Taxes:				
Current year	\$ 36,485,338	\$ 36,918,504		\$ 35,236,547
Panalties and interest	275,738	240,332		263,496
Total	<u>36,761,076</u>	<u>37,158,836</u>	<u>397,760</u>	<u>35,500,043</u>
Local Option Sales Taxes:				
Local option sales tax	9,486,896	10,232,655		9,779,294
Total	<u>9,486,896</u>	<u>10,232,655</u>	<u>745,759</u>	<u>9,779,294</u>
Other Taxes and Licenses:				
Documentary stamps	189,040	195,639		171,439
Beer and wine licenses	3,401	4,558		2,871
Rental vehicles receipt tax	30,719	28,506		29,498
Total	<u>223,160</u>	<u>228,703</u>	<u>5,543</u>	<u>203,808</u>
Unrestricted Intergovernmental Revenues				
Beer and wine tax	150,000	147,815		148,230
Other	66,848	468,974		65,767
Total	<u>216,848</u>	<u>616,789</u>	<u>399,941</u>	<u>213,997</u>
Restricted Intergovernmental Revenues				
State and Federal grants	11,518,263	10,572,539		10,357,671
ABC distributions/tax	179,078	181,264		158,473
Total	<u>11,697,341</u>	<u>10,753,803</u>	<u>(943,538)</u>	<u>10,516,144</u>
Permits and Fees				
Building permits and inspection fees	107,345	108,117		173,375
Register of Deeds	200,000	191,595		188,254
Other permits and fees	67,260	58,752		93,784
Total	<u>374,605</u>	<u>358,464</u>	<u>(16,141)</u>	<u>455,413</u>
Sales and Services				
Attorney fees/tax administration	39,877	38,977		18,637
Animal control fees	42,000	28,191		42,622
Tax collection fees	110,000	110,236		110,961
Sheriff fees	75,000	70,948		75,945
Electronic house arrest	500	-		800
IV-D deputy travel	-	-		28,817
Gun storage fees	300	483		324
State prisoner's reimbursement	15,000	10,592		11,119
Environmental health	51,775	68,850		61,266
Vending and phones	20,000	11,015		19,643
Health and immunizations	272,214	201,415		199,310
Emergency medical transport fees	535,000	485,659		632,585
Rescue fees	783,170	824,156		821,082
Share of service fee	11,200	8,866		12,642
Rent	294,950	301,266		293,616
Cable franchise fee	118,364	109,786		118,183
DSS aging	-	-		-
NC Health Choice	14,200	6,750		7,100
Administrative Charges	304,387	304,387		304,387
Total	<u>2,687,937</u>	<u>2,581,577</u>	<u>(106,360)</u>	<u>2,759,039</u>

**Beaufort County, North Carolina  
General Fund**

Exhibit B-1

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020**

**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Investment Earnings	400,000	406,439		523,246
Total	<u>400,000</u>	<u>406,439</u>	<u>6,439</u>	<u>523,246</u>
Miscellaneous				
Proceeds from sales of assets/insurance claims	70,000	78,303		126,320
Donations	18,450	9,591		10,877
Miscellaneous	130,310	122,726		18,712
Total	<u>218,760</u>	<u>210,620</u>	<u>(8,140)</u>	<u>155,909</u>
Total Revenues	<u>62,066,623</u>	<u>62,547,886</u>	<u>481,263</u>	<u>60,106,893</u>
<b>Expenditures</b>				
General Government:				
Governing Body	337,543	317,050		417,753
County Manager	480,882	450,580		455,988
Finance	646,072	638,325		606,166
Human Resources	219,004	219,394		189,607
Nondepartmental	1,527,569	638,004		733,324
Tax Administration	924,818	902,124		893,393
Tax Collector	597,898	591,557		541,274
Register of Deeds	399,882	366,436		375,611
Elections	464,195	373,760		361,957
Public Buildings	1,443,066	1,340,089		1,300,841
Court Facilities	275,650	262,441		273,170
Total General Government	<u>7,316,579</u>	<u>6,099,760</u>	<u>1,216,819</u>	<u>6,149,084</u>
Public safety:				
Sheriff	6,210,647	6,140,779		5,688,323
Jail	2,082,715	1,997,523		2,264,864
Emergency Communications	1,208,592	1,099,345		1,032,672
Emergency Management	510,961	458,513		441,888
Fire Protection	154,191	130,060		123,833
Ambulance/rescue services	10,000	10,000		10,000
Animal Control	369,907	348,046		370,158
Emergency Madical Services	2,744,151	2,647,418		2,670,611
Medical Examiner	60,000	29,200		55,350
Total Public Safety	<u>13,351,164</u>	<u>12,860,884</u>	<u>490,280</u>	<u>12,657,699</u>
Economic and Physical Development:				
Planning	334,105	327,839		272,553
Economic Development	305,023	301,098		274,581
Cooperative Extension	255,129	254,725		235,786
Soil/Water Conservation	154,825	142,023		127,928
Total Economic and Physical Develop	<u>1,049,082</u>	<u>1,025,685</u>	<u>23,397</u>	<u>910,848</u>

**Beaufort County, North Carolina  
General Fund**

Exhibit B-1

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2020**

**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
<b>Human services:</b>				
Administration - general	271,078	385,706		239,195
AIDS control / STD	322,336	298,332		221,086
TB Program	72,599	61,753		66,465
Immunization	334,241	310,302		272,184
Health Promotion	248,961	225,829		120,837
Child Health	495,096	474,835		482,008
Maternal Health	377,118	356,032		409,224
WIC - administration	347,138	330,154		349,559
Environmental Health	668,919	634,739		765,552
Family Planning	383,008	344,319		332,533
Jail Health	252,612	236,305		255,758
Healthy Living	94,620	77,815		60,429
Other Health Programs	375,459	331,859		385,909
Total	<u>4,243,185</u>	<u>4,067,980</u>	<u>175,205</u>	<u>3,960,739</u>
<b>Mental Health and Transportation:</b>				
General Appropriation	157,000	157,000		157,000
Alcohol Rehabilitation	20,000	22,053		20,596
Beaufort County Development Center	55,000	55,000		55,000
NC Elderly Handicapped Transportation/Other	96,656	96,656		40,783
Passages Counseling Services	50,000	36,907		62,833
Total	<u>378,656</u>	<u>367,616</u>	<u>11,040</u>	<u>336,212</u>
<b>Social Services</b>				
Administration	7,149,084	6,787,760		6,762,463
State In-Home Aging Services	477,134	455,575		490,003
Day Care	5,000	-		-
Medical Assistance	110,000	97,674		85,468
Energy Assistance	582,120	444,564		481,152
County Provided Assistance	566,000	499,112		550,331
Transportation	287,782	287,782		273,439
Child Support Enforcement	880,986	882,535		874,959
Aid to the Blind Program	11,229	10,169		10,466
Foster Care	951,934	989,702		775,957
Work First Program	99,500	61,425		67,330
Total	<u>11,120,769</u>	<u>10,516,298</u>	<u>604,471</u>	<u>10,371,568</u>
<b>Other Human Services</b>				
Veterans Services	63,670	62,285		60,439
Youth Services	243,478	242,888		208,029
Total	<u>307,148</u>	<u>305,173</u>	<u>1,975</u>	<u>268,468</u>
<b>Total Human Services</b>	<u>16,049,758</u>	<u>15,257,067</u>	<u>792,691</u>	<u>14,936,987</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, 2020**  
**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
<b>Cultural and recreational:</b>				
Recreation	55,070	44,270		44,270
Library and Museum	224,631	224,631		219,300
Special Appropriation	159,200	155,501		190,500
<b>Total Cultural and Recreational</b>	<b>438,901</b>	<b>424,402</b>	<b>14,499</b>	<b>454,070</b>
<b>Education:</b>				
Public School				
Current Expense	14,767,140	14,767,140		14,392,140
Capital Outlay	1,115,695	1,115,695		1,115,695
SRO Funding	-	-		765,362
Other School Expenses	32,600	20,000		-
Community College				
Current Expense	2,697,118	2,697,118		2,606,500
Capital Outlay	240,000	240,000		246,000
<b>Total Education</b>	<b>18,852,553</b>	<b>18,839,953</b>	<b>12,600</b>	<b>19,125,697</b>
<b>Debt service:</b>				
Principal	2,279,840	1,943,721		1,935,285
Interest and fees	566,537	566,536		628,724
<b>Total debt service</b>	<b>2,846,377</b>	<b>2,510,257</b>	<b>336,120</b>	<b>2,564,009</b>
<b>Total Expenditures</b>	<b>59,904,414</b>	<b>57,018,008</b>	<b>2,886,406</b>	<b>56,798,394</b>
<b>Revenue over (under) expenditures</b>	<b>2,162,209</b>	<b>5,529,878</b>	<b>3,367,669</b>	<b>3,308,499</b>
<b>Other financing sources (uses):</b>				
Transfers (to) from other funds:				
Revaluation Fund	(162,050)	(162,050)	-	(162,050)
Debt Service Fund	(200,000)	-	200,000	-
Capital Project - Radio System Project Fund	-	446	446	(131,941)
Capital Project - Broad Creek Capital Reerve	(55,000)	(55,000)	-	(55,000)
Capital Project - FY 17/18 Capital Improvement Fund	40,938	40,938	-	16,306
Capital Project - Capital Mangement Grant	100,606	100,606	-	(5,000)
Capital Project - Jail Locking System Project Fund	(785,710)	(785,710)	-	(1,535,300)
Capital Project - Facility Improvements Project Fund	(820,650)	(820,650)	-	-
Special Revenue - HCCBG - Aging	-	-	-	-
Special Revenue - Economic Development Fund	(80,000)	(80,000)	-	(80,000)
Special Revenue - CARES Act Fund	(481,666)	-	481,666	-
Solid Waste Fund	-	-	-	(160,000)
Appropriated Fund Balance	491,373	-	(491,373)	-
Contingency	(210,050)	-	210,050	-
<b>Total other financing sources (uses)</b>	<b>(2,162,209)</b>	<b>(1,761,420)</b>	<b>400,789</b>	<b>(2,112,985)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>3,768,458</b>	<b>\$ 3,768,458</b>	<b>1,195,514</b>
Fund balance, beginning of year		21,035,557		19,840,043
Fund balance, end of year		<b>\$ 24,804,015</b>		<b>\$ 21,035,557</b>

**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, 2020**  
**With Comparative Amounts for the Year End June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenue				
Investment Earnings	\$ -	\$ 1,759	\$ 1,759	\$ 1,308
Total Revenue	<u>-</u>	<u>1,759</u>	<u>1,759</u>	<u>1,308</u>
Other financing sources (uses):				
Transfer in - General Fund	162,050	162,050	-	162,050
Transfer in - Revaluation Project Fund	-	-	-	28,306
Transfer out - Revaluation Project	-	-	-	-
To fund balance for future reval	<u>(162,050)</u>	<u>-</u>	<u>162,050</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>162,050</u>	<u>162,050</u>	<u>190,356</u>
Net change in fund balance	<u>\$ -</u>	<u>163,809</u>	<u>\$ 163,809</u>	<u>191,664</u>
Fund balance, beginning		<u>335,314</u>		<u>143,650</u>
Fund balance, ending		<u>\$ 499,123</u>		<u>\$ 335,314</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, 2020**  
**With Comparative Amounts for the Year End June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Expenditures:				
Tax Listing	\$ -	\$ -	\$ -	\$ 23,895
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,895</u>
Other financing sources (uses):				
Transfer out - Revaluation Fund	-	-	-	(28,306)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,306)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(52,201)</u>
Fund balance, beginning		<u>-</u>		<u>52,201</u>
Fund balance, ending		<u>\$ -</u>		<u>\$ -</u>

## NON-MAJOR GOVERNMENTAL FUNDS

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

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**Beaufort County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,187,154	\$ 2,531,310	\$ 5,718,464
Taxes receivable (net)	191,497	-	191,497
Accounts receivable (net)	38,620	336,732	375,352
Due from other funds	2,776,793	-	2,776,793
Total assets	<u>\$ 6,194,064</u>	<u>\$ 2,868,042</u>	<u>\$ 9,062,106</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 390,341	\$ 650,718	\$ 1,041,059
Due to other funds	11,515	237,460	248,975
Unspent CARES Act Funding	481,666	-	481,666
Total liabilities	<u>883,522</u>	<u>888,178</u>	<u>1,771,700</u>
DEFERRED INFLOWS OF RESOURCES	<u>191,497</u>	<u>-</u>	<u>191,497</u>
Fund balances:			
Nonspendable			
Advance to General Fund	2,776,793	-	2,776,793
Restricted:			
Stabilization by State Statute	38,620	336,732	375,352
Restricted, all other	2,317,893	1,964,982	4,282,875
Unassigned	(14,261)	(321,850)	(336,111)
Total fund balances	<u>5,119,045</u>	<u>1,979,864</u>	<u>7,098,909</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,194,064</u>	<u>\$ 2,868,042</u>	<u>\$ 9,062,106</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, 2020**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,793,945	\$ -	\$ 3,793,945
Restricted intergovernmental	455,689	671,259	1,126,948
Other	43,536	1,065	44,601
Investment Earnings	8,518	818	9,336
Total revenues	<u>4,301,688</u>	<u>673,142</u>	<u>4,974,830</u>
<b>Expenditures:</b>			
Current:			
Public safety	3,938,703	1,287,932	5,226,635
Health and human services	27,708	-	27,708
Economic and physical development	180,377	1,741,945	1,922,322
Total Expenditures	<u>4,146,788</u>	<u>3,029,877</u>	<u>7,176,665</u>
Revenues over (under) expenditures	<u>154,900</u>	<u>(2,356,735)</u>	<u>(2,201,835)</u>
<b>Other financing sources (uses):</b>			
Transfers in (out)	80,000	1,519,370	1,599,370
Total other financing sources (uses)	<u>80,000</u>	<u>1,519,370</u>	<u>1,599,370</u>
Net change in fund balance	234,900	(837,365)	(602,465)
Fund balances, beginning	<u>4,884,145</u>	<u>2,817,229</u>	<u>7,701,374</u>
Fund balances, ending	<u>\$ 5,119,045</u>	<u>\$ 1,979,864</u>	<u>\$ 7,098,909</u>

**Beaufort County, North Carolina  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
For the Fiscal Year Ended June 30, 2020**

	<u>HCCBG Aging</u>	<u>Economic Development</u>	<u>Fire and Rescue Tax Districts</u>	<u>Emergency Telephone System</u>	<u>State and Federal Seizures</u>	<u>Healthcare Reserve Fund</u>	<u>Cares Act Fund</u>
<b>ASSETS</b>							
Cash and investments	\$ 16,333	\$ 22,477	\$ 383,561	\$ 233,536	\$ 145,470	\$ 1,899,828	\$ 481,666
Taxes receivable (net)	-	-	191,497	-	-	-	-
Accounts receivable (net)	-	-	-	24,359	-	-	-
Due from other funds	-	-	-	-	-	2,776,793	-
Total assets	<u>\$ 16,333</u>	<u>\$ 22,477</u>	<u>\$ 575,058</u>	<u>\$ 257,895</u>	<u>\$ 145,470</u>	<u>\$ 4,676,621</u>	<u>\$ 481,666</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 383,561	\$ 1,158	\$ 2,876	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unspent CARES Act Funding	-	-	-	-	-	-	481,666
Total liabilities	<u>-</u>	<u>-</u>	<u>383,561</u>	<u>1,158</u>	<u>2,876</u>	<u>-</u>	<u>481,666</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>191,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable:							
Advance to General Fund	-	-	-	-	-	2,776,793	-
Restricted:							
Stabilization by State Statute	-	-	-	24,359	-	-	-
Restricted, all other	16,333	22,477	-	232,378	142,594	1,899,828	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>16,333</u>	<u>22,477</u>	<u>-</u>	<u>256,737</u>	<u>142,594</u>	<u>4,676,621</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,333</u>	<u>\$ 22,477</u>	<u>\$ 575,058</u>	<u>\$ 257,895</u>	<u>\$ 145,470</u>	<u>\$ 4,676,621</u>	<u>\$ 481,666</u>

**Beaufort County, North Carolina  
 Non-Major Special Revenue Funds  
 Combining Balance Sheet  
 For the Fiscal Year Ended June 30, 2020**

	One NC Grant	NC Housing Finance Grant	NC Economic Development Grant	Community Development Block Grant	Coastal Management Grant	Economic Development Initiatives	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>							
Cash and investments	\$ 4,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,187,154
Taxes receivable (net)	-	-	-	-	-	-	191,497
Accounts receivable (net)	-	14,261	-	-	-	-	38,620
Due from other funds	-	-	-	-	-	-	2,776,793
Total assets	<u>\$ 4,283</u>	<u>\$ 14,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,194,064</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 2,746	\$ -	\$ -	\$ -	\$ -	\$ 390,341
Due to other funds	-	11,515	-	-	-	-	11,515
Unspent CARES Act Funding	-	-	-	-	-	-	481,666
Total liabilities	<u>-</u>	<u>14,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,522</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,497</u>
Fund Balances:							
Nonspendable:							
Advance to General Fund	-	-	-	-	-	-	2,776,793
Restricted:							
Stabilization by State Statute	-	14,261	-	-	-	-	38,620
Restricted, all other	4,283	-	-	-	-	-	2,317,893
Unassigned	-	(14,261)	-	-	-	-	(14,261)
Total fund balances	<u>4,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,119,045</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,283</u>	<u>\$ 14,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,693,854</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, 2020**

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districs	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	CARES Act Funding
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ 3,793,945	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	292,304	56,874	-	-
Other	1,550	-	-	-	5,314	35,422	-
Investment Earnings	166	-	-	522	434	7,396	-
Total revenues	<u>1,716</u>	<u>-</u>	<u>3,793,945</u>	<u>292,826</u>	<u>62,622</u>	<u>42,818</u>	<u>-</u>
Expenditures:							
Public safety	-	-	3,793,945	142,063	2,695	-	-
Health and human services	27,708	-	-	-	-	-	-
Economic and physical development	-	67,616	-	-	-	-	-
Total expenditures	<u>27,708</u>	<u>67,616</u>	<u>3,793,945</u>	<u>142,063</u>	<u>2,695</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(25,992)	(67,616)	-	150,763	59,927	42,818	-
Other financing sources (uses):							
Transfers in (out)	-	80,000	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(25,992)	12,384	-	150,763	59,927	42,818	-
Fund balances, beginning	<u>42,325</u>	<u>10,093</u>	<u>-</u>	<u>105,974</u>	<u>82,667</u>	<u>4,633,803</u>	<u>-</u>
Fund balances, ending	<u>\$ 16,333</u>	<u>\$ 22,477</u>	<u>\$ -</u>	<u>\$ 256,737</u>	<u>\$ 142,594</u>	<u>\$ 4,676,621</u>	<u>\$ -</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, 2020**

	One NC Grant	NC Housing Finance Grant	NC Economic Development Grant	Community Development Block Grant	Coastal Management Grant	Economic Development Initiatives	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,793,945
Restricted intergovernmental	-	14,261	73,500	-	18,750	-	455,689
Other	-	-	-	-	1,250	-	43,536
Investment Earnings	-	-	-	-	-	-	8,518
Total revenues	<u>-</u>	<u>14,261</u>	<u>73,500</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>4,301,688</u>
<b>Expenditures:</b>							
Public safety	-	-	-	-	-	-	3,938,703
Health and human services	-	-	-	-	-	-	27,708
Economic and physical development	-	14,261	73,500	-	25,000	-	180,377
Total expenditures	<u>-</u>	<u>14,261</u>	<u>73,500</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>4,146,788</u>
Revenues over (under) expenditures	-	-	-	-	(5,000)	-	154,900
<b>Other financing sources (uses):</b>							
Transfers in (out)	-	-	-	-	-	-	80,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balances	-	-	-	-	(5,000)	-	234,900
Fund balances, beginning	<u>4,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>4,884,145</u>
Fund balances, ending	<u>\$ 4,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,119,045</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, 2020**  
**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Other Income	\$ 6,000	\$ 1,550	\$ (4,450)	\$ 3,155
Investment Earnings	-	166	166	286
Total revenues	<u>6,000</u>	<u>1,716</u>	<u>(4,450)</u>	<u>3,441</u>
Expenditures:				
Health and Human Services	36,000	27,708	8,292	29,779
Total expenditures	<u>36,000</u>	<u>27,708</u>	<u>8,292</u>	<u>29,779</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>(25,992)</u>	<u>3,842</u>	<u>(26,338)</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>(25,992)</u>	<u>\$ (26,158)</u>	<u>(26,338)</u>
Fund balance, beginning		<u>42,325</u>		<u>68,663</u>
Fund balance, ending		<u>\$ 16,333</u>		<u>\$ 42,325</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, 2020**  
**With Comparative Actual Amounts For the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Expenditures:				
Economic and physical development	\$ 80,000	\$ 67,616	\$ 12,384	\$ 74,798
Total expenditures	<u>80,000</u>	<u>67,616</u>	<u>12,384</u>	<u>74,798</u>
Revenues over (under) expenditures	<u>(80,000)</u>	<u>(67,616)</u>	<u>(12,384)</u>	<u>(74,798)</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>	12,384	<u>\$ (12,384)</u>	5,202
Fund balance, beginning		<u>10,093</u>		<u>4,891</u>
Fund balance, ending		<u>\$ 22,477</u>		<u>\$ 10,093</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, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Ad valorem tax	\$ 3,612,195	\$ 3,793,945	\$ 181,750	\$ 3,744,767
Total revenues	<u>3,612,195</u>	<u>3,793,945</u>	<u>181,750</u>	<u>3,744,767</u>
Expenditures:				
Public safety expenditures	3,612,195	3,793,945	(181,750)	3,744,767
Total expenditures	<u>3,612,195</u>	<u>3,793,945</u>	<u>(181,750)</u>	<u>3,744,767</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, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 229,000	\$ 292,304	\$ 63,304	\$ 229,761
Investment Earnings	-	522	522	290
Total revenues	<u>229,000</u>	<u>292,826</u>	<u>63,826</u>	<u>230,051</u>
<b>Expenditures:</b>				
Public Safety :				
Implemental functions	55,000	31,021	23,979	33,181
Telephone	89,000	65,514	23,486	84,079
Software maintenance	60,000	27,665	32,335	69,183
Hardware maintenance	17,000	13,861	3,139	3,753
Training	5,000	4,002	998	-
Capital outlay	1,000	-	1,000	31,906
Other expenses	2,000	-	2,000	-
Total expenditures	<u>229,000</u>	<u>142,063</u>	<u>86,937</u>	<u>222,102</u>
Revenues over (under) expenditures	<u>-</u>	<u>150,763</u>	<u>150,763</u>	<u>7,949</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>150,763</u>	<u>\$ 150,763</u>	<u>7,949</u>
Fund balance, beginning		<u>105,974</u>		<u>98,025</u>
Fund balance, ending		<u>\$ 256,737</u>		<u>\$ 105,974</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, 2020**  
**With Comparative Amounts For The Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 15,000	\$ 56,874	\$ 41,874	\$ 17,694
Miscellaneous	-	5,314	5,314	4,854
Investment Earnings	-	434	434	504
Total revenues	<u>15,000</u>	<u>62,622</u>	<u>47,622</u>	<u>23,052</u>
<b>Expenditures:</b>				
Public safety expenditures	60,000	2,695	57,305	59,768
Total expenditures	<u>60,000</u>	<u>2,695</u>	<u>57,305</u>	<u>59,768</u>
Revenues over (under) expenditures	<u>(45,000)</u>	<u>59,927</u>	<u>104,927</u>	<u>(36,716)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	45,000	-	(45,000)	-
Total other financing sources (uses)	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	59,927	<u>\$ 59,927</u>	(36,716)
Fund balance, beginning		<u>82,667</u>		<u>119,383</u>
Fund balance, ending		<u>\$ 142,594</u>		<u>\$ 82,667</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, 2020**  
**With Comparative Amounts for the Year End June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Other income	\$ -	\$ -	\$ -	\$ 33,709
Principal payments received	336,119	336,118	(1)	332,121
Interest payment received	35,422	35,422	-	39,419
Investment Earnings	-	7,396	7,396	7,997
Total Revenues	<u>371,541</u>	<u>378,936</u>	<u>7,395</u>	<u>413,246</u>
Expenditures:				
Economic and physical development	-	-	-	616
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>616</u>
Revenues over (under) expenditures	<u>371,541</u>	<u>378,936</u>	<u>7,395</u>	<u>412,630</u>
Other financing sources (uses):				
Transfer to General Fund	(371,541)	-	371,541	-
Total other financing sources (uses)	<u>(371,541)</u>	<u>-</u>	<u>371,541</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 378,936</u>	<u>\$ 378,936</u>	<u>\$ 412,630</u>
Reconciling Item				
Principal paid on intergovernment loan		(336,118)		(332,121)
Fund balance, beginning		<u>4,633,803</u>		<u>4,553,294</u>
Fund balance, ending		<u>\$4,676,621</u>		<u>\$ 4,633,803</u>

**Beaufort County, North Carolina**  
**CARES Act Funding**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental - CARES Act Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Public Safety					
Town of Aurora	18,583	-	-	-	18,583
Town of Bath	8,781	-	-	-	8,781
Town of Belhaven	57,535	-	-	-	57,535
Town of Chocowinity	28,713	-	-	-	28,713
Town of Pantego	6,413	-	-	-	6,413
City of Washington	346,046	-	-	-	346,046
Washington Park	15,595	-	-	-	15,595
Total expenditures	<u>481,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,666</u>
Revenues over (under) expenditures	<u>(481,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,666</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	481,666	-	-	-	(481,666)
Total other financing sources (uses)	<u>481,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(481,666)</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**  
**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, 2020**

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

**Beaufort County, North Carolina  
 NC Housing Finance Grant  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Completed Project	Variance Positive (Negative)
Revenues:						
Housing Finance Agency Grant	\$ 190,000	\$ -	\$ 14,261	\$ 14,261	\$ -	#####
Total revenues	<u>190,000</u>	<u>-</u>	<u>14,261</u>	<u>14,261</u>	<u>-</u>	<u>(175,739)</u>
Expenditures						
Economic and physical development	190,000	-	14,261	14,261	-	175,739
Total expenditures	<u>190,000</u>	<u>-</u>	<u>14,261</u>	<u>14,261</u>	<u>-</u>	<u>175,739</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, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - 2016-045- 3201-2587	\$ 158,000	\$ 50,838	\$ 73,500	\$ 124,338	\$ (33,662)
Total revenues	<u>158,000</u>	<u>50,838</u>	<u>73,500</u>	<u>124,338</u>	<u>(33,662)</u>
Expenditures					
Economic and physical development	158,000	50,838	73,500	124,338	33,662
Total expenditures	<u>158,000</u>	<u>50,838</u>	<u>73,500</u>	<u>124,338</u>	<u>33,662</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, 2020**

	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**  
**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, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenue</b>					
Coastal Management Grant	\$ 20,000	\$ -	\$ 18,750	\$ 18,750	\$ (1,250)
Local Match	-	-	1,250	1,250	1,250
Total Revenues	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>Expenditures</b>					
Economic and physical development					
Professional Services	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfer in - General Fund	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,000</u>	<u>(5,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>5,000</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**Economic Development Initiatives**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 16,275	\$ -	\$ -	\$ -	\$ (16,275)
Total revenues	<u>16,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,275)</u>
Expenditures					
Economic and physical development	16,275	-	-	-	16,275
Total expenditures	<u>16,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,275</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

## CAPITAL PROJECTS FUND

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

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**Beaufort County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Balance Sheets**  
**June 30, 2020**

	FY 17/18 Capital Improvements	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	Stream Debris Removal
<b>ASSETS</b>								
Cash and Investments	\$ 4,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net)	-	115,200	-	84,000	5,495	117,155	-	-
Total assets	<u>\$ 4,179</u>	<u>\$ 115,200</u>	<u>\$ -</u>	<u>\$ 84,000</u>	<u>\$ 5,495</u>	<u>\$ 117,155</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 48	\$ 61,150	\$ -	\$ 20,000	\$ -	\$ 3,240	\$ -	\$ -
Due to other funds	-	54,050	-	64,000	5,495	113,915	-	-
Total liabilities	<u>48</u>	<u>115,200</u>	<u>-</u>	<u>84,000</u>	<u>5,495</u>	<u>117,155</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>								
<b>Restricted:</b>								
Stabilization by State Statue	-	115,200	-	84,000	5,495	117,155	-	-
Restricted, all other	4,131	-	-	-	-	-	-	-
Assigned	-	(115,200)	-	(84,000)	(5,495)	(117,155)	-	-
Total fund balances	<u>4,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,179</u>	<u>\$ 115,200</u>	<u>\$ -</u>	<u>\$ 84,000</u>	<u>\$ 5,495</u>	<u>\$ 117,155</u>	<u>\$ -</u>	<u>\$ -</u>

**Beaufort County, North Carolina  
Non-Major Capital Project Funds  
Combining Balance Sheets  
June 30, 2020**

	Jail Locking System Improvements	Radio System Project	Capital Reserve Fund	Wrights Creek PARTF 2017-820	Facility Improvements Project Fund	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>						
Cash and Investments	\$ 1,549,264	\$ -	\$ 219,602	\$ -	\$ 758,265	\$ 2,531,310
Accounts receivable (net)	14,882	-	-	-	-	336,732
Total assets	<u>\$ 1,564,146</u>	<u>\$ -</u>	<u>\$ 219,602</u>	<u>\$ -</u>	<u>\$ 758,265</u>	<u>\$ 2,868,042</u>
<b>LIABILITIES AND FUND BALANCE:</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 531,068	\$ -	\$ -	\$ -	\$ 35,212	\$ 650,718
Due to other funds	-	-	-	-	-	237,460
Total liabilities	<u>531,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,212</u>	<u>888,178</u>
Fund balances:						
Restricted:						
Stabilization by State Statue	14,882	-	-	-	-	336,732
Restricted, all other	1,018,196	-	219,602	-	723,053	1,964,982
Assigned	-	-	-	-	-	(321,850)
Total fund balances	<u>1,033,078</u>	<u>-</u>	<u>219,602</u>	<u>-</u>	<u>723,053</u>	<u>1,979,864</u>
Total liabilities and fund balances	<u>\$ 1,564,146</u>	<u>\$ -</u>	<u>\$ 219,602</u>	<u>\$ -</u>	<u>\$ 758,265</u>	<u>\$ 2,868,042</u>

**Beaufort County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**June 30, 2020**

	FY 17/18 Capital Improvements	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	Stream Debris Removal
Revenues:								
Restricted intergovernmental	\$ -	\$ 208,935	\$ -	147,605	\$ 3,010	\$ 174,015	\$ 17,975	\$ 119,719
Investment earnings	-	-	-	-	-	-	-	-
Other	-	1,065	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>147,605</u>	<u>3,010</u>	<u>174,015</u>	<u>17,975</u>	<u>119,719</u>
Expenditures:								
Public Safety	-	-	-	-	-	-	-	-
Economic and physical development	25,160	210,000	-	147,605	3,010	174,015	17,975	119,719
Total expenditures	<u>25,160</u>	<u>210,000</u>	<u>-</u>	<u>147,605</u>	<u>3,010</u>	<u>174,015</u>	<u>17,975</u>	<u>119,719</u>
Revenues over (under) expenditures	(25,160)	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in (out)	(40,938)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(40,938)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(66,098)	-	-	-	-	-	-	-
Fund balances, beginning	70,229	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ 4,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beaufort County, North Carolina**  
**Non-Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**June 30, 2020**

	Jail Locking System Improvements	Radio System Project	Broad Creek Capital Reserve Fund	Wrights Creek PARTF 2017-820	Facility Improvements Project Fund	Total Nonmajor Capital Projects Funds
Revenues:						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,259
Investment earnings	-	-	818	-	-	818
Other	-	-	-	-	-	1,065
Total revenues	<u>-</u>	<u>-</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>673,142</u>
Expenditures:						
Public Safety	1,287,932	-	-	-	-	1,287,932
Economic and physical development	-	948,069	-	(1,205)	97,597	1,741,945
Total expenditures	<u>1,287,932</u>	<u>948,069</u>	<u>-</u>	<u>(1,205)</u>	<u>97,597</u>	<u>3,029,877</u>
Revenues over (under) expenditures	(1,287,932)	(948,069)	818	1,205	(97,597)	(2,356,735)
Other financing sources (uses):						
Transfers in (out)	785,710	(446)	55,000	(100,606)	820,650	1,519,370
Total other financing sources (uses)	<u>785,710</u>	<u>(446)</u>	<u>55,000</u>	<u>(100,606)</u>	<u>820,650</u>	<u>1,519,370</u>
Net change in fund balances	(502,222)	(948,515)	55,818	(99,401)	723,053	(837,365)
Fund balances, beginning	<u>1,535,300</u>	<u>948,515</u>	<u>163,784</u>	<u>99,401</u>	<u>-</u>	<u>2,817,229</u>
Fund balances, ending	<u>\$ 1,033,078</u>	<u>\$ -</u>	<u>\$ 219,602</u>	<u>\$ -</u>	<u>\$ 723,053</u>	<u>\$ 1,979,864</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, 2020**

	Project Authorization	Actual			Completed Project	Variance Positive (Negative)
		Prior Years	Current Year	Total to Date		
Expenditures:						
Financial service center remodel	\$ 633,268	\$ 604,045	\$ 25,160	\$ 629,205	\$ (629,205)	\$ 4,063
Total expenditures	<u>633,268</u>	<u>604,045</u>	<u>25,160</u>	<u>629,205</u>	<u>(629,205)</u>	<u>4,063</u>
Revenues over (under) expenditures	<u>(633,268)</u>	<u>(604,045)</u>	<u>(25,160)</u>	<u>(629,205)</u>	<u>629,205</u>	<u>4,063</u>
Other financing sources (uses):						
Transfers (to)/from other funds	633,268	674,274	(40,938)	633,336	(629,205)	68
Total other financing sources (uses)	<u>633,268</u>	<u>674,274</u>	<u>(40,938)</u>	<u>633,336</u>	<u>(629,205)</u>	<u>68</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 70,229</u>	<u>(66,098)</u>	<u>\$ 4,131</u>	<u>\$ -</u>	<u>\$ 4,131</u>
Fund balance, beginning			<u>70,229</u>			
Fund balance, end			<u>\$ 4,131</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, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - FMA-PJ-04-NC-2015-017	\$ 557,645	\$ 304,630	\$ 208,935	\$ 513,565	\$ (44,080)
Owner's contributions	61,961	55,997	1,065	57,062	(4,899)
Total revenues	<u>619,606</u>	<u>360,627</u>	<u>210,000</u>	<u>570,627</u>	<u>(48,979)</u>
Expenditures:					
Economic and physical development	619,606	360,627	210,000	570,627	48,979
Total expenditures	<u>619,606</u>	<u>360,627</u>	<u>210,000</u>	<u>570,627</u>	<u>48,979</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 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, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - FMA- PJ-04-NC-2015-016	\$ 282,944	\$ 173,867	\$ -	\$ 173,867	\$ (109,077)
Total revenues	<u>282,944</u>	<u>173,867</u>	<u>-</u>	<u>173,867</u>	<u>(109,077)</u>
Expenditures:					
Economic and physical development	282,944	173,867	-	173,867	109,077
Total expenditures	<u>282,944</u>	<u>173,867</u>	<u>-</u>	<u>173,867</u>	<u>109,077</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**  
**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, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - FMA- PJ-04-NC-2016-003	\$ 215,760	\$ 66,611	\$ 147,605	\$ 214,216	\$ (1,544)
Total revenues	<u>215,760</u>	<u>66,611</u>	<u>147,605</u>	<u>214,216</u>	<u>(1,544)</u>
Expenditures:					
Economic and physical development	215,760	66,611	147,605	214,216	1,544
Total expenditures	<u>215,760</u>	<u>66,611</u>	<u>147,605</u>	<u>214,216</u>	<u>1,544</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, 2020**

	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	\$ 3,010	\$ 5,495	\$ (67,520)
Total revenues	<u>73,015</u>	<u>2,485</u>	<u>3,010</u>	<u>5,495</u>	<u>(67,520)</u>
Expenditures:					
Economic and physical development	73,015	2,485	3,010	5,495	67,520
Total expenditures	<u>73,015</u>	<u>2,485</u>	<u>3,010</u>	<u>5,495</u>	<u>67,520</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 2016-005 Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	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	\$ 174,015	\$ 191,693	\$ (347,897)
Total revenues	<u>539,590</u>	<u>17,678</u>	<u>174,015</u>	<u>191,693</u>	<u>(347,897)</u>
Expenditures:					
Economic and physical development	539,590	17,678	174,015	191,693	347,897
Total expenditures	<u>539,590</u>	<u>17,678</u>	<u>174,015</u>	<u>191,693</u>	<u>347,897</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**  
**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, 2020**

	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	551,557	17,975	569,532	(274,510)
Restricted intergovernmental - HMGP 1969-012	93,600	93,466	-	93,466	(134)
Restricted intergovernmental - HMGP 4019-022	149,063	149,063	-	149,063	-
Homeowner's contribution	69,309	69,309	-	69,309	-
Total revenues	<u>2,014,044</u>	<u>1,674,887</u>	<u>17,975</u>	<u>1,692,862</u>	<u>(321,182)</u>
Expenditures					
Economic and physical development	<u>2,014,044</u>	<u>1,674,887</u>	<u>17,975</u>	<u>1,692,862</u>	<u>321,182</u>
Total expenditures	<u>2,014,044</u>	<u>1,674,887</u>	<u>17,975</u>	<u>1,692,862</u>	<u>321,182</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, 2020**

	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	119,719	186,941	(124,968)
Total revenues	<u>332,115</u>	<u>80,494</u>	<u>119,719</u>	<u>200,213</u>	<u>(131,902)</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	119,719	186,941	124,968
Total expenditures	<u>332,115</u>	<u>80,494</u>	<u>119,719</u>	<u>200,213</u>	<u>131,902</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**  
**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, 2020**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Public Safety					
Permit Prep Fees	25,000	-	-	-	25,000
Capital Improvement	798,000	-	400,401	400,401	397,599
Safekeeping Capacity	1,415,710	-	887,531	887,531	528,179
Contingency	82,300	-	-	-	82,300
Total expenditures	<u>2,321,010</u>	<u>-</u>	<u>1,287,932</u>	<u>1,287,932</u>	<u>1,033,078</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	2,321,010	1,535,300	785,710	2,321,010	-
Total Other Financing Sources (Uses)	<u>2,321,010</u>	<u>1,535,300</u>	<u>785,710</u>	<u>2,321,010</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,535,300</u>	(502,222)	<u>\$ 1,033,078</u>	<u>\$ 1,033,078</u>
Fund balance, beginning			<u>1,535,300</u>		
Fund balance, end			<u>\$ 1,033,078</u>		

**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, 2020**

	Project Authorization	Prior Years	Actual		Closed Project	Variance Positive (Negative)
			Current Year	Total to Date		
Expenditures						
Economic and physical development						
Capital outlay - equipment	\$ 1,938,410	\$ 989,895	\$ 948,069	\$ 1,937,964	\$(1,937,964)	\$ 446
Total expenditures	<u>1,938,410</u>	<u>989,895</u>	<u>948,069</u>	<u>1,937,964</u>	<u>(1,937,964)</u>	<u>446</u>
Revenues over (under) expenditures	<u>(1,938,410)</u>	<u>(989,895)</u>	<u>(948,069)</u>	<u>(1,937,964)</u>	<u>1,937,964</u>	<u>446</u>
Other Financing Sources (Uses)						
Transfer in - General Fund	1,938,410	1,938,410	-	1,938,410	(1,938,410)	-
Transfer to - General Fund	-	-	(446)	(446)	446	(446)
Total other financing sources (uses)	<u>1,938,410</u>	<u>1,938,410</u>	<u>(446)</u>	<u>1,937,964</u>	<u>(1,937,964)</u>	<u>(446)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 948,515</u>	<u>(948,515)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>948,515</u>			
Fund balance, end			<u>\$ -</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, 2020**  
**With Comparative Amounts for the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Investment Earnings	\$ -	\$ 818	\$ 818	\$ 737
Total revenues	<u>-</u>	<u>818</u>	<u>818</u>	<u>737</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>818</u>	<u>55,818</u>	<u>737</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>	55,818	<u>\$ 55,818</u>	55,737
Fund balance, beginning		<u>163,784</u>		<u>108,047</u>
Fund balance, end		<u>\$ 219,602</u>		<u>\$ 163,784</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, 2020**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Wright's Creek Access PARTF - 2017-820	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Economic and physical development					
Equipment	-	-	-	-	-
Planning and design	-	1,205	(1,205)	-	-
Septic system	-	-	-	-	-
Rest rooms	-	-	-	-	-
Boardwalk	-	-	-	-	-
Pier	-	-	-	-	-
Picnic shelters	-	-	-	-	-
Gazebo	-	-	-	-	-
Parking/walkway	-	-	-	-	-
Contingency	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,205</u>	<u>(1,205)</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,205)</u>	<u>1,205</u>	<u>-</u>	<u>-</u>
<b>Other Financing Source (Uses)</b>					
Transfer from General Fund	100,605	100,606	-	100,606	(1)
Transfer to General Fund	<u>(100,605)</u>	<u>-</u>	<u>(100,606)</u>	<u>(100,606)</u>	<u>1</u>
Total other financing source (uses)	<u>-</u>	<u>100,606</u>	<u>(100,606)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 99,401</u>	<u>(99,401)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>99,401</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**Facility Improvements Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Economic and Physical Development					
Courthouse Capital Improvement	663,650	-	34,480	34,480	629,170
ADA Improvements	86,878	-	4,040	4,040	82,838
Courthouse	-	-	2,040	2,040	(2,040)
CH Annex / BHM	-	-	1,010	1,010	(1,010)
Old Jail	-	-	1,010	1,010	(1,010)
Oakland Building	-	-	1,010	1,010	(1,010)
Administration Building	-	-	1,010	1,010	(1,010)
Seaboard Building	-	-	1,010	1,010	(1,010)
Tideland Mental Health	-	-	1,010	1,010	(1,010)
EOC	-	-	1,010	1,010	(1,010)
Immediate Repairs and Int Upfit	70,122	-	45,311	45,311	24,811
Farm Services Building	-	-	4,656	4,656	(4,656)
Total expenditures	<u>820,650</u>	<u>-</u>	<u>97,597</u>	<u>97,597</u>	<u>723,053</u>
Revenues over (under) expenditures	<u>(820,650)</u>	<u>-</u>	<u>(97,597)</u>	<u>(97,597)</u>	<u>723,053</u>
Other Financing Source (Uses)					
Transfer from General Fund	820,650	-	820,650	820,650	-
Total other financing source (uses)	<u>820,650</u>	<u>-</u>	<u>820,650</u>	<u>820,650</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	723,053	<u>\$ 723,053</u>	<u>\$ 723,053</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 723,053</u>		

## ENTERPRISE FUND

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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.

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**Beaufort County, North Carolina**  
**Solid Waste Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Operating Revenues:				
Solid waste fees	\$ 3,538,005	\$ 3,556,742	\$	\$ 3,346,187
Scrap tire disposal fees	64,000	67,546		66,092
White goods disposal fees	21,000	21,507		19,507
Solid waste disposal fees	29,000	32,626		31,863
Interest/tax collections	39,000	41,900		45,459
Hurricane Reimbursement	47,916	199,259		64,943
Total operating revenues	<u>3,738,921</u>	<u>3,919,580</u>	<u>180,659</u>	<u>3,574,051</u>
Nonoperating Revenues:				
Rent	-	7,656		7,656
Investment Earnings	4,200	4,341		5,714
Total nonoperating revenues	<u>4,200</u>	<u>11,997</u>	<u>7,797</u>	<u>13,370</u>
Expenditures:				
Administration:				
Salaries and Employee Benefits	39,954	16,292		12,698
Computer Support	2,000	2,000		2,463
Contract Services	8,000	6,500		94,218
Insurance and Bonds	800	604		772
Other Expenses	1,000	300		-
Telephone	300	264		257
Administrative Cost to General Fund	84,301	84,301		84,301
Total	<u>136,355</u>	<u>110,261</u>	<u>26,094</u>	<u>194,709</u>
Solid waste fees and expenses				
Landfill	1,224,400	1,232,358		1,185,092
Transfer station	1,467,461	1,461,382		1,498,425
Convenience	674,000	614,569		676,668
Disposal fees	133,000	133,625		126,286
Maintenance	61,100	10,420		110,826
Hurricane expenses	47,916	47,916		-
Total	<u>3,607,877</u>	<u>3,500,270</u>	<u>107,607</u>	<u>3,597,297</u>
Budgetary appropriations:				
Debt Service	6,889	-	6,889	-
Total Expenditures	<u>3,751,121</u>	<u>3,610,531</u>	<u>140,590</u>	<u>3,792,006</u>
Revenues over (under) Expenditures	<u>(8,000)</u>	<u>321,046</u>	<u>329,046</u>	<u>(204,585)</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, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>2019</u> <u>Actual</u>
Other Financing Sources (Uses):				
Transfer in - General Fund	-	-	-	160,000
Transfer from Solid Waste project	-	-	-	90
Transfer out - Solid Waste project	-	-	-	(51,700)
Appropriated Fund Balance	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>	<u>108,390</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ 321,046	\$ <u>321,046</u>	\$ (96,195)
<b>Reconciliation form budgetary basis (modified)</b>				
<b>accrual to full accrual:</b>				
Depreciation		(827)		(1,002)
Professional Services (from E-1a)		-		(4,625)
Professional Services (from E-1b)		-		(51,610)
Transfers from other funds (E-1b)		-		51,700
Transfers to other funds (E-1b)		<u>-</u>		<u>(90)</u>
Total Reconciling Items		<u>(827)</u>		<u>(5,627)</u>
Change in net position		\$ <u>320,219</u>		\$ <u>(101,822)</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, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

	2020 Budget	2020 Actual	Variance Positive (Negative)	2019 Actual
Revenues:				
Operating Revenues:				
Water Sales	\$ 6,964,135	\$ 7,139,583	\$	\$ 6,913,262
Tap on fees	152,696	185,482		173,051
Miscellaneous	284,354	203,126		256,893
Total operating revenues	<u>7,401,185</u>	<u>7,528,191</u>	<u>127,006</u>	<u>7,343,206</u>
Nonoperating revenues:				
Interest Earned on Investments	165,000	95,408		168,449
Total Nonoperating Revenues	<u>165,000</u>	<u>95,408</u>	<u>(69,592)</u>	<u>168,449</u>
Total Revenues	<u>7,566,185</u>	<u>7,623,599</u>	<u>57,414</u>	<u>7,511,655</u>
Expenditures:				
Administration:				
Supplies	4,100	4,092		3,402
Telephone	44,400	38,535		37,791
Travel	84,000	69,771		77,956
Utilities	163,036	171,380		180,366
Computer support	40,000	33,821		34,367
Other administration expenses	148,400	145,496		134,466
Total	<u>483,936</u>	<u>463,095</u>	<u>20,841</u>	<u>468,348</u>
Water treatment and distribution				
Salaries and employee benefits	1,428,837	1,314,333		1,299,347
Water purchase	784,756	785,752		895,058
Supplies	293,320	260,387		273,493
Maintenance	385,112	300,464		352,683
Hurricane Matthew expenses	9,707	9,707		6,166
Other expenses	383,995	297,748		345,308
Administrative Cost to General Fund	220,086	220,086		220,086
Total	<u>3,505,813</u>	<u>3,188,477</u>	<u>317,336</u>	<u>3,392,141</u>
Budgetary appropriations:				
Capital outlay	360,000	199,356		111,166
Principal payment on long term debt	1,715,000	1,715,000		1,595,000
Interest, fees, and amortization	1,488,861	1,493,575		1,640,616
Total	<u>3,563,861</u>	<u>3,407,931</u>	<u>155,930</u>	<u>3,346,782</u>
Total Expenditures	<u>7,553,610</u>	<u>7,059,503</u>	<u>494,107</u>	<u>7,207,271</u>
Revenues over (under) Expenditures	<u>12,575</u>	<u>564,096</u>	<u>551,521</u>	<u>304,384</u>
Other Financing Sources (Uses):				
Transfers In - Projects	-	9,816	9,816	130,677
Transfers out - Projects	(284,998)	(75,000)	209,998	(23,030)
Total Other Financing Sources (Uses)	<u>(284,998)</u>	<u>(65,184)</u>	<u>219,814</u>	<u>107,647</u>
Fund Balance Appropriated	<u>272,423</u>	<u>-</u>	<u>(272,423)</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ 498,912	\$ <u>498,912</u>	\$ 412,031

**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, 2020**  
**With Comparative Amounts For the Year Ended June 30, 2019**

Exhibit  
E-2

	2020 <u>Budget</u>	2020 <u>Actual</u>	Variance Positive (Negative)	2019 <u>Actual</u>
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>				
Revenues over Expenditures and other financing sources		\$ <u>498,912</u>		\$ <u>412,031</u>
Depreciation		(2,196,516)		(2,161,944)
Amortization		89,762		89,757
Debt principal		1,715,000		1,595,000
Capital outlay		180,160		89,272
Capital contributions (Project Funds)		529,585		226,330
Installment proceeds (Project Funds)		967		15,647
Investment Earnings (Project Funds)		12,347		74,533
Misc Revenue (Project Funds)		13,511		3,008
Transfers In (Out) (Project Funds)		65,184		(107,647)
Increase (decrease) in deferred outflows of resources - pension		(41,490)		82,453
(Increase) decrease in net pension liability		(51,234)		(104,639)
(Increase) decrease in deferred inflows of resources - pension		(1,063)		886
Increase (decrease) in deferred outflows of resources - OPEB		5,230		257,514
(Increase) decrease in total OPEB liability		(116,313)		(343,370)
(Increase) decrease in deferred inflows of resources - OPEB		5,197		5,450
(Increase) decrease in accrued vacation payable		<u>(4,267)</u>		<u>(17,068)</u>
Total reconciling items		<u>206,060</u>		<u>(294,818)</u>
Change in net position		\$ <u><u>704,972</u></u>		\$ <u><u>117,213</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, 2020**

	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	\$ 716	\$ 8,216	\$ (392,884)
Total revenues	<u>401,100</u>	<u>7,500</u>	<u>716</u>	<u>8,216</u>	<u>(392,884)</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	954	10,954	3,046
Land purchase	1,000	-	-	-	1,000
Contingency	24,773	-	-	-	24,773
Other	10,027	-	-	-	10,027
Total expenditures	<u>534,800</u>	<u>10,000</u>	<u>954</u>	<u>10,954</u>	<u>523,846</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(2,500)</u>	<u>(238)</u>	<u>(2,738)</u>	<u>130,962</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	2,500	238	2,738	(130,962)
Total other financing source (uses)	<u>133,700</u>	<u>2,500</u>	<u>238</u>	<u>2,738</u>	<u>(130,962)</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, 2020**

	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	\$ 22,672	\$ 750	\$ 23,422	\$ (1,430,078)
Sales tax refunds	15,000	-	-	-	(15,000)
Total revenues	<u>1,468,500</u>	<u>22,672</u>	<u>750</u>	<u>23,422</u>	<u>(1,445,078)</u>
Expenditures					
Construction - Contract No. 1	1,659,500	-	1,000	1,000	1,658,500
Planning and engineering prior to construction	136,700	25,000	-	25,000	111,700
Technical services during construction	179,091	-	-	-	179,091
Administration	11,396	5,230	-	5,230	6,166
Land purchase	-	-	-	-	-
Contingency	41,313	-	-	-	41,313
Total expenditures	<u>2,028,000</u>	<u>30,230</u>	<u>1,000</u>	<u>31,230</u>	<u>1,996,770</u>
Revenues over (under) expenditures	<u>(559,500)</u>	<u>(7,558)</u>	<u>(250)</u>	<u>(7,808)</u>	<u>551,692</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	484,500	7,558	250	7,808	(476,692)
Transfers In	75,000	-	75,000	75,000	-
Total other financing source (uses)	<u>559,500</u>	<u>7,558</u>	<u>75,250</u>	<u>82,808</u>	<u>(476,692)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</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, 2020**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0019	\$ 2,250,000	\$ 19,763	\$ -	\$ 19,763	\$ (2,230,237)
Total revenues	<u>2,250,000</u>	<u>19,763</u>	<u>-</u>	<u>19,763</u>	<u>(2,230,237)</u>
<b>Expenditures</b>					
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	339,476	376	-	376	339,100
Administration	48,000	974	-	974	47,026
Land purchase	10,000	-	-	-	10,000
Contingency	130,824	-	-	-	130,824
Total expenditures	<u>3,000,000</u>	<u>26,350</u>	<u>-</u>	<u>26,350</u>	<u>2,973,650</u>
Revenues over (under) expenditures	<u>(750,000)</u>	<u>(6,587)</u>	<u>-</u>	<u>(6,587)</u>	<u>743,413</u>
<b>Other Financing Source (Uses)</b>					
DWSRF Revolving Loan	<u>750,000</u>	<u>6,587</u>	<u>-</u>	<u>6,587</u>	<u>(743,413)</u>
Total other financing source (uses)	<u>750,000</u>	<u>6,587</u>	<u>-</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, 2020**

	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	\$ 720	\$ 8,220	\$ (725,280)
Total revenues	<u>733,500</u>	<u>7,500</u>	<u>720</u>	<u>8,220</u>	<u>(725,280)</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	960	10,960	3,040
Land purchase	1,000	-	-	-	1,000
Contingency	51,463	-	-	-	51,463
Other	18,337	-	-	-	18,337
Total expenditures	<u>978,000</u>	<u>10,000</u>	<u>960</u>	<u>10,960</u>	<u>967,040</u>
Revenues over (under) expenditures	<u>(244,500)</u>	<u>(2,500)</u>	<u>(240)</u>	<u>(2,740)</u>	<u>241,760</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	244,500	2,500	240	2,740	(241,760)
Total other financing source (uses)	<u>244,500</u>	<u>2,500</u>	<u>240</u>	<u>2,740</u>	<u>(241,760)</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, 2020**

	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	\$ 716	\$ 8,216	\$ (392,884)
Total revenues	<u>401,100</u>	<u>7,500</u>	<u>716</u>	<u>8,216</u>	<u>(392,884)</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	955	10,955	3,045
Land purchase	1,000	-	-	-	1,000
Contingency	24,773	-	-	-	24,773
Other	10,027	-	-	-	10,027
Total expenditures	<u>534,800</u>	<u>10,000</u>	<u>955</u>	<u>10,955</u>	<u>523,845</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(2,500)</u>	<u>(239)</u>	<u>(2,739)</u>	<u>130,961</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	2,500	239	2,739	(130,961)
Total other financing source (uses)	<u>133,700</u>	<u>2,500</u>	<u>239</u>	<u>2,739</u>	<u>(130,961)</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, 2020**

	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>5,000</u>	<u>-</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>10,000</u>	<u>-</u>	<u>10,000</u>	<u>2,220,000</u>
Revenues over (under) expenditures	<u>(1,115,000)</u>	<u>(5,000)</u>	<u>-</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>5,000</u>	<u>-</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, 2020**

	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>7,500</u>	<u>-</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>10,000</u>	<u>-</u>	<u>10,000</u>	<u>662,000</u>
Revenues over (under) expenditures	<u>(168,000)</u>	<u>(2,500)</u>	<u>-</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>2,500</u>	<u>-</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**  
**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, 2020**

	Project Authorization	Actual		Total to Date	Completed Project	Variance Positive (Negative)
		Prior Years	Current Year			
Revenues:						
Golden Leaf Foundation Grant	\$ 450,000	\$ 104,269	\$ 265,161	\$ 369,430	\$ (369,430)	\$ (80,570)
Total Revenues	<u>450,000</u>	<u>104,269</u>	<u>265,161</u>	<u>369,430</u>	<u>(369,430)</u>	<u>(80,570)</u>
Expenditures						
Engineering	100,000	37,441	16,129	53,570	(53,570)	(46,430)
Construction	<u>350,000</u>	<u>66,828</u>	<u>239,216</u>	<u>306,044</u>	<u>(306,044)</u>	<u>(43,956)</u>
Total expenditures	<u>450,000</u>	<u>104,269</u>	<u>255,345</u>	<u>359,614</u>	<u>(359,614)</u>	<u>(90,386)</u>
Other Financing Source (Uses)						
Transfers Out	-	-	(9,816)	(9,816)	9,816	(9,816)
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(9,816)</u>	<u>(9,816)</u>	<u>9,816</u>	<u>(9,816)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<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, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Sales tax refunds	\$ 212,558	\$ 149,048	\$ 3,324	\$ 152,372	\$ (60,186)
Investment Earnings	-	74,533	12,347	86,880	86,880
Miscellaneous Revenue	-	3,008	13,511	16,519	16,519
Total revenues	<u>212,558</u>	<u>226,589</u>	<u>29,182</u>	<u>255,771</u>	<u>43,213</u>
<b>Expenditures</b>					
System improvements	4,388,698	3,699,416	656,086	4,355,502	33,196
Program management	237,985	129,088	89,603	218,691	19,294
Other fees/charges	5,000	1,250	-	1,250	3,750
Contingency	80,875	-	-	-	80,875
Total expenditures	<u>4,712,558</u>	<u>3,829,754</u>	<u>745,689</u>	<u>4,575,443</u>	<u>137,115</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>(3,603,165)</u>	<u>(716,507)</u>	<u>(4,319,672)</u>	<u>180,328</u>
<b>Other Financing Source (Uses)</b>					
Installment proceeds	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
Total other financing source (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 896,835</u>	<u>\$ (716,507)</u>	<u>\$ 180,328</u>	<u>\$ 180,328</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, 2020**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Golden Leaf Foundation Grant	\$ 366,465	\$ -	\$ 36,597	\$ 36,597	\$ (329,868)
Total Revenues	<u>366,465</u>	<u>-</u>	<u>36,597</u>	<u>36,597</u>	<u>(329,868)</u>
Expenditures					
Engineering	52,532	-	9,237	9,237	43,295
Construction	285,394	-	27,360	27,360	258,034
Contingency	28,539	-	-	-	28,539
Total expenditures	<u>366,465</u>	<u>-</u>	<u>36,597</u>	<u>36,597</u>	<u>329,868</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, 2020**

	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>23,030</u>	<u>-</u>	<u>23,030</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 23,030</u>	<u>\$ -</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, 2020**

	Project Authorization	Actual			Completed Project	Variance Positive (Negative)
		Prior Years	Current Year	Total to Date		
Revenues:						
Restricted intergovernmental - U-468	\$ 337,000	\$ 109,270	\$ 224,925	\$ 334,195	\$ (334,195)	\$ (2,805)
Total revenues	<u>337,000</u>	<u>109,270</u>	<u>224,925</u>	<u>334,195</u>	<u>(334,195)</u>	<u>(2,805)</u>
Expenditures						
Water Line Improvements	337,000	109,270	224,925	334,195	(334,195)	2,805
Total expenditures	<u>337,000</u>	<u>109,270</u>	<u>224,925</u>	<u>334,195</u>	<u>(334,195)</u>	<u>2,805</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## AGENCY FUNDS

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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.

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**Beaufort County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2020**

Exhibit F-1

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>Social Service Trust Fund</u></b>				
Assets:				
Cash and cash equivalents	\$ 139,112	\$ 738,186	\$ 768,613	\$ 108,685
Liabilities:				
Accounts payable	\$ 139,112	\$ 768,613	\$ 738,186	\$ 108,685
<b><u>Sheriff Account</u></b>				
Assets:				
Cash and cash equivalents	\$ 5,480	\$ 112,333	\$ 114,075	\$ 3,738
Liabilities:				
Accounts payable	\$ 5,480	\$ 114,075	\$ 112,333	\$ 3,738
<b><u>Tax Collection Fund</u></b>				
Assets:				
Cash and cash equivalents	\$ 58,743	\$ 5,991,598	\$ 5,982,441	\$ 67,900
Total assets	<u>58,743</u>	<u>5,991,598</u>	<u>5,982,441</u>	<u>67,900</u>
Liabilities:				
Intergovernmental payable	\$ 58,743	\$ 5,991,598	\$ 5,982,441	\$ 67,900
<b><u>Drainage Assessments</u></b>				
Assets:				
Cash and cash equivalents	\$ 32	\$ 259,315	\$ 258,686	\$ 661
Total assets	<u>32</u>	<u>259,315</u>	<u>258,686</u>	<u>661</u>
Liabilities:				
Intergovernmental payable	\$ 32	\$ 259,315	\$ 258,686	\$ 661
<b><u>4-H</u></b>				
Assets:				
Cash and cash equivalents	\$ 29,430	\$ 67,688	\$ 74,246	\$ 22,872
Liabilities:				
Accounts payable	\$ 29,430	\$ 74,246	\$ 67,688	\$ 22,872
<b><u>Cooperative Extension</u></b>				
Assets:				
Cash and cash equivalents	\$ 34,017	\$ 36,744	\$ 53,500	\$ 17,261
Liabilities:				
Accounts payable	\$ 34,017	\$ 53,500	\$ 36,744	\$ 17,261
<b><u>EMS Billing and Collections</u></b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 487,274	\$ 439,803	\$ 47,471
Accounts receivable	-	6,672	-	6,672
Total assets	<u>-</u>	<u>493,946</u>	<u>439,803</u>	<u>54,143</u>
Liabilities:				
Intergovernmental payable	\$ -	\$ 493,946	\$ 439,803	\$ 54,143
<b><u>Total - All Agency Funds</u></b>				
Assets:				
Cash and cash equivalents	\$ 266,814	\$ 7,693,138	\$ 7,691,364	\$ 268,588
Taxes receivable	-	-	-	-
Accounts receivable	-	6,672	-	6,672
Total assets	<u>266,814</u>	<u>7,699,810</u>	<u>7,691,364</u>	<u>275,260</u>
Liabilities:				
Accounts payable	\$ 266,814	\$ 7,755,293	\$ 14,887,442	\$ 275,260

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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**Beaufort County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2020**

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 37,182,724	\$ 36,474,828	\$ 707,896
2018-2019	601,998	-	281,490	320,508
2017-2018	282,506	-	91,009	191,497
2016-2017	185,681	-	45,127	140,554
2015-2016	116,275	-	15,702	100,573
2014-2015	91,140	-	8,310	82,830
2013-2014	125,834	-	9,361	116,473
2012-2013	139,347	-	8,530	130,817
2011-2012	109,716	-	4,282	105,434
2010-2011	88,894	-	3,060	85,834
2009-2010	87,521	-	87,521	-
Totals	<u>\$ 1,828,912</u>	<u>\$ 37,182,724</u>	<u>\$ 37,029,220</u>	<u>\$ 1,982,416</u>
				<u>572,618</u>
				<u>\$ 1,409,798</u>
<u>Reconciliation with revenues:</u>				
				\$ 37,158,836
				(240,332)
				85,030
				27,428
				(1,742)
				<u>\$ 37,029,220</u>

**Beaufort County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2020**

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	\$ 5,824,883,938	0.635	\$ 36,988,013	\$ 34,014,920	\$ 2,973,093
Total	5,824,883,938		36,988,013	34,014,920	2,973,093
Discoveries	30,663,150	0.635	194,711	194,711	-
Totals	<u>\$ 5,855,547,088</u>				
Net levy			37,182,724	34,209,631	2,973,093
Current year's taxes collected			<u>36,474,828</u>	<u>33,501,735</u>	<u>2,973,093</u>
Uncollected taxes at June 30, 2019			<u>\$ 707,896</u>	<u>\$ 707,896</u>	<u>\$ -</u>
Current levy collection percentage			<u>98.10%</u>	<u>97.93%</u>	<u>100.00%</u>

**Beaufort County, North Carolina**  
**Ten Largest Taxpayers**  
**For the Fiscal Year Ended June 30, 2020**

Taxpayer	Type of Business	Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company Inc.	Phosphate Mining/Acid Production	\$ 1,011,215,126	17.27%
Weyerhaeuser Co	Tree Farm Operation	112,065,966	1.91%
Purified Acid Partnership	Acid Production	56,797,712	0.97%
FPI Carolinas, LLC	Agriculture	14,084,413	0.24%
VFS Leasing Co	Leasing	17,758,813	0.30%
Caterpillar Financial Services Corp	Equipment Leasing	14,109,856	0.24%
Victory Square LLC	Real Estate	12,796,804	0.22%
Iconic Marine Group	Boat Manufacturer	11,511,199	0.20%
Gregory Poole Leasing LLC	Equipment Rental	10,427,296	0.18%
Wal-Mart Real Estate Business	Real Estate	10,129,687	0.17%

## COMPLIANCE SECTION



Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*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, 2020, 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 30, 2020.

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.*

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

Whiteville, NC

November 30, 2020



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, 2020. 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 the requirements of laws, regulations, contracts, and grants applicable to its state 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 occurred. An audit includes examining, on a test basis, evidence about the Beaufort County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2020.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item [2020-001]. Our opinion on each major federal program is not modified with respect to these matters.

Beaufort County's response to the noncompliance findings identified in our audit is 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.

## 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 [2020-001, 2020-002] 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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, North Carolina  
November 30, 2020



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

**P.O Box 398  
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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

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, 2020. 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 the requirements of laws, regulations, contracts, and grants 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, 2020.

**Members**  
**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of section the Uniform Guidance as described in the Audit Manual for Governmental Auditors in North Carolina and which are described in the accompanying schedule of findings and questioned costs as item [2020-001]. Our opinion on each major state program is not modified with respect to these matters.

Beaufort County's response to the noncompliance findings identified in our audit is 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.

## 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 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 [2020-001, 2020-002] 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 30, 2020

**Beaufort County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**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 \_\_\_Xyes \_\_\_none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_Xyes \_\_\_no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund
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? \_\_\_Xyes \_\_\_no



**Beaufort County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

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**Section II. Financial Statement Findings**

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None Reported.

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**Section III. Federal Award Findings and Questioned Costs**

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**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: 2020-001**

SIGNIFICANT DEFICENCY / NONCOMPLIANCE

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 fourteen errors discovered during our procedures that inaccurate information was entered when determining eligibility. Of these, one beneficiary received assistance from the wrong class of program because the case file was not reviewed timely.
Questioned Costs:	Due to the nature of the transitional eligibility error, the known questioned costs were not determinable.
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. Some of the errors noted have been corrected since the previous audit, but are still being reported since the errors were made during the initial eligibility determination process.
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.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2019-001.
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. The County did make significant progress in implementing the corrective action plan noted in the previous audit, but the initial determination for the cases noted above was prior to the changes being implemented.

**Beaufort County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

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

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**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: 2020-002**

**SIGNIFICANT DEFICENCY**

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There were two errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
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:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. 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.

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**Section IV. State Award Findings and Questioned Costs**

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Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2020-001 and 2020-002 also apply to State requirements and State Awards.



**BEAUFORT COUNTY**  
**NORTH CAROLINA**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2020**

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Question Costs**

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**Finding 2020-001**

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Records will be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what files should contain and the importance of complete and accurate record keeping. Training will also be provided to ensure all files, include online verifications, documented resources of income and those amounts agree to information in NCFAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Proposed completion date: Records will be second party reviewed monthly to ensure accuracy of case files. Training will be provided on Tuesday, December 15, 2020 to review findings and corrective action items. Trainings will continue every Tuesday to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews. With the exception, of one error found, errors discovered resulted from cases processed from April 2018- May 2019. Inaccurate Information training was provided in November 2019. The additional error found was processed in January 2020. Training for this error was provided in March 2020.

**Finding 2020-002**

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Records will be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. Documentation will be made in case notes and will clearly indicate what actions were performed and the results of those action.

Proposed completion date: Records will be second party reviewed monthly to ensure accuracy of case files. Training will be provided on Tuesday, December 15, 2020 to review findings and corrective action items. Trainings will continue every Tuesday to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews.

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**Section IV - State Award Findings and Question Costs**

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Corrective Actions for Finding 2020-001 and 2020-002 also apply to State Award Findings.

**Beaufort County, North Carolina  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020**

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Finding: 2019-001

Status: This finding is repeated at 2020-001

Finding: 2019-002

Status: Corrected

Finding: 2019-003

Status: Corrected

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<b><u>FEDERAL AWARDS</u></b>						
<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		\$ 292,782	\$ -	\$ -	\$ -
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		548,706	-	-	548,706
Total U.S. Department of Agriculture			841,488	-	-	548,706
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		692,516	-	-	-
Total U.S. Department of Treasury			692,516	-	-	-
<u>U. S. Department of Housing and Urban Development</u>						
Passed-through NC Housing Finance Agency Essential Single Family Rehabilitation Loan Pool	14.239		14,261	-	-	-
Total U. S. Department of Housing and Urban Development			14,261	-	-	-
<u>U.S. Department of Health and Human Services</u>						
CARES Act - Provider Relief Fund	93.498		65,893	-	-	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		34,719	-	-	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		103,450	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Family Planning Services	93.217		46,731	-	-	-
Immunization Grants	93.268		14,202	-	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		12,961	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		32,270	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		26,000	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		71,025	49,213	-	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Temporary Assistance for Needy Families (TANF) Cluster						
Division of Social Services						
TANF - Work First	93.558		961,590	-	-	482,726
Division of Public Health						
TANF - Work First	93.558		8,195	-	-	-
Total TANF Cluster			969,785	-	-	482,726
Family Preservation	93.556		27,314	-	-	-
AFDC Payments & Penalties	93.560		(225)	(62)	-	(62)
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		502,466	90,582	-	317,978
Adoption Assistance	93.659		1,482	-	-	1,482
Foster Care	N/A		25,382	-	-	-
Total Foster Care and Adoption Cluster			529,330	90,582	-	319,460
Child Support Enforcement	93.563		630,510	(521)	-	325,330
Low-Income Home Energy Assistance						
Administration	93.568		50,919	-	-	-
Energy Assistance Payments	93.568		289,975	-	-	-
Crisis Intervention Program	93.568		139,080	-	-	-
Total Low-Income Home Energy Assistance			479,974	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		17,808	-	-	5,936
Total Stephanie Tubbs Jones Child Welfare Services Program						
Chafee Foster Care Independence Program	93.674		4,301	1,075	-	-
SSBG - Other Service and Training	93.667		118,402	-	-	39,467
Division of Aging and Adult Services:						
Division of Social Services						
SSBG - In Home Service	93.667		5,764	-	-	823
CPS TANF to SSBG	93.667		39,298	-	-	-
Pas-through Mid-East Commission						
SSBG- In-Home Service	93.667		42,130	1,204	-	-
Total Social Service Block Grant			205,594	1,204	-	40,290
Division of Child Development and Early Education						
Subsidized Child Care						
Child Care Development Fund Cluster:						
Division of Social Services						
Childcare Development Mandatory and						
Match Fund - Administration	93.596		105,096	-	-	-
Total Subsidized Child Care			105,096	-	-	-
Passed through Mid-East Commission						
Division of Aging and Adult Services						
Aging Cluster:						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		83,915	4,936	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		109,094	6,417	-	-
Nutrition Services Incentive Program	93.053		15,448	-	-	-
Total Aging Cluster			208,457	11,353	-	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Medical Assistance Program	93.778		1,233,350	2,464	-	556,364
State Children's Insurance Program - N.C. Health Choice	93.767		19,473	304	-	860
Total U.S. Department of Health and Human Services			4,869,089	155,612	-	1,730,904
<u>U.S. Department of Transportation</u>						
Highway Planning and Construction	20.205-6	DOT-24 44527.1.32	28,365	7,091	-	-
Total U.S. Department of Transportation			28,365	7,091	-	-
<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		152,938	-	-	-
Flood Mitigation Assistance - FMA2016-03	97.029		147,605	-	-	-
Flood Mitigation Assistance - FMA2016-04	97.029		3,010	-	-	-
Flood Mitigation Assistance - FMA2016-05	97.029		174,015	-	-	-
Total Flood Mitigation Assistance Grant			477,568	-	-	-
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036		71,261	-	-	-
Hazardous Mitigation Grant	97.039		17,975	-	-	-
Emergency Management Performance Grant	97.042		32,740	-	-	-
Homeland Security Grant Program	97.067		22,261	-	-	-
Total U.S. Department of Homeland Security			621,805	-	-	-
Total Federal Awards			\$ 7,067,524	\$ 162,703	\$ -	\$ 2,279,610
<u>STATE AWARDS</u>						
<u>N.C. Department of Health and Human Services</u>						
Division of Public Health						
Food and Lodging Fees			\$ -	\$ 15,063	\$ -	\$ -
Aid to Counties			-	84,054	-	-
General Communicable Disease Control			-	2,684	-	-
Child Health			-	844	-	-
HIV/STD State			-	3,923	-	-
Intergrated Targeted Testing Services (ITTS)			-	38,718	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	1,188	-	-
Breast and Cervical Cancer Program			-	13,800	-	-
School Nurse Funding Initiative			-	250,000	-	-
Healthy Beginnings			-	78,626	-	-
Family Planning - State			-	16,750	-	-
Maternal Health (HMHC)			-	29,382	-	-
Women's Health Service Fund			-	7,681	-	-
TB Control			-	25,721	-	-
Total Division of Public Health			-	572,219	-	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	26,665	-	-
AFDC Incent/Prog Integrity			-	416	-	-
County Funded Programs			-	-	-	1,486,088
Emergency Assist Private			-	4,951	-	-
Non-Allocating County Cost			-	-	-	402,159
CSE Disaster Non-Reimbursable			-	-	-	18,214
F/C at Risk Maxximization			-	2,203	-	1,014
SFHF Maxximization			-	65,460	-	65,460
State Foster Home			-	114,149	-	114,148
Total Division of Social Services			-	213,844	-	2,087,083
Passed-Through the Mid-East Commission						
Division of Aging and Adult Services:						
State Appropriation - Access			-	14,608	-	-
State Appropriation - In-Home Services			-	184,186	-	-
State Appropriation - Home Delivered Meals			-	46,047	-	-
Total Division of Aging			-	244,841	-	-
Total N.C. Department of Health and Human Services			-	1,030,904	-	2,087,083
<u>N.C. Department of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster:						
ROAP - WorkFirst Transitional - Employment		36236.11.8.1	-	14,788	-	-
ROAP - Rural General Public Program		36228.22.9.1	-	94,032	-	-
ROAP - Elderly and Disabled Transportation Assistance Program		36220.10.9.1	-	81,868	-	-
Total N.C. Department of Transportation			-	190,688	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	185,428	-	14,649
Division of Emergency Management						
Criminal Justice Partnership Program			-	36,907	-	-
Total Agency N.C. Department of Public Safety			-	222,335	-	14,649
<u>N.C. Department of Agriculture and Consumer Services</u>						
Spay Neuter Program			-	13,079	-	-
Soil and Water Tech Assistance Grant			-	29,014	-	-
Stream Debris Removal			-	119,719	-	-
Total N.C. Department of Agriculture and Consumer Services			-	161,812	-	-
<u>N.C. Department of Environment Quality</u>						
Division of Coastal Management						
Policy and Planning			-	18,750	-	-
Division of Waste Management						
Scrap Tire Fund - SWMG			-	2,987	-	-
Division of Water Infrastructure						
Drinking Water State Reserve Program Grant- H-SRP-D-17-0090			-	954	-	-
Drinking Water State Reserve Program Grant - H-SRP-D-17-0010			-	1,000	-	-
Drinking Water State Reserve Program Grant - H-SRP-D-17-0091			-	960	-	-
Drinking Water State Reserve Program Grant - H-SRP-D-17-0085			-	955	-	-
Total Drinking Water State Reserve Program			-	3,869	-	-
Total N.C. Department of Environment Quality			-	25,606	-	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program title	Federal	State/ Pass-through	Federal	State	Provided	Local
	CFDA Number	Grantor's Number	Expenditures	Expenditures	to Subrecipients	Expenditures
<u>N.C. Department of Commerce</u>						
Building Reuse Grant 2016-045-3201-2587			-	73,499	-	-
Industrial Development Fund/Utility Fund U-468			-	224,925	-	-
Golden LEAF Grant - Hurricane Matthew Recovery Grant			-	301,758	-	-
Total N.C. Department of Commerce			-	600,182	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	484,000	-	-
Total N.C Department of Public Instruction			-	484,000	-	-
Total State Assistance			\$ -	\$ 2,715,527	\$ -	\$ 2,101,732
Total Assistance Federal and State Assistance			\$ 7,067,524	\$ 2,878,230	\$ -	\$ 4,381,342

**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, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Beaufort County, it is not intended to and does not present the financial position, changes in net position or cash flows of Beaufort County.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

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

**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.

**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.

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 898,614	\$ -
Food and Nutrition Services	10.551	13,155,359	-
Medical Assistance Program	93.778	62,610,713	28,760,979
Children's Health Insurance Program	93.767	1,213,585	91,202
IV-E Adopt & Vendor	93.659	645,715	146,123
TANF Payments & Penalties	93.558	277,864	-
CWS Adopt, Vendor, Guard	N/A	-	171,864
SAA/SAD HB 1030	N/A	-	(153)
SC/SA Domiciliary Care	N/A	-	464,269

**Note 6: Coronavirus Relief Funds**

Beaufort County received \$1,014,608 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$912,057 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Beaufort County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.