

Beaufort County, North Carolina

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

Year Ended June 30, 2000

Beaufort County, North Carolina
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FINANCIAL SECTION



Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of Beaufort County, North Carolina as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Beaufort County, North Carolina's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Beaufort County ABC Board, Beaufort County Hospital Association, Inc., or Warren Field Airport Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, Beaufort County Hospital Association, Inc. and Warren Field Airport Commission is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Beaufort County, North Carolina, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 5, 2000 on our consideration of Beaufort County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Beaufort County, North Carolina, taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Pittard, Perry & Crone, Inc.

Belhaven, North Carolina
November 5, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

Beaufort County, North Carolina
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2000

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS				
Cash and investments	\$ 4,852,432	\$ 1,276,524	\$ 4,262,331	\$ 2,148,803
Receivables (net of allowances)				
Property taxes	1,991,272	107,703	-	-
Accounts	2,949,876	24,198	-	486,338
Other	-	-	-	-
Due from other funds	2,495,429	385,604	-	-
Due from component units	21,053	-	-	-
Prepaid items	-	-	-	-
Inventory	-	-	-	-
Installment obligation receivable - current	90,350	-	-	-
Restricted assets - Cash and cash equivalents	-	-	-	1,525,544
Installment obligation receivable - noncurrent	1,364,524	-	-	-
Fixed assets, net	-	-	-	36,902,962
Other assets (net of amortization)	-	-	-	-
Other investments	-	-	-	-
Other debits				
Amount to be provided for retirement of debt	-	-	-	-
Total assets and other debits	<u>\$ 13,764,936</u>	<u>\$ 1,794,029</u>	<u>\$ 4,262,331</u>	<u>\$ 41,063,647</u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,490,837	\$ 299,756	\$ 207,909	\$ 162,971
Due to primary government	-	-	-	-
Due to other funds	395,477	1,261,315	-	1,224,241
Customer deposits	-	-	-	44,600
Deferred revenues	4,117,225	112,414	-	-
Notes payable - current	-	-	-	56,525
Capital leases payable - current	-	-	-	-
General obligation bonds payable - current	-	-	-	319,000
Compensated absences payable	-	-	-	8,021
Accrued landfill cost	-	-	-	-
General obligation bonds payable - noncurrent	-	-	-	-
Notes payable - noncurrent	-	-	-	912,327
Capital leases payable - noncurrent	-	-	-	-
General obligation bonds payable - noncurrent	-	-	-	28,006,000
Notes payable - noncurrent	-	-	-	-
Capital leases payable - noncurrent	-	-	-	-
Total liabilities	<u>6,003,539</u>	<u>1,673,485</u>	<u>207,909</u>	<u>30,733,685</u>
Equity and other credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	8,364,047
Retained Earnings (deficit)	-	-	-	1,965,915
Fund balances				
Reserved by state statute	5,466,358	23,130	-	-
Designated for subsequent year's expenditures	274,551	-	4,054,422	-
Undesignated	2,020,488	97,414	-	-
Total equity and other credits	<u>7,761,397</u>	<u>120,544</u>	<u>4,054,422</u>	<u>10,329,962</u>
Total liabilities, equity, and other credits	<u>\$ 13,764,936</u>	<u>\$ 1,794,029</u>	<u>\$ 4,262,331</u>	<u>\$ 41,063,647</u>

EXHIBIT 1

Fiduciary Fund Type	Account groups		Totals (Memorandum)	Component Units		
	General Fixed Assets	General Long- Term Dept	Primary Government	Beaufort County		Warren Field Commission
				Hospital	ABC Board	
\$ 70,162	\$ -	\$ -	\$ 12,610,252	\$ 1,542,247	\$ 271,685	\$ 75,099
-	-	-	2,098,975	-	-	-
-	-	-	3,460,412	6,912,172	-	27,737
-	-	-	-	236,783	-	-
-	-	-	2,881,033	-	-	-
-	-	-	21,053	-	-	-
-	-	-	-	166,643	518	-
-	-	-	-	1,060,461	339,372	-
-	-	-	90,350	-	-	-
-	-	-	1,525,544	-	-	121,208
-	-	-	1,364,524	-	-	-
-	16,550,387	-	53,453,349	9,574,380	389,051	1,321,931
-	-	-	-	322,229	133	-
-	-	-	-	32,709	-	-
-	-	15,180,621	15,180,621	-	-	-
<u>\$ 70,162</u>	<u>\$ 16,550,387</u>	<u>\$ 15,180,621</u>	<u>\$ 92,686,113</u>	<u>\$ 19,847,624</u>	<u>\$ 1,000,759</u>	<u>\$ 1,545,975</u>
\$ 70,162	\$ -	\$ -	\$ 2,231,635	\$ 4,907,679	\$ 199,551	\$ 3,740
-	-	-	-	-	21,053	-
-	-	-	2,881,033	-	-	-
-	-	-	44,600	-	-	-
-	-	-	4,229,639	-	-	121,208
-	-	784,633	841,158	136,640	-	-
-	-	-	-	144,167	-	-
-	-	1,080,000	1,399,000	-	-	-
-	-	464,616	472,637	-	-	-
-	-	189,343	189,343	-	-	-
-	-	5,455,000	5,455,000	-	-	-
-	-	7,207,029	8,119,356	1,150,853	-	-
-	-	-	-	137,528	-	-
-	-	-	28,006,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>70,162</u>	<u>-</u>	<u>15,180,621</u>	<u>53,869,401</u>	<u>6,476,867</u>	<u>220,604</u>	<u>124,948</u>
-	16,550,387	-	16,550,387	-	-	-
-	-	-	8,364,047	-	-	1,538,094
-	-	-	1,965,915	13,370,757	780,155	(117,067)
-	-	-	-	-	-	-
-	-	-	5,489,488	-	-	-
-	-	-	4,328,973	-	-	-
-	-	-	2,117,902	-	-	-
-	16,550,387	-	38,816,712	13,370,757	780,155	1,421,027
<u>\$ 70,162</u>	<u>\$ 16,550,387</u>	<u>\$ 15,180,621</u>	<u>\$ 92,686,113</u>	<u>\$ 19,847,624</u>	<u>\$ 1,000,759</u>	<u>\$ 1,545,975</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2000

EXHIBIT 2

	Governmental Fund Types			Totals (Memorandum)
	General	Special Revenue	Capital Project	Primary Government
REVENUES				
Ad valorem taxes	\$ 15,888,733	\$ 907,349	\$ -	\$ 16,796,082
Local option sales tax	6,696,706	-	-	6,696,706
Other taxes and licenses	258,465	-	-	258,465
Restricted intergovernmental	8,825,749	1,734,545	655,544	11,215,838
Unrestricted intergovernmental	1,575,997	-	-	1,575,997
Permits and fees	319,991	-	-	319,991
Sales and service	4,385,369	-	-	4,385,369
Investment earnings	388,374	40,356	112,379	541,109
Miscellaneous	422,209	1,756	-	423,965
Total revenues	<u>38,761,593</u>	<u>2,684,006</u>	<u>767,923</u>	<u>42,213,522</u>
EXPENDITURES				
General government	3,515,432	-	-	3,515,432
Public safety	4,109,270	867,988	-	4,977,258
Economic & physical development	533,104	2,385,421	-	2,918,525
Human services	15,078,147	-	-	15,078,147
Culture and recreation	203,654	-	-	203,654
Education	9,880,000	1,061	-	9,881,061
Solid waste	3,597,542	-	-	3,597,542
Capital projects	-	-	2,554,147	2,554,147
Debt service:				
Bond principal	1,159,402	-	-	1,159,402
Note principle	696,670	-	-	696,670
Leases	2,257	-	-	2,257
Interest	590,170	-	-	590,170
Fees and commissions	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>39,365,648</u>	<u>3,254,470</u>	<u>2,554,147</u>	<u>45,174,265</u>
Revenues over (under) expenditures	<u>(604,055)</u>	<u>(570,464)</u>	<u>(1,786,224)</u>	<u>(2,960,743)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers from other funds	121,857	380,510	953,170	1,455,537
Operating transfers to other funds	(1,368,170)	(580,343)	(382,024)	(2,330,537)
Proceeds from long-term debt	-	-	5,000,000	5,000,000
Operating transfer from component unit	70,426	-	-	70,426
Operating transfer to component unit	(129,329)	-	-	(129,329)
Total other financing sources (uses)	<u>(1,305,216)</u>	<u>(199,833)</u>	<u>5,571,146</u>	<u>4,066,097</u>
Revenues and other sources over (under) expenditures and other uses	<u>(1,909,271)</u>	<u>(770,297)</u>	<u>3,784,922</u>	<u>1,105,354</u>
Fund balance, beginning of year	<u>9,670,668</u>	<u>890,841</u>	<u>269,500</u>	<u>10,831,009</u>
Fund balance, end of year	<u>\$ 7,761,397</u>	<u>\$ 120,544</u>	<u>\$ 4,054,422</u>	<u>\$ 11,936,363</u>

Beaufort County, North Carolina
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Ad valorem taxes	\$ 15,727,276	\$ 15,888,733	\$ 161,457
Local option sales tax	6,260,000	6,696,706	436,706
Other taxes and licenses	193,000	258,465	65,465
Restricted intergovernmental	10,028,343	8,825,749	(1,202,594)
Unrestricted intergovernmental	1,545,000	1,575,997	30,997
Permits and fees	327,000	319,991	(7,009)
Sales and service	5,098,408	4,385,369	(713,039)
Investment earnings	400,000	388,374	(11,626)
Miscellaneous	518,479	422,209	(96,270)
Total revenues	<u>40,097,506</u>	<u>38,761,593</u>	<u>(1,335,913)</u>
EXPENDITURES			
General government	3,824,759	3,515,432	309,327
Public safety	4,349,356	4,109,270	240,086
Economic & physical development	559,073	533,104	25,969
Human services	16,752,801	15,078,147	1,674,654
Culture and recreation	241,207	203,654	37,553
Education	9,880,000	9,880,000	-
Solid Waste	3,749,425	3,597,542	151,883
Debt service:			
Bond principal	1,159,402	1,159,402	-
Note principle	697,740	696,670	1,070
Leases	2,400	2,257	143
Interest	596,467	590,170	6,297
Fees and commissions	17,600	-	17,600
Contingency	15,778	-	15,778
Total expenditures	<u>41,846,008</u>	<u>39,365,648</u>	<u>2,480,360</u>
Revenues over (under) expenditures	<u>(1,748,502)</u>	<u>(604,055)</u>	<u>1,144,447</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	120,000	121,857	1,857
Operating transfers to other funds	(1,378,170)	(1,368,170)	10,000
Operating transfer from component unit	70,000	70,426	426
Operating transfer to component unit	(129,329)	(129,329)	-
Total other financing sources (uses)	<u>(1,317,499)</u>	<u>(1,305,216)</u>	<u>12,283</u>
Revenues and other sources over (under) expenditures and other uses	<u>(3,066,001)</u>	<u>(1,909,271)</u>	<u>1,156,730</u>
Appropriated fund balance	<u>3,066,001</u>	<u>-</u>	<u>(3,066,001)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>(1,909,271)</u>	<u>\$ (1,909,271)</u>
Fund balance, beginning of year		<u>9,670,668</u>	
Fund balance, end of year		<u>\$ 7,761,397</u>	

Special Revenue		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 707,300	\$ 907,349	\$ 200,049
-	-	-
428,842	168,629	(260,213)
-	-	-
-	-	-
-	40,356	40,356
1,500	1,756	256
<u>1,137,642</u>	<u>1,118,090</u>	<u>(19,552)</u>
-	-	-
965,500	867,988	97,512
220,342	201,449	18,893
-	-	-
1,800	1,061	739
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,187,642</u>	<u>1,070,498</u>	<u>117,144</u>
(50,000)	47,592	97,592
580,000	380,510	
(580,000)	(580,343)	
-	-	
-	(199,833)	-
50,000	-	(50,000)
<u>\$ -</u>	<u>(152,241)</u>	<u>\$ 47,592</u>
	<u>1,027,658</u>	
	<u>\$ 875,417</u>	

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
 PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS**
 For the Fiscal Year Ended June 30, 2000

EXHIBIT 4

	Proprietary	Component Unit		
	Fund Type	Beaufort County		Warren Field
	Enterprise	Hospital	ABC Board	Airport
	Primary			Commision
	Government			
OPERATING REVENUES				
Charges for service and sales	\$ 2,297,955	\$ 29,805,095	\$ 2,269,961	\$ 100,148
Other operating revenue	129,364	758,476	-	93,253
Total operating revenues	<u>2,427,319</u>	<u>30,563,571</u>	<u>2,269,961</u>	<u>193,401</u>
OPERATING EXPENSES				
Depreciation	245,135	1,349,829	39,929	106,981
Water treatment	107,751	-	-	-
Cost of goods sold	-	-	1,574,144	128,552
Water distribution	698,251	-	-	-
Store and warehouse	-	-	296,904	-
Administration	169,021	31,111,349	272,626	-
Total operating expenses	<u>1,220,158</u>	<u>32,461,178</u>	<u>2,183,603</u>	<u>235,533</u>
Operating income (loss)	<u>1,207,161</u>	<u>(1,897,607)</u>	<u>86,358</u>	<u>(42,132)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	144,234	69,186	6,440	8,011
Miscellaneous income	14,022	3,459	-	-
Allocated to deferred revenue	-	-	-	-
Law enforcement/Alcohol education	-	-	(19,251)	-
Interest expense	(1,099,095)	-	(114)	-
Loss on disposal of assets	(1,781)	-	-	-
Donations/ grants	-	7,234	-	-
Total nonoperating revenue (expenses)	<u>(942,620)</u>	<u>79,879</u>	<u>(12,925)</u>	<u>8,011</u>
Income (loss) before operating transfers	<u>264,541</u>	<u>(1,817,728)</u>	<u>73,433</u>	<u>(34,121)</u>
Operating transfers to primary government	-	-	(70,426)	-
Operating transfers from primary government	875,000	72,929	-	-
Total operating transfers	<u>875,000</u>	<u>72,929</u>	<u>(70,426)</u>	<u>-</u>
Net income (loss)	<u>1,139,541</u>	<u>(1,744,799)</u>	<u>3,007</u>	<u>(34,121)</u>
Add depreciation on contributed capital	-	-	-	75,538
Increase (decrease) in retained earnings	<u>1,139,541</u>	<u>(1,744,799)</u>	<u>3,007</u>	<u>41,417</u>
RETAINED EARNINGS (deficit), beginning of year	<u>826,374</u>	<u>15,115,556</u>	<u>777,148</u>	<u>(158,484)</u>
RETAINED EARNINGS (deficit), end of year	<u>\$ 1,965,915</u>	<u>\$ 13,370,757</u>	<u>\$ 780,155</u>	<u>\$ (117,067)</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 2000

EXHIBIT 5
Page 1 of 2

	Proprietary Fund Type			
	Enterprise	Component Unit		
		Primary Government	Hospital	ABC Board
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers / others	\$ 2,665,487	\$ 26,285,047	\$ 2,269,961	\$ 190,288
Cash paid for goods and services	(1,227,260)	(10,922,164)	(1,786,383)	(131,678)
Cash paid to employees for services	-	(16,432,442)	(344,552)	-
Other operating revenue	-	772,750	-	-
Net cash provided by (used in) operating activities	<u>1,438,227</u>	<u>(296,809)</u>	<u>139,026</u>	<u>58,610</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Law enforcement / Alcohol education	-	-	(19,251)	-
Operating transfers to / from primary government	-	-	(70,426)	-
Gifts and grants	-	7,234	-	-
Other revenue	-	45,750	-	-
Payment on loan to Physician	-	1,943	-	-
Cash payments for recruitment	-	(163,766)	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(108,839)</u>	<u>(89,677)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED RELATED FINANCING ACTIVITIES:				
Capital grants and local matches	1,133,943	-	-	65,466
Transfer from general fund	875,000	-	-	-
Acquisition and construction of capital assets	(814,432)	(653,416)	(8,472)	(61,104)
Proceeds / increase of long-term debt	-	518,750	-	-
Principal paid on long-term borrowing, including capital lease obligations	(930,226)	(285,318)	(8,018)	-
Interest paid on long-term borrowing, including capital lease obligations	(1,099,095)	(78,996)	(114)	-
Contributed capital	-	(75,000)	-	(21,646)
Other nonoperating expenses	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(834,810)</u>	<u>(573,980)</u>	<u>(16,604)</u>	<u>(17,284)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	144,234	69,186	6,440	8,011
Net increase (decrease) in cash and cash equivalent	<u>747,651</u>	<u>(910,442)</u>	<u>39,185</u>	<u>49,337</u>
Cash and cash equivalents at beginning of year	<u>2,926,696</u>	<u>2,452,689</u>	<u>232,500</u>	<u>146,970</u>
Cash and cash equivalents at end of year	<u>\$ 3,674,347</u>	<u>\$ 1,542,247</u>	<u>\$ 271,685</u>	<u>\$ 196,307</u>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 2000

EXHIBIT 5
Page 2 of 2

	Proprietary	Component Unit		
	Enterprise	Beaufort County		Warren Field
	Primary Government	Hospital	ABC Board	Airport Commission
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,207,161	\$ (1,897,607)	\$ 86,358	\$ (42,132)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	245,135	1,349,829	39,929	106,981
Non-operating revenue	14,022	-	-	-
Loss on disposal of fixed assets	1,781	-	-	-
Interest paid	-	78,996	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(32,777)	(560,035)	-	(3,113)
(Increase) decrease in due from other funds	233,436	-	-	-
(Increase) decrease in inventories, prepaid expenses, and other current assets	-	522,496	12,739	(3,300)
(Decrease) increase in accounts payable and accrued liabilities	(252,237)	209,512	-	174
(Decrease) increase in due to other funds	13,138	-	-	-
(Decrease) increase in customer deposits	8,025	-	-	-
(Decrease) increase in compensated absences payable	543	-	-	-
Total adjustments	231,066	1,600,798	52,668	100,742
Net cash provided by (used in) operating activities	\$ 1,438,227	\$ (296,809)	\$ 139,026	\$ 58,610

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The blended component units, although legally separate entities, are in substance, part of the County's operations. The three discretely presented component units presented below are reported in a separate column in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Blended Component Units

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

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

Discretely Presented Component Units

Beaufort County Hospital Association, Inc.

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

Beaufort County ABC Board

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Warren Field Airport Commission

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains Capital Project Funds as detailed in the supplementary schedules. (See also Note 14.)

Proprietary Funds include the following fund type:

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting (continued)

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Beaufort County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 1999 through February 2000 apply to the fiscal year ended June 30, 2000. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. For those motor vehicles which are renewed and billed under the annual system, taxes are due on May 1 of each year, and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2000 because they are intended to finance the County's operations during the 2000-2001 fiscal year.

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, the special revenue (excluding grant project funds), and the enterprise fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects funds. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for the general fund, at the departmental level for the special revenue and enterprise funds, and at the object level for the grant project funds. The County Manager is authorized to transfer appropriations within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Data (continued)

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

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

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

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County, the Hospital, the ABC Board, and the Airport to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust, an SEC registered mutual fund. Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency Fund, which are recorded at market value.

2. Cash and Cash Equivalents

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Restricted Assets

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

4. Ad valorem taxes receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 1998.

5. Allowance for Doubtful Accounts

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

6. Inventory

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

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

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

7. Fixed assets

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Fixed assets (continued)

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

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

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

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

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

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

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Long-term debt

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

9. Fund equity

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation which has been designated for the adopted 2000-2001 budget ordinance.

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues, Expenditures and Expenses

1. Other Resources

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

2. Compensated absences

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the County's governmental funds. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2000 is recorded in the General Long-term Debt Account Group. For the County's proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

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

G. Total (Memorandum Only) Columns

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

H. Comparative Data/Reclassifications

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 2 DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Deposits

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

At June 30, 2000, the County's deposits had a carrying amount of \$9,869,893 and a bank balance of \$10,389,236. Of the bank balance, \$203,384 was covered by federal depository insurance and \$2,597,105 in non-interest bearing deposits and \$7,588,747 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2000, Beaufort County had \$1,103 in cash on hand.

At June 30, 2000, the carrying amount of deposits for Beaufort County ABC Board was \$271,685 and the bank balance was \$287,274. Of the bank balance, \$246,366 was covered by federal depository insurance and \$40,908 was collateralized under the Pooling Method.

At September 30, 1999, the Hospital's deposits had a balance of \$536,932 and a bank balance of \$805,412. All of the bank balance was covered by federal depository insurance and collateralization under the Pooling Method.

At June 30, 2000, the Airport's deposits had a carrying amount of \$196,207 and a bank balance of \$203,266 with \$100,000 of the amount being covered by federal depository insurance, and \$103,266 collateralized under the pooling method.

2. Investments

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

2. Investments (continued)

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

At June 30, 2000 the County's investment balances were as follows:

	Categories		Reported Value	Fair Value
	A	B		
Repurchase Agreements	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Common Stock	3,764	-	3,764	9,037
	<u>\$ 3,764</u>	<u>\$ 1,500,000</u>		
North Carolina Capital Management Trust Cash portfolio			<u>2,761,036</u>	<u>2,761,036</u>
Total investments			<u>\$ 4,264,800</u>	<u>\$ 4,270,073</u>

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

At June 30, 2000, the ABC Board had no money in the above type investments.

At September 30, 1999, the Beaufort County Hospital's investments consisted of the following:

	Categories			1999	
	A	B	C	Cost Value	Market Value
Repurchase agreements	\$ 504,043	\$ -	\$ -	\$ 504,043	\$ 504,043
Commercial paper	-	500,000	-	500,000	500,000
Total	<u>\$ 504,043</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 1,004,043</u>	<u>\$ 1,004,043</u>

At June 30, 2000, Warren Field Commission had no money in the above type investments.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 362,876	\$ 118,842	\$ 481,718
1997	341,194	81,034	422,228
1998	353,927	52,204	406,131
1999	<u>367,940</u>	<u>21,157</u>	<u>389,097</u>
	<u>\$ 1,425,937</u>	<u>\$ 273,237</u>	<u>\$ 1,699,174</u>

4. Receivables - Allowance For Doubtful Accounts

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

<u>Fund</u>	<u>June 30, 2000</u>
Property taxes receivable	
General fund	\$ 390,000
Special revenue fund	10,848
Accounts receivable	
General fund	10,100
Enterprise fund	<u>186,652</u>
	<u>\$ 597,600</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$4,082,495.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

5. Changes in General Fixed Assets

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

	General Fixed Assets July 1, 1999	Additions and Discoveries	Retirements	Transfer	General Fixed Assets June 30, 2000
By Type					
Land	\$ 792,532	\$ 50,000	\$ -	\$ -	\$ 842,532
Buildings and improvements	4,387,020	-	-	6,682,836	11,069,856
Vehicles and equipment	4,391,984	534,489	288,474	-	4,637,999
Construction in progress	5,830,644	852,192	-	(6,682,836)	-
Total	<u>\$ 15,402,180</u>	<u>\$ 1,436,681</u>	<u>\$ 288,474</u>	<u>\$ -</u>	<u>\$ 16,550,387</u>
By Function					
General government	\$ 1,761,652	\$ 118,914	\$ 21,451	\$ 1,039,705	\$ 2,898,820
Public safety	3,245,078	327,293	227,980	-	3,344,391
Human services	3,996,975	89,529	22,632	4,729,887	8,793,759
Environmental protection	409,860	2,352	-	913,244	1,325,456
Economic development	157,971	46,401	16,411	-	187,961
Construction in progress	5,830,644	852,192	-	(6,682,836)	-
Total	<u>\$ 15,402,180</u>	<u>\$ 1,436,681</u>	<u>\$ 288,474</u>	<u>\$ -</u>	<u>\$ 16,550,387</u>
Reconciliation of additions:					
Capital outlay expenditures		\$ 584,489			
Capital Projects - construction in progress		<u>852,192</u>			
Total		<u>\$ 1,436,681</u>			

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

6. Proprietary Fund Fixed Assets

The fixed assets of the Water District I Fund at June 30, 2000 is as follows:

	Fixed Assets	Accumulated Depreciation	Net
Construction in process	\$ 413,552	\$ -	\$ 413,552

The fixed assets of the Water District II Fund at June 30, 2000 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 4,549,677	\$ 419,472	\$ 4,130,205
Furniture & maintenance equipment	58,662	35,575	23,087
Vehicles	26,251	19,118	7,133
Total	<u>\$ 4,634,590</u>	<u>\$ 474,165</u>	<u>\$ 4,160,425</u>

The fixed assets of the Water District III Fund at June 30, 2000 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Land	\$ 2,000	\$ -	\$ 2,000
Plant and distribution system	5,766,393	395,927	5,370,466
Furniture & maintenance equipment	35,957	15,586	20,371
Vehicles	20,333	10,534	9,799
Construction in progress	113,945	-	113,945
Total	<u>\$ 5,938,628</u>	<u>\$ 422,047</u>	<u>\$ 5,516,581</u>

The fixed assets of the Water District IV Fund at June 30, 2000 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 89,943	\$ -	\$ 89,943
Furniture & maintenance equipment	26,852	8,101	18,751
Construction in progress	10,900,863	-	10,900,863
Total	<u>\$ 11,017,658</u>	<u>\$ 8,101</u>	<u>\$ 11,009,557</u>

The fixed assets of the Water District V Fund at June 30, 2000 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant and distribution system	\$ 1,529,759	\$ -	\$ 1,529,759
Furniture & maintenance equipment	7,313	4,048	3,265
Construction in progress	6,358,516	-	6,358,516
Total	<u>\$ 7,895,588</u>	<u>\$ 4,048</u>	<u>\$ 7,891,540</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

6. Proprietary Fund Fixed Assets

The fixed assets of the Water District VI Fund at June 30, 2000 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant and distribution system	\$ 512,023	\$ -	\$ 512,023

The fixed assets of the Water District VII Fund at June 30, 2000 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Maintenance equipment	\$ 21,973	\$ 6,451	\$ 15,522
Construction in progress	7,383,762	-	7,383,762
	<u>\$ 7,405,735</u>	<u>\$ 6,451</u>	<u>\$ 7,399,284</u>

The following is a summary of proprietary fund type fixed assets for the ABC Board at June 30, 2000:

Land	\$ 147,594		
Buildings	470,053		
Furniture and equipment	236,464		
Vehicles	19,614		
Total	<u>873,725</u>		
Less accumulated depreciation	<u>(484,674)</u>		
Fixed assets, net	<u>\$ 389,051</u>		

The following is a summary of fixed assets for Beaufort County Hospital at September 30, 1999.

Land and improvements	\$ 1,676,331		
Buildings	10,629,143		
Equipment	9,634,490		
Equipment under capital lease	1,842,449		
Construction in progress	609,376		
Total	<u>24,391,789</u>		
Less accumulated depreciation	<u>(14,817,409)</u>		
Fixed assets, net	<u>\$ 9,574,380</u>		

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

A. Assets (continued)

The following is a summary of fixed assets for Warren Field Airport Commission at June 30, 2000.

Land and easement	\$	497,226
Terminal building		465,859
Clearing and excavation		2,730
Lighting		2,593,033
Fuel tanks and pumps		43,537
Equipment		347,710
Construction in progress		77,970
Total		4,028,065
Less accumulated depreciation		(2,706,134)
Fixed assets, net	\$	1,321,931

7. Installment obligation receivable

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

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

For Beaufort County the receivable as of June 30, 2000 including \$537,162 of interest is:

Year Ending June 30,	Installment Receivable
2001	\$ 166,003
2002	166,003
2003	166,003
2004	166,003
2005	166,003
Thereafter	1,162,021
Total	\$ 1,992,036

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.96% and 4.47%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 5.10% and 4.47%, respectively of annual covered payroll. The contribution requirements of members and of Beaufort County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2000, 1999, and 1998 were \$329,295, \$358,031, and \$347,026, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2000 was \$14,153. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description.

Beaufort County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

b. Law Enforcement Officers Special Separation Allowance (continued)

(1) Plan Description. (continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 1999, the Separation Allowance's membership consisted of:

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

(2) Summary of Significant Accounting Policies:

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

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

(3) Contributions.

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

b. Law Enforcement Officers Special Separation Allowance (continued)

(3) Contributions. (continued)

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

Annual required contribution	\$	23,713
Interest on net pension obligation		4,758
Adjustment to annual required contribution		<u>(5,966)</u>
Annual pension cost		22,501
Contributions made		<u>22,900</u>
Increase (decrease) in net pension obligation		(399)
Net pension obligation beginning of year		<u>65,178</u>
Net pension obligation end of year	\$	<u><u>65,178</u></u>

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/98	\$ 18,827	34.89%	\$ 65,631
6/30/99	17,402	100.31%	65,577
6/30/00	22,501	101.77%	65,178

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2000 were \$58,979, which consisted of \$58,979 from the County and \$4,650 from the law enforcement officers.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

d. Deferred Compensation Plan

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

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

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Beaufort County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2000, the County's required and actual contributions were \$8,547.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

f. Hospital Defined Contribution Employee Benefit Plans

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

Estimated contributions to the above plans for the fiscal year ended September 30, 1999 and 1998 have been accrued in the amounts of \$479,931 and \$374,910, respectively. Also, interest has been accrued at the rate of 7.5% annually. These amounts are included in employee benefits expense and retirement plan contributions payable. Funds will be transferred to a trust account after the plan and trust are established by approval of plan documents as noted above.

g. Beaufort County Hospital Pension Plan

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

g. Beaufort County Hospital Pension Plan (continued)

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

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

	<u>October 1 1997</u>
Actuarial present value of accumulated plan benefits	
Vested	\$ 4,805,662
Nonvested	48,259
Accumulated benefit obligation	<u>\$ 4,853,921</u>
Net assets available for benefits:	
Held by First Union National Bank invested Primarily in Evergreen Funds Balanced Portfolio:	<u>\$ 5,775,812</u>
Excess of net assets over accumulated benefits	<u>\$ 921,891</u>
Estimated Plan termination liability @ 5.2% and 6.5%	<u>\$ 6,668,000</u>

There was no expense charged to operations for benefits provided by this pension plan for the year ended September 30, 1999 and 1998.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

1. Pension Plan Obligations (continued)

In October 1999, the Hospital began distributing the retirement benefits accrued in the pension plan. Net assets available to pay benefits exceed the estimated accrued benefit of \$5,932,865.

h. Beaufort County Hospital Deferred Compensation Agreement

The Hospital entered into a deferred compensation agreement with Kenneth E. Ragland, the Chief Executive Officer of the Hospital. Mr. Ragland may elect to defer salary payments due to him under this agreement. These deferrals are credited to an Account on the records of the Hospital and are not transferred to any separate account for the benefit of Mr. Ragland. The Hospital agreed to credit this Account with \$7,500 each year until Mr. Ragland's employment terminates. The Hospital also agreed to match salary deferrals by Mr. Ragland in excess of \$5,000 annually, up to \$5,000, for a maximum credit by the Hospital of \$12,500. The Account is also credited with earnings computed at the average rate being received by the Hospital on certificates of deposit. Mr. Ragland can receive payments from this Account after his employment terminates at age sixty-five. If he voluntarily resigns before attaining the age of sixty-five for any reason other than death or disability, all rights to this Account shall forfeit. The balance in this account at September 30, 1999 of \$72,785 is included in accrued liabilities on the balance sheet. Annual increases are included in employee benefits expense.

i. Warren Field Airport Commission

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

2. Postemployment Health Care Benefits - Beaufort County

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

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

State and federal laws and regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$335,993 reported as landfill postclosure care liability at June 30, 2000 represents a cumulative amount reported to date. These amounts are based on what it would cost to perform all postclosure care in 1994. Beaufort County closed the facility in the year 1994. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

4. Deferred Revenue

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

	General	Special Fund Revenue	Fund Total
Property taxes receivable	\$ 1,991,272	\$ 107,702	\$ 2,098,974
Prepaid taxes	123,780	4,712	128,492
Solid waste fees	547,299	-	547,299
Installment obligation receivable	1,454,874	-	1,454,874
Total	<u>\$ 4,117,225</u>	<u>\$ 112,414</u>	<u>\$ 4,229,639</u>

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

5. Commitments

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

The ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees. For the year ended June 30, 2000 \$0.00 was paid.

6. Risk Management

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

6. Risk Management (continued)

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

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

7. Long - Term Obligations

a. Capital Leases

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

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

Laboratory	\$ 176,460
Radiology	1,163,445
CCU	214,390
Telephone system	136,638
Obstetric	101,716
Patient rooms	49,800
	<u>1,842,449</u>
Less allowances for amortization	<u>1,586,234</u>
	<u>\$ 256,215</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

a. Capital Leases (continued)

Amortization of capital leases is included in depreciation and amortization expense. Future minimum payments, by year and in the aggregate, under the capital leases with initial or remaining terms of one year or more consist of the following at September 30, 1999:

2000		\$ 164,242
2001		137,956
2002		<u>8,731</u>
Total minimum lease payments		310,929
Amounts representing interest		<u>(29,234)</u>
Present value of net minimum lease payments		<u>\$ 281,695</u>

b. General Obligations Indebtedness

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

b. General Obligations Indebtedness (continued)

The County's general obligation bonds payable at June 30, 2000 are comprised of the following individual issues:

Serviced by the County's General fund.

\$2,000,000 1991 Community College Serial bonds, due on May 1 in installments ranging from \$50,000 to \$200,000 through May, 2009; interest Ranging from 6.4% to 6.5%	\$ 1,300,000
\$9,405,000 1998 Refunding bonds, due on February 1 in installments Ranging from \$1,095,000 to \$565,000 through February 2006; interest Ranging from 4.0% to 4.4%	5,235,000

Serviced by Water District II Long Acre West:

\$4,226,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$39,500 to \$158,000 through June 1, 2034; interest at 6.125%	4,055,500
\$434,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$4500 to \$18,000 through June 1, 2034; interest at 5.625%	416,000

Serviced by Water District III Long Acre East:

\$3,728,000 1998 Serial Bonds due in annual installments; beginning in 1998; of \$35,000 to \$140,000 through June 1, 2034; interest at 6.125%	3,578,000
\$381,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$4000 to \$16,000 through June 1, 2034; interest at 5.625%	365,000
\$1,304,000 1998 Water Serial Bond due in annual installments; beginning in 1999; of \$13,500 to \$54,000 through June 1, 2036; with interest only for 1998 and 1998; interest at 5.625%	1,276,500
\$197,000 1998 Water Serial Bond due in annual installments beginning in 1999; of \$2,500 to \$10,000 through June 1, 2036; with interest only for 1998 And 1998; interest at 5.375%	192,000

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

b. General Obligations Indebtedness (continued)

Serviced by Water District IV Bath:

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

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

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

Serviced by Water District V Pantego:

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

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

Serviced by Water District VII Richland:

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

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

TOTAL \$ 34,860,000

Annual debt service requirements to maturity for the County's general obligation bonds including interest of \$1,224,300 for General Long-Term Debt Account Group and \$33,554,558 for the Water Fund are as follows:

Year Ending June 30	Water Districts	General Long-Term Debt Account Group	Total
2001	\$ 1,788,601	\$ 1,385,275	\$ 3,173,876
2002	1,785,952	1,314,575	3,100,527
2003	1,784,545	1,248,920	3,033,465
2004	1,784,787	1,178,150	2,962,937
2005	1,783,550	1,112,520	2,896,070
Next 5 years	8,916,424	1,519,860	10,436,284
Thereafter	44,035,699	-	44,035,699
	<u>\$ 61,879,558</u>	<u>\$ 7,759,300</u>	<u>\$ 69,638,858</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations

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

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

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

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

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations (continued)

For Beaufort County, the future minimum payments as of June 30, 2000, including interest of \$895,483 for the General Long-Term Debt Account Group and \$370,491 for the Water Fund are as follows:

Year Ending June 30	Water Districts	General Long-Term Debt Account Group	Total
2001	\$ 97,918	\$ 1,173,302	\$ 1,271,220
2002	95,461	996,665	1,092,126
2003	93,003	949,240	1,042,243
2004	90,546	949,240	1,039,786
2005	88,088	949,240	1,037,328
Next 5 years	403,578	3,237,882	3,641,460
Thereafter	470,749	2,619,479	3,090,228
	<u>\$ 1,339,343</u>	<u>\$ 10,875,048</u>	<u>\$ 12,214,391</u>

The Hospital issued an installment note payable to NationsBank, N.A. on February 15, 1999. This note is payable in monthly installments of \$2,516.35 including interest at 4.75% annually. This note is secured by real estate located near the Hospital. The proceeds of this note were used for operating cash flow

The Hospital issued an installment not payable to NationsBank, N.A. on February 15, 1999. This note is payable in monthly installments of \$2,985.43 including interest at 6.75% annually. This note is secured by real estate located adjacent to the Hospital. The proceeds of this note were used for operating cash flow.

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

c. Installment Obligations (continued)

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

2000	\$ 136,640
2001	208,649
2002	114,673
2003	120,236
2004	126,082
Thereafter	<u>581,213</u>
Total payable	1,287,493
Less current maturities	<u>(136,640)</u>
Long-term portion	<u>\$ 1,150,853</u>

The following is a summary of changes in the County's general long-term debt for the fiscal year ended June 30, 2000:

	Balance July 1, 1999	Additions	Retirements	Balance June 30, 2000
By type				
General obligation bonds	\$ 7,640,000	\$ -	\$ 1,105,000	\$ 6,535,000
Capitalized leases	-	-	-	-
Installment purchase	3,744,725	5,000,000	753,063	7,991,662
Compensated absences	398,930	65,686	-	464,616
Landfill postclosure care	<u>335,993</u>	<u>-</u>	<u>146,650</u>	<u>189,343</u>
Total	<u>\$ 12,119,648</u>	<u>\$ 5,065,686</u>	<u>\$ 2,004,713</u>	<u>\$ 15,180,621</u>
By Function				
General government	\$ -	\$ -	\$ -	\$ -
Economic and physical development	-	-	-	-
Education	6,267,200	-	883,900	5,383,300
Human services	3,609,725	-	652,242	2,957,483
Environmental protection	335,993	-	146,650	189,343
Public safety	135,000	-	45,000	90,000
Compensated absences	398,930	65,686	-	464,616
Hospital	<u>1,372,800</u>	<u>5,000,000</u>	<u>276,921</u>	<u>6,095,879</u>
Total	<u>\$ 12,119,648</u>	<u>\$ 5,065,686</u>	<u>\$ 2,004,713</u>	<u>\$ 15,180,621</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

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

B. Liabilities (continued)

7. Long - Term Obligations (continued)

d. Capitalized Interest

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

Water District IV	\$ 177,416
Water District V	131,743
Total	<u>\$ 309,159</u>

At June 30, 2000, Beaufort County had a legal debt margin of \$159,146,657.

8. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2000 are as follows:

Due to/from primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government General Fund	Component unit: Beaufort County ABC Board Required distributions	\$ <u>21,053</u>

C. Fund Equity

Enterprise Funds - Contributed Capital

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

The following is a summary of the changes in the contributed capital of the County for the fiscal year ended June 30, 2000.

Sources	Water Districts
Beginning balance, July 1, 1999	\$ 7,140,161
Additions	1,223,886
Less Amortization	<u>-</u>
Ending balance, June 30, 2000	\$ <u>8,364,047</u>

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

D. INDUSTRIAL REVENUE BOND OUTSTANDING

An industrial revenue bond was issued on August 28, 1982 for \$22,700,000 through Beaufort County Facilities and Pollution Control Financing Authority to Texasgulf Inc. (now PCS Phosphate Company, Inc.). The Bond is to be repaid by PCS Phosphate Company, Inc. and is not shown on the County's financial statements. The outstanding balance on the industrial revenue bond at June 30, 2000 was \$22,700,000.

NOTE 3 RELATED ORGANIZATIONS

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

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

NOTE 4 JOINT VENTURES

The County participates in a joint venture to operate BHM Regional Library with three other local governments. Beaufort County appoints three board members to the nine-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2000. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$107,940 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library offices, at 158 North Market Street, Washington, NC 27889.

The County in conjunction with the State of North Carolina and the Beaufort County Board of Education, participates in a joint venture to operate the Beaufort County Community College. Each of the three participants appoints five members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities.

The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,000,000 and \$480,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2000. In addition, the County made debt service payments of \$100,000 during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2000. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 4 JOINT VENTURES (continued)

The County, in conjunction with four other counties, participates in the Tideland Mental Health Center. The County Commissioners appoint four members to the twenty-member board of the Center. In addition, one County Commissioner also serves on the Center's board. The Center, a multi-county public mental health authority, is a separate and distinct subdivision charged by State law with the responsibility of providing treatment for persons suffering from emotional, mental, or neurological handicaps and to provide services for drug and mental health prevention, treatment and rehabilitation services. The County contributed \$120,000 to the Center during fiscal year ended June 30, 2000. Complete financial statements for the Center can be obtained from the Center's administrative offices at 1308 Highland Drive, Washington, NC 27889.

NOTE 5 JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Commission (Commission). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's governing board. The County paid membership fees of \$12,047 to the Commission during the fiscal year ended June 30, 2000. The County was the subrecipient of a grant for \$374,702 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources which was passed through the Commission.

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

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

NOTE 7 PUBLIC SCHOOL BUILDING BOND ACT OF 1996

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

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

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

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

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

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Beaufort County requests bond funds by project to be transferred to an account established by Beaufort County Board of Education for payment of invoices. To date, the County has expended \$10,161,987 of their total allocation of \$11,585,308.

NOTE 8 SCHOOL FACILITIES FINANCE ACT OF 1987

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

1. Public School Building Capital Fund

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

The corporate income taxes deposited into the fund are allocated to Beaufort County on the basis of the average daily membership (ADM) for Beaufort County Board of Education as determined by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2000, the balance of the County's ADM allocation account was \$1,917,401. The County must match this balance on the basis of one dollar for every three dollars of State funds.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2000, the County had a balance in its disbursing account of \$0.00.

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

2. Critical School Facilities Needs Fund

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

Grants are awarded by the State Board of Education based on the grant priority list established in 1988 by the Commission on School Facility Needs. A joint application must be made by the Beaufort County Board of Commissioners and the Beaufort County Board of Education. At June 30, 2000, the Boards had not submitted a grant application to the Commission on School Facility Needs.

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 2000

NOTE 9 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

1. Federal and State Assisted Programs

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

2. Airport Contaminants

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

NOTE 10 MAJOR TAXPAYER

Beaufort County had property tax revenue from one taxpayer in 2000 of approximately \$2,491,797, which accounted for approximately 16 percent of net property tax levied.

NOTE 11 BUDGET-TO-GAAP RECONCILIATION

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

Special Revenue Fund	Excess of Revenues and Other Sources over (under) Expenditures and Other Uses
Per Exhibit 3 - Budgetary basis	\$ (152,241)
Timing difference	
Transactions of funds with multi-year budgets	
Revenues	1,565,916
Expenditures	(2,183,972)
Per Exhibit 2 - GAAP basis	\$ (770,297)

Beaufort County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2000

NOTE 12 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit in Retained Earnings

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

Water District II	\$ 111,299
Water District III	326,734

NOTE 13 BENEFIT PAYMENTS ISSUED BY THE STATE

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

1. Benefit Payments Issued by the State

	Federal	State
Food Stamp Program	\$ 4,747,934	\$ -
TANF Aid to Families with Dependent Children	1,328,582	-
Medical Assistance Program	25,446,946	12,909,887
Special Supplemental Food Program for Women, Infants and Children	889,619	-
Energy Assistance Payment	132,464	-
CWS Adopt Subsidy & Vendor	5,269	12,671
IV-E Adopt Subsidy & Vendor	105,475	31,490
Special Assistance - Aged and Disabled		422,922
IV-E Foster Care	108,154	28,916
State Foster Home	-	13,190
Community Based Alternatives	-	168,483

NOTE 14 FOUNTAIN POWER BOATS WATER/SEWER CONSTRUCTION PROJECT

Beaufort County (the County) and the City of Washington (the City) have agreed to provide water and sewer to Fountain Power Boats, Inc through a joint effort. The County applied for and received Industrial Development Fund Grants to construct the water and sewer lines necessary to complete this project. Upon completion the sewer line will be owned by the City and the water line will be owned by the County. The County has agreed to allow the City to use the water line to transport the City's water for a user fee of one dollar \$1.00 per annum, for a period of ninety-nine (99) years. This endeavor was undertaken in the interest of furthering economic development and the creation of new jobs. The construction costs are accounted for in the County's Construction in Progress fund rather than the Enterprise Fund.

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

EXHIBIT A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/91	-	68,172	68,172	0%	515,292	13.23%
12/31/92	-	72,119	72,119	0%	553,888	13.02%
12/31/93	-	87,049	87,049	0%	737,811	11.80%
12/31/94	-	90,208	90,208	0%	794,597	11.35%
12/31/95	-	113,791	113,791	0%	844,751	13.47%
12/31/96	-	126,204	126,204	0%	865,459	14.58%
12/31/97	-	114,269	114,269	0%	955,671	11.96%
12/31/98	-	167,493	167,493	0%	998,974	16.77%
12/31/99	-	151,963	151,963	0%	1,207,616	12.58%

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

EXHIBIT A-2

Year ended June 30	Annual Required Contribution	Percentage Contributed	Net Pension Obligation End of Year
1998	\$ 18,827	34.89%	\$ 65,631
1999	\$ 17,402	100.31%	\$ 65,557
2000	\$ 22,501	101.77%	\$ 65,178

Notes to the Required Schedules:

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

Valuation date	12/31/99
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed
Remaining amortization period	21 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	4.4 % to 8.5% per year
Includes inflation at	3.75%
Cost-of living adjustments	N/A

**INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

GENERAL FUND

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

Beaufort County, North Carolina
GENERAL FUND
COMPARATIVE BALANCE SHEET
 June 30, 2000
 With Comparative Totals for June 30, 2000

EXHIBIT B-1

	June 30, 2000	June 30, 1999
ASSETS		
Cash and investments	\$ 4,852,432	\$ 7,281,781
Receivables:		
Taxes	1,991,272	1,765,130
Accounts	2,949,876	2,489,130
Due from other funds	2,495,429	1,361,321
Due from component unit	21,053	19,600
Installment obligation receivable		
Current	90,350	85,884
Noncurrent	1,364,524	1,454,874
Total assets	\$ 13,764,936	\$ 14,457,720
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,490,837	\$ 740,788
Due to other funds	395,477	20,154
Deferred revenues	4,117,225	4,026,110
Total liabilities	6,003,539	4,787,052
Fund balances:		
Reserved by state statute	5,466,358	3,870,051
Unreserved:		
Designated for subsequent year's expenditures	274,551	1,757,831
Undesignated	2,020,488	4,042,786
Total fund balances	7,761,397	9,670,668
Total liabilities and fund balances	\$ 13,764,936	\$ 14,457,720

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 1 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes				
Current year	\$ 14,726,776	\$ 14,952,378		\$ 13,742,361
Prior years	799,000	710,581		712,007
Interest and penalties	201,500	225,774		237,395
Total	<u>15,727,276</u>	<u>15,888,733</u>	<u>161,457</u>	<u>14,691,763</u>
Local option sales tax				
Article 39 one percent	2,728,000	3,009,528		2,731,975
Article 40 one-half of one percent	1,766,000	1,851,211		1,775,977
Article 42 one-half of one percent	1,766,000	1,835,967		1,761,884
Total	<u>6,260,000</u>	<u>6,696,706</u>	<u>436,706</u>	<u>6,269,836</u>
Other taxes and licenses				
Documentary stamps	110,000	98,033		96,709
Scrap tire disposal tax	35,000	39,745		38,979
White goods disposal tax	38,000	17,582		35,891
Privilage licenses	10,000	9,861		10,448
E911 wireless surcharge	-	93,058		-
Animal tax	-	186		165
Total	<u>193,000</u>	<u>258,465</u>	<u>65,465</u>	<u>182,192</u>
Restricted intergovernmental				
Federal and state grants	8,796,621	7,678,052		5,820,849
NC United Way/Governors fund - Floyd relie	761,124	627,909		
Court facility fees / court costs	168,000	219,317		158,835
Tideland loan reimbursement	166,004	166,003		166,003
Hospital loan reimbursement	120,394	120,393		-
ABC education / rehabilitation distribution	1,200	287		842
ABC bottle tax distributions	15,000	13,788		13,716
Total	<u>10,028,343</u>	<u>8,825,749</u>	<u>(1,202,594)</u>	<u>6,160,245</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 2 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Unrestricted intergovernmental				
Intangibles tax	515,000	512,715		513,272
Beer and wine tax	120,000	124,553		122,269
Sales and gas tax refunds	10,000	31,757		29,253
Senior citizens exemption	30,000	27,245		38,514
Food stamp tax reimbursement	45,000	58,264		43,686
Inventories tax reimbursement	825,000	807,803		808,813
Floyd-tax revenue loss	-	13,660		-
Total	1,545,000	1,575,997	30,997	1,555,807
Permits and fees				
Building inspection	140,000	142,970		141,709
Register of Deeds	187,000	177,021		182,598
Total	327,000	319,991	(7,009)	324,307
Sales and services				
Patient fees - Nursing Home	1,200,000	905,531		977,108
Patient fees - Health Department	92,100	69,605		65,972
CAP - medicaid fees	349,750	334,079		230,838
Personal care - medicaid fees	219,420	249,874		194,594
Rescue squad	60,000	18,617		35,037
Prisoners' reimbursement	60,000	40,562		85,761
Vending concessions	15,000	12,655		9,253
Rents of public building	110,000	105,265		78,056
Environmental fees	59,720	44,210		61,567
Landfill fees / charges	2,732,000	2,349,358		2,340,608
Cable TV franchise fees	55,000	66,789		45,314
Candidate filing fees	6,000	1,651		-
Collection fees - town taxes	65,000	60,505		58,596
Sheriff's fees	68,418	68,954		34,159
Animal control fees	6,000	5,566		3,700
School resource officer	-	52,148		30,601
Total	5,098,408	4,385,369	(713,039)	4,251,164

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 3 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Investment earnings	400,000	388,374	(11,626)	494,893
Miscellaneous				
Sale of fixed assets	-	8,670		-
Donations & contributions	22,050	21,370		22,614
Insurance claims & reimbursements	93,536	167,654		26,698
Hospital share of service	18,000	11,843		14,169
Reimbursement from VFDs	100,000	64,236		76,028
IV-D travel	36,000	-		13,061
DWI fines - Safe Roads Act	7,837	7,815		1,839
Other	241,056	140,621		215,112
Total	518,479	422,209	(96,270)	369,521
 Total revenues	 40,097,506	 38,761,593	 (1,335,913)	 34,299,728
Expenditures:				
General Government				
Governing body	81,980	76,130		82,224
County manager	466,782	454,730		479,223
Elections	159,110	127,214		130,826
Finance	214,932	216,757		184,398
Tax assessor	873,205	799,869		677,948
Legal	55,257	54,116		26,183
Register of deeds	207,593	186,198		203,630
Public buildings	951,719	875,480		658,299
Court facilities	193,766	173,197		176,986
Tax collector	268,952	258,579		235,120
Land records	351,463	293,162		215,096
Total general government	3,824,759	3,515,432	309,327	3,069,933

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 4 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Public Safety				
Sheriff	2,273,492	2,195,227		1,788,813
Jail	986,099	885,046		878,704
Emergency communications	312,480	311,243		289,784
Emergency management	66,194	65,968		62,796
Fire protection	117,956	103,023		98,111
Inspections	199,440	197,827		168,360
Ambulance / Rescue service	242,760	214,001		255,653
Animal control	114,935	109,335		100,360
Medical examiner	36,000	27,600		19,550
Total public safety	<u>4,349,356</u>	<u>4,109,270</u>	240,086	<u>3,662,131</u>
Economic and physical development				
Economic development	242,828	238,074		185,810
Agricultural extension	230,411	211,637		173,302
Soil / water conservation	85,834	83,393		66,767
Total economic and physical development	<u>559,073</u>	<u>533,104</u>	25,969	<u>425,879</u>
Human services				
Health				
Administration - general	805,575	815,916		547,714
Aids control	49,571	24,534		25,941
TB program	67,055	37,963		44,859
Immunization	104,535	71,253		64,637
Health promotion	123,089	72,154		78,055
Child health	85,147	54,513		66,317
Maternal health	222,081	195,563		212,689
WIC - Administration	170,227	181,641		177,174
Environmental health	34,514	23,585		10,114
Family planning	258,062	218,778		221,660
Other health programs	98,743	74,980		78,284
Total health	<u>2,018,599</u>	<u>1,770,880</u>	247,719	<u>1,527,444</u>

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 5 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Mental health				
General appropriation	120,000	120,000		120,440
Alcohol rehab	24,000	24,000		24,000
Total mental health	144,000	144,000	-	124,440
Mental retardation				
Beaufort County Development Center	95,000	95,000		95,000
N.C. Elderly handicapped transportation	32,717	32,717		17,435
Total mental retardation	127,717	127,717	-	112,435
Social services				
Administration	3,889,915	3,676,646		3,328,920
State In-Home Aging Services	312,776	255,824		297,159
AFDC program	5,000	1,399		640
Day care	2,007,246	1,968,731		1,587,201
Medical assistance	2,648,296	2,513,361		2,230,798
Other assistance	2,416,491	2,005,809		114,389
County provided services	6,577	4,227		4,916
Transportation - elderly	28,690	31,682		37,550
Child support enforcement	936,000	717,687		799,245
Aid to the blind program	19,774	16,869		15,381
Special assistance	487,965	431,691		404,021
Foster care	46,745	16,590		22,330
Work first program	180,135	83,290		83,175
Total support services	12,985,610	11,723,806	1,261,804	8,955,725
Other human services				
County home	1,238,886	1,089,453		1,089,980
Veterans services	32,454	30,715		26,486
Youth services	205,535	191,576		148,217
Total other human services	1,476,875	1,311,744	165,131	1,264,683
Total human services	16,752,801	15,078,147	1,674,654	12,054,727

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 6 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Culture and recreation				
Recreation	42,567	42,562		38,132
Libraries	116,740	116,740		111,800
Special appropriations	81,900	44,352		33,900
Total culture and recreation	241,207	203,654	37,553	183,832
Education				
Public schools - current	7,000,000	7,000,000		6,743,500
Public schools - capital outlay	1,400,000	1,400,000		1,569,706
Community colleges - current	1,000,000	1,000,000		976,509
Community colleges - capital outlay	480,000	480,000		340,000
Total education	9,880,000	9,880,000	-	9,629,715
Environmental protection				
Solid waste	3,749,425	3,597,542	151,883	3,390,482
Debt service				
Bond principle	1,159,402	1,159,402		1,125,000
Note principle - DSS building	333,500	332,654		320,769
Note principle - VFD radio system	45,000	45,000		45,000
Note principle - Health Department	233,240	233,132		215,209
Note principle - Tideland renovation	86,000	85,884		81,639
Telephone lease	2,400	2,257		2,294
Interest	596,467	590,170		608,108
Fees and commissions	17,600	-		25
Total debt service	2,473,609	2,448,499	25,110	2,398,044
Contingency	15,778	-	15,778	-
Total expenditures	41,846,008	39,365,648	2,480,360	34,814,743

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT B-2
 Page 7 of 7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue over (under) expenditures	(1,748,502)	(604,055)	1,144,447	(515,015)
Other financing sources (uses)				
Operating transfers from (to) other funds				
Capital Projects	-	1,514	1,514	-
Capital Projects	(493,170)	(493,170)	-	-
Capital Reserve	120,000	120,000	-	-
Water Districts	(875,000)	(875,000)	-	(700,000)
Special revenue fund	(10,000)	-	10,000	-
Special revenue fund - CDBG	-	343	343	-
Operating transfer from component unit	70,000	70,426	426	66,375
Operating transfer to component unit	(129,329)	(129,329)	-	(20,000)
Total other financing sources (uses)	(1,317,499)	(1,305,216)	12,283	(653,625)
Revenues and other sources over (under) expenditures and other uses	(3,066,001)	(1,909,271)	1,156,730	(1,168,640)
Appropriated fund balance	3,066,001	-	(3,066,001)	-
Revenues, other sources, and appropriated fund balance over (under) expenditures and other	\$ -	(1,909,271)	\$ (1,909,271)	(1,168,640)
Fund balance, beginning of year		9,670,668		10,839,308
Fund balance, end of year		\$ 7,761,397		\$ 9,670,668

SPECIAL REVENUE FUNDS

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

Beaufort County, North Carolina
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
 June 30, 2000
 With Comparative Totals for June 30, 1999

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service
ASSETS						
Cash and investments	\$ 11,701	\$ 251,697	\$ -	\$ 179,383	\$ 300,245	\$ 56,717
Receivables:						
Property taxes receivable	-	-	14,313	93,390	-	-
Accounts receivable	-	2,096	-	1,116	-	20,986
Due from other funds	-	48	352	385,204	-	-
Total assets	\$ 11,701	\$ 253,841	\$ 14,665	\$ 659,093	\$ 300,245	\$ 77,703
LIABILITIES AND EQUITY						
Liabilities						
Accounts payable	\$ -	\$ 31,182	\$ 30	\$ 189,629	\$ -	\$ 35
Due to other funds	-	170,247	322	371,363	-	-
Deferred revenue	-	-	14,313	98,101	-	-
Total liabilities	-	201,429	14,665	659,093	-	35
Equity (deficit)						
Reserved by state statute	-	2,144	-	-	-	20,986
Unreserved	11,701	50,268	-	-	300,245	56,682
Total	11,701	52,412	-	-	300,245	77,668
Total liabilities and equity	\$ 11,701	\$ 253,841	\$ 14,665	\$ 659,093	\$ 300,245	\$ 77,703

EXHIBIT C-1

CDBG Grant	NC Housing Finance Agency	Hazard Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals	
						June 30, 2000	June 30, 1999
\$ -	\$ 1,247	\$ -	\$ 109	\$ 3,982	\$ 471,443	\$ 1,276,524	\$ 1,377,317
-	-	-	-	-	-	107,703	95,081
-	-	-	-	-	-	24,198	56,105
-	-	-	-	-	-	385,604	37,710
<u>\$ -</u>	<u>\$ 1,247</u>	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ 3,982</u>	<u>\$ 471,443</u>	<u>\$ 1,794,029</u>	<u>\$ 1,566,213</u>
\$ -	\$ 2,177	\$ 76,703		\$ -	\$ -	\$ 299,756	\$ 209,162
-	-	681,331	-	-	38,052	1,261,315	363,268
-	-	-	-	-	-	112,414	102,942
-	2,177	758,034	-	-	38,052	1,673,485	675,372
-	-	-	-	-	-	23,130	25,605
-	(930)	(758,034)	109	3,982	433,391	97,414	865,236
-	(930)	(758,034)	109	3,982	433,391	120,544	890,841
<u>\$ -</u>	<u>\$ 1,247</u>	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ 3,982</u>	<u>\$ 471,443</u>	<u>\$ 1,794,029</u>	<u>\$ 1,566,213</u>

Beaufort County, North Carolina
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS**
 For the Fiscal Year Ended June 30, 2000
 With Comparative Totals for the Fiscal Year Ended June 30, 1999

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service
Revenue:						
Ad valorem taxes	\$ -	\$ -	\$ 1,061	\$ 667,915	\$ 8,683	\$ 229,690
Intergovernmental	-	168,629	-	-	-	-
Investment earnings	-	2,232	-	-	-	-
Other	-	1,756	-	-	-	-
Total revenue	-	172,617	1,061	667,915	8,683	229,690
Expenditures:						
Public safety	-	-	-	667,915	-	200,073
Economic & physical development	-	201,449	-	-	-	-
Education	-	-	1,061	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	-	201,449	1,061	667,915	-	200,073
Revenue over (under) expenditures	-	(28,832)	-	-	8,683	29,617
Other financing sources (uses)						
Operating transfers in	-	-	-	-	139,048	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	139,048	-
Revenue and other financing sources over (under) expenditures and other financing uses	-	(28,832)	-	-	147,731	29,617
Fund balance (deficit)						
Beginning of year	11,701	81,244	-	-	152,514	48,051
End of year	\$ 11,701	\$ 52,412	\$ -	\$ -	\$ 300,245	\$ 77,668

EXHIBIT C-2

CDBG Grant	NC Housing Finance Agency	Hazard Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals June 30, 2000	Totals June 30, 1999
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 907,349	\$ 632,293
-	784	1,090,995	474,137	-	-	1,734,545	2,080,099
-	-	-	-	-	38,124	40,356	44,725
-	-	-	-	-	-	1,756	-
-	784	1,090,995	474,137	-	38,124	2,684,006	2,757,117
-	-	-	-	-	-	867,988	761,426
-	7,167	1,726,037	434,788	15,980	-	2,385,421	2,050,858
-	-	-	-	-	-	1,061	1,031
-	-	-	-	-	-	-	61,724
-	7,167	1,726,037	434,788	15,980	-	3,254,470	2,875,039
-	(6,383)	(635,042)	39,349	(15,980)	38,124	(570,464)	(117,922)
-	-	-	(240,000)	240,000	241,462	380,510	-
(343)	-	-	-	-	(580,000)	(580,343)	-
(343)	-	-	(240,000)	240,000	(338,538)	(199,833)	-
(343)	(6,383)	(635,042)	(200,651)	224,020	(300,414)	(770,297)	(117,922)
343	5,453	(122,992)	200,760	(220,038)	733,805	890,841	1,008,763
\$ -	\$ (930)	\$ (758,034)	\$ 109	\$ 3,982	\$ 433,391	\$ 120,544	\$ 890,841

Beaufort County, North Carolina
REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT C-3

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ -	\$ -	\$ 295
Expenditures:	-	-	-	-
Revenue over (under) expenditures	-	-	-	295
Other financing sources (uses)				
Transfers from other funds	-	-		-
Transfers to other funds	-	-		-
Total other financing sources (uses)	-	-	-	-
Revenue and other sources over (under) expenditures and other (uses)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	295
Fund balance, beginning of year		<u>11,701</u>		<u>11,406</u>
Fund balance, end of year		<u>\$ 11,701</u>		<u>\$ 11,701</u>

Beaufort County, North Carolina
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June, 30, 2000

EXHIBIT C-4

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Restricted intergovernmental				
Beaufort County appropriation	\$ 92,863	\$ 92,650	\$ (213)	
Washington appropriation	75,979	75,979	-	168,644
Investment earnings	-	2,232	2,232	1,764
Other income	1,500	1,756	256	-
Total revenue	<u>170,342</u>	<u>172,617</u>	<u>2,275</u>	<u>170,408</u>
Expenditures:				
Economic and physical development	<u>220,342</u>	<u>201,449</u>	<u>18,893</u>	<u>137,897</u>
Revenue over expenditures	(50,000)	(28,832)	21,168	32,511
Fund balance appropriated	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Revenue over (under) expenditures and fund balance appropriated	<u>\$ -</u>	<u>(28,832)</u>	<u>\$ (28,832)</u>	<u>32,511</u>
Fund balances				
Beginning of year		<u>32,511</u>		<u>48,733</u>
End of year		<u>\$ 3,679</u>		<u>\$ 32,511</u> <u>81,244</u>

Beaufort County, North Carolina
WASHINGTON ADMINISTRATIVE UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT C-5

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes	\$ 1,800	\$ 1,061	\$ (739)	\$ 1,031
Expenditures:				
Education				
School current expense	1,800	1,061	(739)	1,031
Revenue over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
FIRE TAX DISTRICTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT C-6

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Ad valorem taxes	\$ 705,500	\$ 667,915	\$ (37,585)	\$ 631,262
Expenditures:				
Public Safety				
Contracted services	705,500	667,915	37,585	631,262
Revenue over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
ARBITRAGE RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT C-7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ 8,683	\$ 8,683	\$ 7,338
Expenditures:	-	-	-	-
Revenue over expenditures	-	8,683	8,683	7,338
Operating transfer in	-	139,048	139,048	-
Revenue and transfers over expenditures	<u>\$ -</u>	<u>147,731</u>	<u>\$ 147,731</u>	7,338
Fund balances				
Beginning of year		<u>152,514</u>		<u>145,176</u>
End of year		<u>\$ 300,245</u>		<u>\$ 152,514</u>

Beaufort County, North Carolina
E911 SURCHARGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

EXHIBIT C-8

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Restricted Intergovernmental				
E911 Surcharge	\$ 260,000	\$ 229,690	\$ (30,310)	\$ 215,948
Expenditures:				
Public safety				
E911 service	204,517	181,346	23,171	120,147
Capital outlay	55,483	18,727	36,756	10,017
Debt service				
Note principle	-	-	-	60,593
Interest	-	-	-	1,131
Total expenditures	<u>260,000</u>	<u>200,073</u>	<u>59,927</u>	<u>191,888</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>29,617</u>	<u>\$ (90,237)</u>	<u>24,060</u>
Fund balance, beginning of year		<u>48,051</u>		<u>23,991</u>
Fund balance, end of year		<u>\$ 77,668</u>		<u>\$ 48,051</u>

Beaufort County, North Carolina
COMMUNITY DEVELOPMENT BLOCK GRANT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2000

EXHIBIT C-9

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted Intergovernmental revenue:					
Community developmnet block grant	\$ 850,000	\$ 793,376	\$ -	\$ 793,376	\$ (56,624)
Martin County Community Action	19,200	-	-	-	(19,200)
Local funds	60,000	60,000	-	60,000	-
Total revenues	<u>929,200</u>	<u>853,376</u>	<u>-</u>	<u>853,376</u>	<u>(75,824)</u>
Expenditures:					
Economic and physical development	<u>1,098,857</u>	<u>1,023,033</u>	<u>-</u>	<u>1,023,033</u>	<u>75,824</u>
Revenue over (under) expenditures	(169,657)	(169,657)	-	(169,657)	-
Other financing sources (uses)					
Operating transfer from Disaster Relief	170,000	170,000	-	170,000	-
Operating transfer to General fund	(343)	-	(343)	(343)	-
	<u>169,657</u>	<u>170,000</u>	<u>(343)</u>	<u>169,657</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and uses	<u>\$ -</u>	<u>\$ 343</u>	<u>(343)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances					
Beginning of year			<u>343</u>		
End of year			<u>\$ -</u>		

Beaufort County, North Carolina
NC HOUSING FINANCE AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2000

EXHIBIT C-10

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 300,000	\$ 282,830	\$ 784	\$ 283,614	\$ (16,386)
Expenditures:					
Economic and physical development	315,000	292,377	7,167	299,544	15,456
Revenue over (under) expenditures	(15,000)	(9,547)	(6,383)	(15,930)	(930)
Other financing sources (uses)					
Operating transfer from general fund	15,000	15,000	-	15,000	-
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 5,453</u>	(6,383)	<u>\$ (930)</u>	<u>\$ (930)</u>
Fund balances					
Beginning of year			<u>\$ 5,453</u>		
End of year			<u>(930)</u>		

Beaufort County, North Carolina
HAZARD MITIGATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2000

EXHIBIT C-11

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 1,931,349	\$ 342,456	\$ 853,960	\$ 1,196,416	\$ (734,933)
State grants	1,017,299	117,980	237,035	355,015	(662,284)
Total revenue	<u>2,948,648</u>	<u>460,436</u>	<u>1,090,995</u>	<u>1,551,431</u>	<u>(1,397,217)</u>
Expenditures:					
Economic and physical development	<u>2,948,648</u>	<u>583,428</u>	<u>1,726,037</u>	<u>2,309,465</u>	<u>639,183</u>
Revenue over (under) expenditures	<u>-</u>	<u>\$ (122,992)</u>	<u>(635,042)</u>	<u>\$ (758,034)</u>	<u>\$ (758,034)</u>
Fund balance (deficit)					
Beginning of year			<u>(122,992)</u>		
End of year			<u>\$ (758,034)</u>		

Beaufort County, North Carolina
DISASTER RELIEF INITIATIVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2000

EXHIBIT C-12

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 1,421,128	\$ 588,671	\$ 474,137	\$ 1,062,808	\$ (358,320)
Expenditures:					
Economic and physical development	1,421,128	217,911	434,788	652,699	768,429
Revenue over expenditures	-	370,760	39,349	410,109	410,109
Other financing sources (uses):					
Transfer to other funds	(250,000)	(170,000)	(240,000)	(410,000)	160,000
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ (250,000)</u>	<u>\$ 200,760</u>	(200,651)	<u>\$ 109</u>	<u>\$ 570,109</u>
Fund balance (deficit)					
Beginning of year			<u>200,760</u>		
End of year			<u>\$ 109</u>		

Beaufort County, North Carolina
STATE DISASTER RELIEF INITIATIVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2000

EXHIBIT C-13

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenue:					
Restricted intergovernmental revenue:					
Emergency management grant	\$ 850,000	\$ 603,456	\$ -	\$ 603,456	\$ (246,544)
Expenditures:					
Economic and physical development	850,000	823,494	15,980	839,474	10,526
Revenue over (under) expenditures	-	(220,038)	(15,980)	(236,018)	(236,018)
Other financing sources (uses):					
Transfer from HUD DRI grant fund	250,000	-	240,000	240,000	(10,000)
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ 250,000</u>	<u>\$ (220,038)</u>	224,020	<u>\$ 3,982</u>	<u>\$ (246,018)</u>
Fund balance (deficit)					
Beginning of year			<u>(220,038)</u>		
End of year			<u>\$ 3,982</u>		

Beaufort County, North Carolina
CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

EXHIBIT C-14

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue:				
Investment earnings	\$ -	\$ 38,124	\$ 38,124	\$ 35,328
Expenditures:	-	-	-	-
Revenue over expenditures	-	38,124	38,124	35,328
Other financing sources (uses):				
Transfer from other funds	-	241,462	241,462	-
Transfer to other funds	(580,000)	(580,000)	-	-
Fund balance appropriated	580,000	-	(580,000)	-
Total other financing sources (uses)	-	(338,538)	(338,538)	-
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>(300,414)</u>	<u>\$ (300,414)</u>	35,328
Fund balances				
Beginning of year		<u>733,805</u>		<u>698,477</u>
End of year		<u>\$ 433,391</u>		<u>\$ 733,805</u>

CAPITAL PROJECTS FUND

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

Beaufort County, North Carolina
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
 June 30, 2000
 With Comparative Totals for June 30, 1999

	County Buildings Renovation	Health Department	BCCC Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Total assets	\$ -	\$ -	\$ -
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Equity (deficit)			
Reserved by state statute	-	-	-
Designated for subsequent year	-	-	-
Total	-	-	-
Total liabilities and equity	\$ -	\$ -	\$ -

EXHIBIT D-1

Tideland Mental Health Center Expansion	Farm Services Administration Building	Fountain Power Boats Water/Sewer	Hospital Renovations	Totals	
				June 30, 2000	June 30, 1999
\$ -	\$ -	\$ 3,300	\$ 4,259,031	\$ 4,262,331	\$ 329,038
-	-	-	-	-	1,514
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ 4,259,031</u>	<u>\$ 4,262,331</u>	<u>\$ 330,552</u>
\$ -	\$ -	\$ 3,300	\$ 204,609	\$ 207,909	\$ 23,000
-	-	-	-	-	38,052
-	-	3,300	204,609	207,909	61,052
-	-	-	-	-	1,514
-	-	-	4,054,422	4,054,422	267,986
-	-	-	4,054,422	4,054,422	269,500
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ 4,259,031</u>	<u>\$ 4,262,331</u>	<u>\$ 330,552</u>

Beaufort County, North Carolina
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2000

With Comparative Totals for the Fiscal Year Ended June 30, 1999

	County Buildings Revaluation	Health Department	BCCC Fund
Revenue:			
Intergovernmental	\$ -	\$ -	\$ -
Investment earnings	-	-	7,489
Other	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>7,489</u>
Expenditures:			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,489</u>
Other financing sources (uses)			
Proceeds from long-term debt	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(1,588)	(2,878)	(139,048)
Total other financing sources (uses)	<u>(1,588)</u>	<u>(2,878)</u>	<u>(139,048)</u>
Revenue and other financing sources over (under) expenditures and other financing uses	(1,588)	(2,878)	(131,559)
Fund balance (deficit)			
Beginning of year	<u>1,588</u>	<u>2,878</u>	<u>131,559</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tideland Mental Health Center Expansion	Farm Services Administration Building	Fountain Power/Boats Water/Sewer	Hospital Renovations	Totals June 30, 2000	Totals June 30, 1999
\$ -	\$ -	\$ 655,544	\$ -	\$ 655,544	\$ 177,016
4,057	-	-	100,833	112,379	12,341
-	-	-	-	-	-
<u>4,057</u>	<u>-</u>	<u>655,544</u>	<u>100,833</u>	<u>767,923</u>	<u>189,357</u>
<u>-</u>	<u>852,192</u>	<u>655,544</u>	<u>1,046,411</u>	<u>2,554,147</u>	<u>863,675</u>
<u>4,057</u>	<u>(852,192)</u>	<u>-</u>	<u>(945,578)</u>	<u>(1,786,224)</u>	<u>(674,318)</u>
-	-	-	5,000,000	5,000,000	-
-	953,170	-	-	953,170	-
<u>(198,584)</u>	<u>(39,926)</u>	<u>-</u>	<u>-</u>	<u>(382,024)</u>	<u>-</u>
<u>(198,584)</u>	<u>913,244</u>	<u>-</u>	<u>5,000,000</u>	<u>5,571,146</u>	<u>-</u>
<u>(194,527)</u>	<u>61,052</u>	<u>-</u>	<u>4,054,422</u>	<u>3,784,922</u>	<u>(674,318)</u>
<u>194,527</u>	<u>(61,052)</u>	<u>-</u>	<u>-</u>	<u>269,500</u>	<u>943,818</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,054,422</u>	<u>\$ 4,054,422</u>	<u>\$ 269,500</u>

Beaufort County, North Carolina
CAPITAL PROJECT FUND - COUNTY BUILDINGS RENOVATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-3

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Year	Current Year		
Revenue:					
Investment earnings	\$ 1,158	\$ 1,158	\$ -	\$ 1,158	\$ -
Expenditures:					
Architect	11,835	11,835	-	11,835	-
Construction	1,027,870	1,027,870	-	1,027,870	-
Contingency	-	-	-	-	-
Total expenditures	<u>1,039,705</u>	<u>1,039,705</u>	<u>-</u>	<u>1,039,705</u>	<u>-</u>
Revenues under expenditures	<u>(1,038,547)</u>	<u>(1,038,547)</u>	<u>-</u>	<u>(1,038,547)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to general fund	(1,514)	-	(1,514)	(1,514)	-
Transfer to capital reserve	(74)	-	(74)	(74)	-
Transfer from DSS capital project	58,182	58,182	-	58,182	-
Transfer from capital reserve	355,784	355,784	-	355,784	-
Transfer from general fund	626,169	626,169	-	626,169	-
Total other sources (uses)	<u>1,038,547</u>	<u>1,040,135</u>	<u>(1,588)</u>	<u>1,038,547</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,588</u>	<u>(1,588)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year			<u>1,588</u>		
End of year			<u>\$ -</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-4

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Investment earnings	\$ 89,594	\$ 89,594	\$ -	\$ 89,594	\$ -
Expenditures:					
Architect	71,731	71,731	-	71,731	-
Construction	1,871,453	1,871,453	-	1,871,453	-
Furnishings and equipment	143,532	143,532	-	143,532	-
Total expenditures	<u>2,086,716</u>	<u>2,086,716</u>	<u>-</u>	<u>2,086,716</u>	<u>-</u>
Revenues under expenditures	<u>(1,997,122)</u>	<u>(1,997,122)</u>	<u>-</u>	<u>(1,997,122)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to capital reserve	(2,878)	-	(2,878)	(2,878)	-
Proceeds from long-term debt	2,000,000	2,000,000	-	2,000,000	-
Total other sources (uses)	<u>1,997,122</u>	<u>2,000,000</u>	<u>(2,878)</u>	<u>1,997,122</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 2,878</u>	<u>(2,878)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year			<u>2,878</u>		
End of year			<u>\$ -</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - BCCC
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-5

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Investment earnings	\$ 133,835	\$ 126,346	\$ 7,489	\$ 133,835	\$ -
Expenditures:					
Architect	99,673	99,673	-	99,673	-
Construction	1,761,329	1,761,329	-	1,761,329	-
Administration	29,156	29,156	-	-	-
Furnishings and equipment	106,920	106,920	-	106,920	-
Total expenditures	<u>1,997,078</u>	<u>1,997,078</u>	<u>-</u>	<u>1,967,922</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,863,243)</u>	<u>(1,870,732)</u>	<u>7,489</u>	<u>(1,863,243)</u>	<u>-</u>
Other financing sources (uses):					
Proceeds from long-term debt	2,002,291	2,002,291	-	2,002,291	-
Transfer to arbitrage reserve	<u>(139,048)</u>	<u>-</u>	<u>(139,048)</u>	<u>(139,048)</u>	<u>-</u>
Total other sources (uses)	<u>1,863,243</u>	<u>2,002,291</u>	<u>(139,048)</u>	<u>1,863,243</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 131,559</u>	<u>(131,559)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year			<u>131,559</u>		
End of year			<u>\$ -</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - TIDELAND MENTAL HEALTH CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-6

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Intergovernmental	\$ 1,016,753	\$ 1,016,753	\$ -	\$ 1,016,753	\$ -
Investment earnings	125,002	120,945	4,057	125,002	-
Total revenues	1,141,755	1,137,698	4,057	1,141,755	-
Expenditures:					
Architect	39,231	39,231	-	39,231	-
Construction	2,376,588	2,376,588	-	2,376,588	-
Furnishings and equipment	227,352	227,352	-	227,352	-
Total expenditures	2,643,171	2,643,171	-	2,643,171	-
Revenues over (under) expenditures	(1,501,416)	(1,505,473)	4,057	(1,501,416)	-
Other financing sources (uses):					
Proceeds from long-term debt	1,700,000	1,700,000	-	1,700,000	-
Transfer to capital reserve	(198,584)	-	(198,584)	(198,584)	-
Total other sources (uses)	1,501,416	1,700,000	(198,584)	1,501,416	-
Revenues and other sources over (under) expenditures	\$ -	\$ 194,527	(194,527)	\$ -	\$ -
Fund balances:					
Beginning of year			194,527		
End of year			\$ -		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - FARM SERVICES ADMINISTRATION BUILDING
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-7

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Year	Current Year		
Revenue:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Architect	7,520	7,520	-	7,520	-
Construction	905,724	53,532	852,192	905,724	-
Total expenditures	913,244	61,052	852,192	913,244	-
Revenues under expenditures	(913,244)	(61,052)	(852,192)	(913,244)	-
Other financing sources (uses):					
Transfer from capital reserve	460,000	-	460,000	460,000	-
Transfer from general fund	493,170	-	493,170	493,170	-
Transfer to capital reserve	(39,926)	-	(39,926)	(39,926)	-
Total other sources (uses)	913,244	-	913,244	913,244	-
Revenues and other sources over (under) expenditures	\$ -	\$ (61,052)	61,052	\$ -	\$ -
Fund balances:					
Beginning of year			(61,052)		
End of year			\$ -		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - FOUNTAIN POWER BOATS WATER/SEWER
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-8

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Economic Development grant	\$ 925,000	\$ 71,150	\$ 326,694	\$ 397,844	\$ (527,156)
CDBG grant	432,512	89,113	328,850	417,963	(14,549)
Total revenue	<u>1,357,512</u>	<u>160,263</u>	<u>655,544</u>	<u>815,807</u>	<u>(541,705)</u>
Expenditures:					
Administration	42,800	16,221	9,875	26,096	16,704
Construction	1,314,712	144,042	645,669	789,711	525,001
Total expenditures	<u>1,357,512</u>	<u>160,263</u>	<u>655,544</u>	<u>815,807</u>	<u>541,705</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ -</u>		

Beaufort County, North Carolina
CAPITAL PROJECT FUND - HOSPITAL RENOVATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2000

EXHIBIT D-9

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Investment earnings	\$ -	\$ -	\$ 100,833	\$ 100,833	\$ 100,833
Expenditures:					
Engineering	330,500	-	246,927	246,927	83,573
General construction	600,000	-	594,874	594,874	5,126
Plumbing	1,800,000	-	-	-	-
Mechanical	499,500	-	-	-	-
Electrical	1,600,000	-	204,610	204,610	1,395,390
Contingency	170,000	-	-	-	170,000
Total expenditures	<u>5,000,000</u>	<u>-</u>	<u>1,046,411</u>	<u>1,046,411</u>	<u>1,654,089</u>
Revenues under expenditures	(5,000,000)	-	(945,578)	(945,578)	1,754,922
Other financing sources (uses):					
Proceeds from long-term debt	5,000,000	-	5,000,000	5,000,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>4,054,422</u>	<u>\$ 4,054,422</u>	<u>\$ 1,754,922</u>
Fund balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ 4,054,422</u>		

ENTERPRISE FUND

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

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING BALANCE SHEET
 June 30, 2000
 With Comparative Totals For June 30, 1999

ASSETS	Water Districts		
	I	II	III
Current assets			
Cash and cash equivalents	\$ 460,056	\$ 634,153	\$ 320,424
Accounts receivable (net)	13,380	109,686	121,552
Due from other Water Districts	-	553	-
Due from General Fund	-	-	-
Total current assets	473,436	744,392	441,976
Restricted assets			
Cash and cash equivalents	-	-	-
Fixed assets (net)	413,552	4,160,425	5,516,581
Total assets	\$ 886,988	\$ 4,904,817	\$ 5,958,557
LIABILITIES AND FUND EQUITY (DEFICIT)			
Current liabilities			
Accounts payable & accrued liabilities	\$ 58,608	\$ 18,121	\$ 21,234
Due to other Water Districts	-	-	553
Due to General Fund	-	507,950	350,856
Customer deposits	-	16,700	11,550
Notes payable	-	-	24,300
General obligation bonds payable	-	54,500	64,500
Total	58,608	597,271	472,993
Noncurrent liabilities			
Compensated absences payable	-	1,845	802
Notes payable	-	-	364,496
General obligation bonds payable	-	4,417,000	5,347,000
Total	-	4,418,845	5,712,298
Total liabilities	58,608	5,016,116	6,185,291
Fund equity (deficit)			
Contributed capital	-	-	100,000
Retained earnings (deficit), unreserved	828,380	(111,299)	(326,734)
Total fund equity (deficit)	828,380	(111,299)	(226,734)
Total liabilities and fund equity	\$ 886,988	\$ 4,904,817	\$ 5,958,557

A/P Retirement Health Care Exp. Con. Abs. 1,209,971

EXHIBIT E-1

Water Districts				Totals	
IV	V	VI	VII	June 30, 2000	June 30, 1999
\$ 300,416	\$ 101,994	\$ 145,641	\$ 186,119	\$ 2,148,803	\$ 1,446,665
104,156	53,977	7,141	76,446	486,338	453,561
-	-	-	-	553	233,654
-	-	-	-	-	335
<u>404,572</u>	<u>155,971</u>	<u>152,782</u>	<u>262,565</u>	<u>2,635,694</u>	<u>2,134,215</u>
1,092,222	285,084	-	148,238	1,525,544	1,480,031
<u>11,009,557</u>	<u>7,891,540</u>	<u>512,023</u>	<u>7,399,284</u>	<u>36,902,962</u>	<u>36,188,576</u>
<u>\$ 12,506,351</u>	<u>\$ 8,332,595</u>	<u>\$ 664,805</u>	<u>\$ 7,810,087</u>	<u>\$ 41,064,200</u>	<u>\$ 39,802,822</u>
\$ 21,217	\$ 15,077	\$ -	\$ 28,714	\$ 162,971	\$ 356,600
-	-	-	-	553	233,654
105,954	52,978	-	206,503	1,224,241	978,002
7,800	3,375	-	5,175	44,600	36,575
-	32,225	-	-	56,525	779,733
92,500	44,000	-	63,500	319,000	112,000
<u>227,471</u>	<u>147,655</u>	<u>-</u>	<u>303,892</u>	<u>1,807,890</u>	<u>2,496,564</u>
2,246	1,123	-	2,005	8,021	7,478
-	547,831	-	-	912,327	1,007,245
<u>8,349,500</u>	<u>3,956,000</u>	<u>-</u>	<u>5,936,500</u>	<u>28,006,000</u>	<u>28,325,000</u>
<u>8,351,746</u>	<u>4,504,954</u>	<u>-</u>	<u>5,938,505</u>	<u>28,926,348</u>	<u>29,339,723</u>
<u>8,579,217</u>	<u>4,652,609</u>	<u>-</u>	<u>6,242,397</u>	<u>30,734,238</u>	<u>31,836,287</u>
3,289,443	2,792,604	650,000	1,532,000	8,364,047	7,140,161
637,691	887,382	14,805	35,690	1,965,915	826,374
<u>3,927,134</u>	<u>3,679,986</u>	<u>664,805</u>	<u>1,567,690</u>	<u>10,329,962</u>	<u>7,966,535</u>
<u>\$ 12,506,351</u>	<u>\$ 8,332,595</u>	<u>\$ 664,805</u>	<u>\$ 7,810,087</u>	<u>\$ 41,064,200</u>	<u>\$ 39,802,822</u>

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

	Water Districts		
	I	II	III
Operating revenues			
Charges for service	\$ -	\$ 560,107	\$ 562,075
Tap fees	-	22,975	17,307
Reconnect fees	-	6,744	5,140
Sales tax refund	13,380	1,112	1,031
Total operating revenues	<u>13,380</u>	<u>590,938</u>	<u>585,553</u>
Operating expenses			
Administration	-	26,720	23,782
Water treatment	-	24,847	10,674
Water distribution	-	149,087	62,415
Depreciation	-	103,981	126,914
Total operating expenses	<u>-</u>	<u>304,635</u>	<u>223,785</u>
Operating income	<u>13,380</u>	<u>286,303</u>	<u>361,768</u>
Nonoperating revenues (expenses)			
Loss on disposal of assets	-	(933)	(627)
Miscellaneous revenue	-	-	1,230
Investment earnings	-	28,475	23,346
Interest expense	-	(274,901)	(348,546)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(247,359)</u>	<u>(324,597)</u>
Net income before transfer from general fund	13,380	38,944	37,171
Operating transfers from general fund	815,000	12,000	33,000
Operating transfers from (to) other water districts	<u>-</u>	<u>-</u>	<u>10,057</u>
Net income (loss)	828,380	50,944	80,228
Retained earnings (deficit), beginning of year	<u>-</u>	<u>(162,243)</u>	<u>(406,962)</u>
Retained earnings (deficit), end of year	<u>\$ 828,380</u>	<u>\$ (111,299)</u>	<u>\$ (326,734)</u>

EXHIBIT E-2

Water Districts				Totals	
IV	V	VI	VII	June 30, 2000	June 30, 1999
\$ 494,022	\$ 258,987	\$ 2,424	\$ 420,340	\$ 2,297,955	\$ 1,788,603
24,500	10,050	-	8,725	83,557	684,440
4,200	1,033	-	3,061	20,178	16,423
1,231	764	7,128	983	25,629	114,508
<u>523,953</u>	<u>270,834</u>	<u>9,552</u>	<u>433,109</u>	<u>2,427,319</u>	<u>2,603,974</u>
18,834	17,266	-	82,668	169,270	258,169
29,887	14,943	-	27,399	107,750	78,322
180,684	90,898	1,663	213,256	698,003	630,690
6,176	3,086	-	4,978	245,135	194,672
<u>235,581</u>	<u>126,193</u>	<u>1,663</u>	<u>328,301</u>	<u>1,220,158</u>	<u>1,161,853</u>
288,372	144,641	7,889	104,808	1,207,161	1,442,121
(102)	(51)	-	(68)	(1,781)	210,085
-	3,010	-	9,782	14,022	171,796
51,850	21,184	6,916	12,463	144,234	(628,889)
(59,203)	(131,445)	-	(285,000)	(1,099,095)	-
<u>(7,455)</u>	<u>(107,302)</u>	<u>6,916</u>	<u>(262,823)</u>	<u>(942,620)</u>	<u>(247,008)</u>
280,917	37,339	14,805	(158,015)	264,541	1,195,113
5,000	5,000	-	5,000	875,000	50,000
(10,057)	-	-	-	-	-
275,860	42,339	14,805	(153,015)	1,139,541	1,245,113
361,831	845,043	-	188,705	826,374	(418,739)
<u>\$ 637,691</u>	<u>\$ 887,382</u>	<u>\$ 14,805</u>	<u>\$ 35,690</u>	<u>\$ 1,965,915</u>	<u>\$ 826,374</u>

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2000
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1999

	Water Districts	
	1	II
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers / others	\$ -	\$ 405,397
Cash paid for goods and services	-	(195,247)
Net cash provided by operating activities	-	210,150
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and local matches	-	-
Transfer from general fund	815,000	12,000
Acquisition and construction of capital assets	(354,944)	(12,944)
Proceeds / increase of long-term debt	-	-
Principal paid on long-term borrowing, including capital lease obligations	-	(51,000)
Interest paid on long-term borrowing, including capital lease obligations	-	(274,901)
Net cash provided by (used in) capital and related financing activities	460,056	(326,845)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	-	28,475
Net increase (decrease) in cash and cash equivalents	460,056	(88,220)
Cash and cash equivalents at beginning of year	-	722,373
Cash and cash equivalents at end of year	\$ 460,056	\$ 634,153
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 13,380	\$ 286,303
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	-	103,981
Non-operating revenue	-	-
Loss in disposal of assets	-	933
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(13,380)	(9,373)
(Increase) decrease in due from other funds	-	3,680
(Decrease) increase in accounts payable and accrued liabilities	-	5,407
(Decrease) increase in due to other funds	-	(179,591)
(Decrease) increase in customer deposits	-	(1,825)
(Decrease) increase in compensated absences payable	-	635
Total adjustments	(13,380)	(76,153)
Net cash provided by (used in) operating activities	\$ -	\$ 210,150

Water Districts					Totals	
III	IV	V	VI	VII	June 30, 2000	June 30, 1999
\$ 736,007	\$ 586,881	\$ 320,117	\$ 2,411	\$ 614,674	\$ 2,665,487	\$ 2,944,529
(140,604)	(376,903)	(193,640)	(1,663)	(319,203)	(1,227,260)	(1,734,508)
<u>595,403</u>	<u>209,978</u>	<u>126,477</u>	<u>748</u>	<u>295,471</u>	<u>1,438,227</u>	<u>1,210,021</u>
-	1,044,000	89,943	-	-	1,133,943	4,574,634
33,000	5,000	5,000	-	5,000	875,000	700,000
(61,376)	(155,622)	(128,716)	(64,089)	(36,741)	(814,432)	(8,623,771)
-	-	-	-	-	-	12,599
(85,300)	(430,468)	(363,458)	-	-	(930,226)	(151,425)
(348,546)	(59,203)	(131,445)	-	(285,000)	(1,099,095)	(628,889)
<u>(462,222)</u>	<u>403,707</u>	<u>(528,676)</u>	<u>(64,089)</u>	<u>(316,741)</u>	<u>(834,810)</u>	<u>(4,116,852)</u>
23,346	51,850	21,184	6,916	12,463	144,234	171,796
156,527	665,535	(381,015)	(56,425)	(8,807)	747,651	(2,735,035)
163,897	727,103	768,093	202,066	343,164	2,926,696	5,661,731
<u>\$ 320,424</u>	<u>\$ 1,392,638</u>	<u>\$ 387,078</u>	<u>\$ 145,641</u>	<u>\$ 334,357</u>	<u>\$ 3,674,347</u>	<u>\$ 2,926,696</u>
\$ 371,825	\$ 278,315	\$ 144,641	\$ 7,889	\$ 104,808	\$ 1,207,161	\$ 1,442,121
126,914	6,176	3,086	-	4,978	245,135	194,672
1,230	-	3,010	-	9,782	14,022	210,085
627	102	51	-	68	1,781	-
(19,099)	11,485	1,529	(7,141)	3,202	(32,777)	(218,522)
144,281	-	14,455	-	71,020	233,436	105,569
(43,733)	(147,498)	(70,533)	-	4,120	(252,237)	(767,327)
16,138	54,667	27,547	-	94,377	13,138	217,545
(2,675)	6,300	2,475	-	3,750	8,025	18,400
(105)	431	216	-	(634)	543	7,478
<u>223,578</u>	<u>(68,337)</u>	<u>(18,164)</u>	<u>(7,141)</u>	<u>190,663</u>	<u>231,066</u>	<u>(232,100)</u>
<u>\$ 595,403</u>	<u>\$ 209,978</u>	<u>\$ 126,477</u>	<u>\$ 748</u>	<u>\$ 295,471</u>	<u>\$ 1,438,227</u>	<u>\$ 1,210,021</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-4

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ -	\$ -	\$ -	\$ -
Tap fees	-	-	-	-
Reconnect fees	-	-	-	-
Sales tax refund	-	13,380	13,380	-
Total operating revenue	-	13,380	13,380	-
Nonoperating revenue				
Miscellaneous revenue	-	-	-	-
Investment earnings	-	-	-	-
Total nonoperating revenue	-	-	-	-
Total revenues	-	13,380	13,380	-
Expenditures				
Administration				
Advertising	-	-	-	-
Bad debts	-	-	-	-
Insurance	-	-	-	-
Office supplies	-	-	-	-
Office expenses	-	-	-	-
Professional services	-	-	-	-
Refunds	-	-	-	-
Telephone	-	-	-	-
Travel	-	-	-	-
Utilities	-	-	-	-
Total	-	-	-	-
Water treatment				
Professional services	-	-	-	-
Supplies	-	-	-	-
Testing	-	-	-	-
Total	-	-	-	-
Water Distribution				
Billing service	-	-	-	-
Maintenance	-	-	-	-
Salaries and employee benefits	-	-	-	-
Uniforms	-	-	-	-
Water purchase	-	-	-	-
Total	-	-	-	-

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-4

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	-	-	-	-
Interest	-	-	-	-
Total	-	-	-	-
Capital outlay				
Equipment	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	13,380	13,380	-
Other financing sources (uses)				
Operating transfers form other funds	-	-	-	-
Operating transfers to other funds				
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenue and other financing sources (uses) over (under) expenditures	\$ -	\$ 13,380	\$ 13,380	\$ -
 RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenue under expenditures		\$ 13,380		\$ -
Reconciling items				
Capital outlay		-		-
Depreciation		-		-
Principle retirement		-		-
Net income (loss), full accrual basis		\$ 13,380		\$ -

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-5

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 580,000	\$ 560,107	\$ (19,893)	\$ 609,246
Tap fees	12,000	22,975	10,975	9,395
Reconnect fees	6,000	6,744	744	7,419
Sales tax refund	-	1,112	1,112	2,540
Total operating revenue	<u>598,000</u>	<u>590,938</u>	<u>(7,062)</u>	<u>628,600</u>
Nonoperating revenue				
Miscellaneous revenue	-	-	-	195
Investment earnings	25,000	28,475	3,475	26,185
Total nonoperating revenue	<u>25,000</u>	<u>28,475</u>	<u>3,475</u>	<u>26,380</u>
Total revenues	<u>623,000</u>	<u>619,413</u>	<u>(3,587)</u>	<u>654,980</u>
Expenditures				
Administration				
Advertising	230	50	180	109
Bad debts	10,000	-	10,000	28,201
Insurance	1,150	251	899	-
Office supplies	920	595	325	649
Other expenses	1,610	671	-	833
Professional services	3,000	-	3,000	762
Refunds	-	3,509	(3,509)	-
Telephone	5,750	7,153	(1,403)	4,065
Travel	4,600	3,642	958	2,703
Utilities	15,870	10,849	5,021	14,209
Total	<u>43,130</u>	<u>26,720</u>	<u>15,471</u>	<u>51,531</u>
Water treatment				
Supplies	11,650	16,020	(4,370)	11,038
Testing	10,580	8,827	1,753	4,482
Total	<u>22,230</u>	<u>24,847</u>	<u>(2,617)</u>	<u>15,520</u>
Water Distribution				
Billing service	21,850	17,817	4,033	19,243
Maintenance	5,175	7,020	(1,845)	4,172
Salaries and employee benefits	46,815	51,412	(4,597)	38,409
Water purchase	82,800	72,838	9,962	53,791
Total	<u>156,640</u>	<u>149,087</u>	<u>7,553</u>	<u>115,615</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-5

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	51,000	51,000	-	48,000
Interest	274,901	274,901	-	275,259
Total	<u>325,901</u>	<u>325,901</u>	<u>-</u>	<u>323,259</u>
Capital outlay				
Equipment	12,500	12,011	489	8,237
Total expenditures	<u>560,401</u>	<u>538,566</u>	<u>20,896</u>	<u>514,162</u>
Revenues over (under) expenditures	<u>62,599</u>	<u>80,847</u>	<u>(24,483)</u>	<u>140,818</u>
Other financing sources (uses)				
Operating transfers from other funds	12,000	12,000	-	10,139
Operating transfers to other funds	-	-	-	-
Fund prior year deficit	(74,599)	-	74,599	-
Total other financing sources (uses)	<u>(62,599)</u>	<u>12,000</u>	<u>74,599</u>	<u>10,139</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 92,847</u>	<u>\$ 50,116</u>	<u>\$ 150,957</u>

RECONCILIATION FROM BUDGETARY BASIS
(MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue over (under) expenditures	\$ 92,847	\$ 150,957
Reconciling items		
Loss on disposal of assets	(933)	-
Capital outlay	12,011	8,237
Depreciation	(103,981)	(112,733)
Principle retirement	51,000	48,000
Net income (loss), full accrual basis	<u>\$ 50,944</u>	<u>\$ 94,461</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-6

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 564,856	\$ 562,075	\$ (2,781)	\$ 566,110
Tap fees	14,000	17,307	3,307	16,175
Reconnect fees	5,000	5,140	140	5,774
Sales tax refund	-	1,031	1,031	2,540
Total operating revenue	<u>583,856</u>	<u>585,553</u>	<u>1,697</u>	<u>590,599</u>
Nonoperating revenue				
Miscellaneous revenue	-	1,230	1,230	3,478
Investment earnings	4,000	23,346	19,346	4,694
Total nonoperating revenue	<u>4,000</u>	<u>24,576</u>	<u>20,576</u>	<u>8,172</u>
Total revenues	<u>587,856</u>	<u>610,129</u>	<u>22,273</u>	<u>598,771</u>
Expenditures				
Administration				
Advertising	100	22	78	100
Bad debts	-	5,243	(5,243)	12,567
Insurance	500	251	249	285
Office supplies	400	259	141	573
Other expenses	5,700	293	-	2,962
Professional services	2,500	-	2,500	572
Refunds	-	2,413	(2,413)	-
Telephone	2,500	3,110	(610)	3,049
Travel	2,000	1,583	417	1,996
Utilities	6,900	10,608	(3,708)	7,490
Total	<u>20,600</u>	<u>23,782</u>	<u>(8,589)</u>	<u>29,594</u>
Water treatment				
Supplies	4,500	6,836	(2,336)	8,297
Testing	4,600	3,838	762	3,361
Total	<u>9,100</u>	<u>10,674</u>	<u>(1,574)</u>	<u>11,658</u>
Water Distribution				
Billing service	9,500	7,746	1,754	14,432
Maintenance	2,000	1,200	800	2,855
Salaries and employee benefits	20,604	21,801	(1,197)	28,806
Water purchase	36,000	31,668	4,332	40,344
Total	<u>68,104</u>	<u>62,415</u>	<u>5,689</u>	<u>86,437</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT III
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-6

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	109,600	85,300	24,300	82,800
Interest	361,156	348,546	12,610	352,403
Total	<u>470,756</u>	<u>433,846</u>	<u>36,910</u>	<u>435,203</u>
Capital outlay				
Equipment	6,000	5,225	775	6,178
Total expenditures	<u>574,560</u>	<u>535,942</u>	<u>33,211</u>	<u>569,070</u>
Revenues over (under) expenditures	<u>13,296</u>	<u>74,187</u>	<u>(10,938)</u>	<u>29,701</u>
Other financing sources (uses)				
Operating transfers from other funds	43,000	43,057	57	7,849
Operating transfers to other funds	-	-	-	-
Fund prior year deficit	(56,296)	-	56,296	-
Total other financing sources (uses)	<u>(13,296)</u>	<u>43,057</u>	<u>56,353</u>	<u>7,849</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 117,244</u>	<u>\$ 45,415</u>	<u>\$ 37,550</u>
 RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenue over (under) expenditures		\$ 117,244		\$ 37,550
Reconciling items				
Loss on disposal of assets		(627)		-
Capital outlay		5,225		6,178
Depreciation		(126,914)		(77,608)
Principle retirement		<u>85,300</u>		<u>82,800</u>
Net income (loss), full accrual basis		<u>\$ 80,228</u>		<u>\$ 48,920</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 400,000	\$ 494,022	\$ 94,022	\$ 172,513
Tap fees	10,000	24,500	14,500	13,625
Reconnect fees	-	4,200	4,200	850
Sales tax refund	-	1,231	1,231	38,195
Total operating revenue	<u>410,000</u>	<u>523,953</u>	<u>113,953</u>	<u>225,183</u>
Nonoperating revenue				
Miscellaneous revenue	-	-	-	126,942
Investment earnings	25,000	51,850	26,850	110,683
Total nonoperating revenue	<u>25,000</u>	<u>51,850</u>	<u>26,850</u>	<u>237,625</u>
 Total revenues	 <u>435,000</u>	 <u>575,803</u>	 <u>140,803</u>	 <u>462,808</u>
 Expenditures				
Administration				
Advertising	280	60	220	54
Bad debts	2,000	47	1,953	25,725
Insurance	1,400	-	1,400	502
Office supplies	1,120	724	396	1,896
Other expenses	3,160	819	-	2,506
Professional services	-	-	-	4,890
Refunds	-	440	(440)	2,935
Telephone	7,000	8,708	(1,708)	6,109
Travel	5,600	4,434	1,166	3,490
Utilities	19,320	3,602	15,718	868
Total	<u>39,880</u>	<u>18,834</u>	<u>18,705</u>	<u>48,975</u>
Water treatment				
Supplies	14,400	19,140	(4,740)	16,572
Testing	12,880	10,747	2,133	6,454
Total	<u>27,280</u>	<u>29,887</u>	<u>(2,607)</u>	<u>23,026</u>
Water Distribution				
Billing service	26,600	21,690	4,910	28,865
Maintenance	6,498	9,870	(3,372)	5,709
Salaries and employee benefits	56,992	60,452	(3,460)	57,612
Water purchase	90,743	88,672	2,071	80,687
Total	<u>180,833</u>	<u>180,684</u>	<u>149</u>	<u>172,873</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-7

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	11,998	73,019	(61,021)	12,169
Interest	261,736	59,203	202,533	1,227
Total	<u>273,734</u>	<u>132,222</u>	<u>141,512</u>	<u>13,396</u>
Capital outlay				
Equipment	15,000	14,629	371	12,356
Total expenditures	<u>536,727</u>	<u>376,256</u>	<u>158,130</u>	<u>270,626</u>
Revenues over (under) expenditures	<u>(101,727)</u>	<u>199,547</u>	<u>(17,327)</u>	<u>192,182</u>
Other financing sources (uses)				
Operating transfers from other funds	5,000	5,000	-	14,717
Operating transfers to other funds	(10,057)	(10,057)	-	-
Appropriated fund balance	106,784	-	(106,784)	-
Total other financing sources (uses)	<u>101,727</u>	<u>(5,057)</u>	<u>(106,784)</u>	<u>14,717</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 194,490</u>	<u>\$ (124,111)</u>	<u>\$ 206,899</u>

RECONCILIATION FROM BUDGETARY BASIS
(MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue over (under) expenditures	\$ 194,490	\$ 206,899
Reconciling items		
Loss on disposal of assets	(102)	-
Capital outlay	14,629	12,356
Depreciation	(6,176)	(1,956)
Principle retirement	73,019	12,169
Net income (loss), full accrual basis	<u>\$ 275,860</u>	<u>\$ 229,468</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-8

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 292,067	\$ 258,987	\$ (33,080)	\$ 166,510
Tap fees	4,000	10,050	6,050	4,497
Reconnect fees	-	1,033	1,033	1,018
Sales tax refund	-	764	764	3,289
Total operating revenue	<u>296,067</u>	<u>270,834</u>	<u>(25,233)</u>	<u>175,314</u>
Nonoperating revenue				
Miscellaneous revenue	-	3,010	3,010	79,430
Investment earnings	5,000	21,185	16,185	10,874
Total nonoperating revenue	<u>5,000</u>	<u>24,195</u>	<u>19,195</u>	<u>90,304</u>
Total revenues	<u>301,067</u>	<u>295,029</u>	<u>(6,038)</u>	<u>265,618</u>
Expenditures				
Administration				
Advertising	140	30	110	27
Bad debts	2,000	7,363	(5,363)	25,602
Insurance	-	-	-	753
Office supplies	560	362	198	691
Other expenses	2,880	410	-	1,270
Professional services	-	-	-	4,318
Refunds	-	372	(372)	947
Telephone	3,500	4,354	(854)	3,609
Travel	2,800	2,217	583	1,745
Utilities	9,660	2,158	7,502	119
Total	<u>21,540</u>	<u>17,266</u>	<u>1,804</u>	<u>39,081</u>
Water treatment				
Supplies	5,637	9,570	(3,933)	8,286
Testing	6,440	5,373	1,067	3,092
Total	<u>12,077</u>	<u>14,943</u>	<u>(2,866)</u>	<u>11,378</u>
Water Distribution				
Billing service	11,465	10,845	620	14,432
Maintenance	2,614	5,490	(2,876)	2,855
Salaries and employee benefits	25,413	30,227	(4,814)	28,806
Water purchase	50,400	44,336	6,064	40,344
Total	<u>89,892</u>	<u>90,898</u>	<u>(1,006)</u>	<u>86,437</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-8

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	38,224	115,182	(76,958)	8,456
Interest	202,462	131,445	71,017	-
Total	<u>240,686</u>	<u>246,627</u>	<u>(5,941)</u>	<u>8,456</u>
Capital outlay				
Equipment	8,000	7,314	686	6,178
Total expenditures	<u>372,195</u>	<u>377,048</u>	<u>(7,323)</u>	<u>151,530</u>
Revenues over (under) expenditures	<u>(71,128)</u>	<u>(82,019)</u>	<u>1,285</u>	<u>114,088</u>
Other financing sources (uses)				
Operating transfers from other funds	5,000	5,000	-	6,829
Operating transfers to other funds	-	-	-	-
Appropriated fund balance	66,128	-	(66,128)	-
Total other financing sources (uses)	<u>71,128</u>	<u>5,000</u>	<u>(66,128)</u>	<u>6,829</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (77,019)</u>	<u>\$ (64,843)</u>	<u>\$ 120,917</u>

RECONCILIATION FROM BUDGETARY BASIS
(MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue over (under) expenditures	\$ (77,019)	\$ 120,917
Reconciling items		
Water tap fees from capital project fund	-	612,288
Loss on disposal of assets	(51)	-
Capital outlay	7,314	6,178
Depreciation	(3,086)	(977)
Principle retirement	<u>115,181</u>	<u>8,456</u>
Net income (loss), full accrual basis	<u>\$ 42,339</u>	<u>\$ 746,862</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VI
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-9

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 2,000	\$ 2,424	\$ 424	\$ -
Tap fees	-	-	-	-
Reconnect fees	-	-	-	-
Sales tax refund	-	7,128	7,128	-
Total operating revenue	<u>2,000</u>	<u>9,552</u>	<u>7,552</u>	<u>-</u>
Nonoperating revenue				
Miscellaneous revenue	-	-	-	-
Investment earnings	-	6,916	6,916	-
Total nonoperating revenue	<u>-</u>	<u>6,916</u>	<u>6,916</u>	<u>-</u>
Total revenues	<u>2,000</u>	<u>16,468</u>	<u>14,468</u>	<u>-</u>
Expenditures				
Administration	-	-	-	-
Advertising	-	-	-	-
Bad debts	-	-	-	-
Insurance	-	223	(223)	-
Office supplies	-	-	-	-
Other expenses	-	-	-	-
Professional services	-	-	-	-
Refunds	-	-	-	-
Telephone	-	-	-	-
Travel	-	-	-	-
Utilities	2,000	1,440	560	-
Total	<u>2,000</u>	<u>1,663</u>	<u>337</u>	<u>-</u>
Water treatment				
Professional services	-	-	-	-
Supplies	-	-	-	-
Testing	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Water Distribution				
Billing service	-	-	-	-
Maintenance	-	-	-	-
Salaries and employee benefits	-	-	-	-
Water purchase	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VI
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-9

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	-	-	-	-
Interest	-	-	-	-
Total	-	-	-	-
Capital outlay				
Equipment	-	-	-	-
Total expenditures	2,000	1,663	337	-
Revenues over (under) expenditures	-	14,805	14,131	-
Other financing sources (uses)				
Operating transfers from other funds	-	-	-	-
Operating transfers to other funds	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenue and other financing sources (uses) over (under) expenditures	\$ -	\$ 14,805	\$ 14,131	\$ -

RECONCILIATION FROM BUDGETARY BASIS
(MODIFIED ACCRUAL) TO FULL ACCRUAL

Revenue over (under) expenditures	\$ 14,805	\$ -
Reconciling items		
Loss on disposal of assets	-	-
Capital outlay	-	-
Depreciation	-	-
Principle retirement	-	-
Net income (loss), full accrual basis	\$ 14,805	\$ -

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-10

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Revenue				
Charges for service:				
Water fees	\$ 400,000	\$ 420,340	\$ 20,340	\$ 274,224
Tap fees	7,000	8,725	1,725	28,460
Reconnect fees	-	3,061	3,061	1,362
Sales tax refund	-	983	983	67,944
Total operating revenue	<u>407,000</u>	<u>433,109</u>	<u>26,109</u>	<u>371,990</u>
Nonoperating revenue				
Miscellaneous revenue	-	9,782	9,782	40
Investment earnings	15,000	12,463	(2,537)	19,360
Total nonoperating revenue	<u>15,000</u>	<u>22,245</u>	<u>7,245</u>	<u>19,400</u>
 Total revenues	 <u>422,000</u>	 <u>455,354</u>	 <u>33,354</u>	 <u>391,390</u>
Expenditures				
Administration				
Advertising	250	54	196	36
Bad debts	2,000	33,129	(31,129)	29,985
Insurance	-	-	-	502
Office supplies	1,000	647	353	1,170
Other expenses	3,000	733	-	838
Professional services	2,100	16,620	(14,520)	16,287
Refunds	-	1,441	(1,441)	16,050
Telephone	6,250	7,775	(1,525)	4,065
Travel	5,000	4,572	428	2,606
Utilities	17,250	17,697	(447)	17,449
Total	<u>36,850</u>	<u>82,668</u>	<u>(48,085)</u>	<u>88,988</u>
Water treatment				
Supplies	12,750	17,089	(4,339)	11,048
Testing	11,500	10,310	1,190	5,692
Total	<u>24,250</u>	<u>27,399</u>	<u>(3,149)</u>	<u>16,740</u>
Water Distribution				
Billing service	23,750	19,366	4,384	19,243
Maintenance	5,625	7,050	(1,425)	3,805
Salaries and employee benefits	116,346	107,669	8,677	92,489
Uniforms	-	-	-	-
Water purchase	90,000	79,171	10,829	53,791
Total	<u>235,721</u>	<u>213,256</u>	<u>22,465</u>	<u>169,328</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2000
With comparative Actual Amounts For the Year Ended June 30, 1999

EXHIBIT E-10

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
Debt service				
Principle retirement	-	-	-	-
Interest	285,000	285,000	-	-
Total	<u>285,000</u>	<u>285,000</u>	<u>-</u>	<u>-</u>
Capital outlay				
Equipment	13,500	13,061	439	8,237
Total expenditures	<u>595,321</u>	<u>621,384</u>	<u>(28,330)</u>	<u>283,293</u>
Revenues over (under) expenditures	<u>(173,321)</u>	<u>(166,030)</u>	<u>61,684</u>	<u>108,097</u>
Other financing sources (uses)				
Operating transfers from other funds	5,000	5,000	-	10,466
Operating transfers to other funds	-	-	-	-
Appropriated fund balance	168,321	-	(168,321)	-
Total other financing sources (uses)	<u>173,321</u>	<u>5,000</u>	<u>(168,321)</u>	<u>10,466</u>
Revenue and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ (161,030)</u>	<u>\$ (106,637)</u>	<u>\$ 118,563</u>
 RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenue over (under) expenditures		\$ (161,030)		\$ 118,563
Reconciling items				
Loss on disposal of assets		(68)		-
Capital outlay		13,061		8,237
Depreciation		(4,978)		(1,398)
Principle retirement		-		-
Net income (loss), full accrual basis		<u>\$ (153,015)</u>		<u>\$ 125,402</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-11

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Donations and contributions	(13,747)	-	(2,740)	(2,740)	(11,007)
Legal	1,000	-	825	825	175
Engineering/testing	46,500	-	45,493	45,493	1,007
Inspection services	27,250	-	5,695	5,695	21,555
Engineer reimbursables	170	-	170	170	-
Contract 4	715,727	-	364,109	364,109	351,618
Contingency	24,353	-	-	-	24,353
Legal	1,100	-	-	-	1,100
Engineering/testing	794	-	-	-	794
Inspection services	1,500	-	-	-	1,500
Permit preparation fees	650	-	-	-	650
Contract 1	8,821	-	-	-	8,821
Contingency	882	-	-	-	882
Total expenditures	<u>815,000</u>	<u>-</u>	<u>413,552</u>	<u>413,552</u>	<u>401,448</u>
Revenues under expenditures	(815,000)	-	(413,552)	(413,552)	401,448
Other financing sources:					
Transfer from general fund	<u>815,000</u>	<u>-</u>	<u>815,000</u>	<u>815,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,448</u>	<u>\$ 401,448</u>	<u>\$ 401,448</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT III - WATER SYSTEM IMPROVEMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-12

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ 46,280	\$ -	\$ -	\$ -	\$ (46,280)
Expenditures:					
Engineering	4,194	256	4,067	4,323	(129)
Construction	117,250	58,166	51,457	109,623	7,627
Contingency	34,893	-	-	-	34,893
Interest	-	-	-	-	-
Total expenditures	<u>156,337</u>	<u>58,422</u>	<u>55,524</u>	<u>113,946</u>	<u>42,391</u>
Revenues under expenditures	(110,057)	(58,422)	(55,524)	(113,946)	(3,889)
Other financing sources:					
Transfer from other funds	<u>110,057</u>	<u>100,000</u>	<u>10,057</u>	<u>110,057</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 41,578</u>	<u>\$ (45,467)</u>	<u>\$ (3,889)</u>	<u>\$ (3,889)</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-13

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ 1,005,500	\$ 1,005,500	\$ -	\$ 1,005,500	\$ -
Tap fees	47,700	-	-	-	(47,700)
Investment earnings	-	74,514	-	74,514	74,514
Total revenues	1,053,200	1,080,014	-	1,080,014	26,814
Expenditures:					
Engineering	356,669	334,545	21,123	355,668	1,001
Construction	4,148,181	4,148,181	-	4,148,181	-
Contingency	451,896	-	-	-	451,896
Interest	604,252	347,752	177,416	525,168	79,084
Administrative services	700	700	-	700	-
Legal and Accounting	51,354	51,354	-	51,354	-
Land purchase	35,000	35,000	-	35,000	-
Water district I expenses	442,536	360,431	80,728	441,159	1,377
Water district V expenses	362,612	362,612	-	362,612	-
Initial operation / maintenance	-	-	-	-	-
Total expenditures	6,453,200	5,640,575	279,267	5,919,842	533,358
Revenues under expenditures	(5,400,000)	(4,560,561)	(279,267)	(4,839,828)	560,172
Other financing sources:					
Proceeds from long-term debt	5,400,000	5,400,000	-	5,400,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ 839,439	\$ (279,267)	\$ 560,172	\$ 560,172

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV - LINE EXTENSION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-14

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Engineering	12,966	12,316	650	12,966	-
Construction	76,977	76,977	-	76,977	-
Contingency	-	-	-	-	-
Total expenditures	<u>89,943</u>	<u>89,293</u>	<u>650</u>	<u>89,943</u>	<u>-</u>
Revenues under expenditures	(89,943)	(89,293)	(650)	(89,943)	-
Other financing sources:					
Transfer from general fund	100,000	100,000	-	100,000	-
Transfer to WD III	<u>(10,057)</u>	<u>(10,057)</u>	<u>-</u>	<u>(10,057)</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 650</u>	<u>\$ (650)</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT IV - PHASE II
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-15

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental					
State grant	\$ 2,194,000	\$ 1,050,000	\$ 1,144,000	\$ 2,194,000	\$ -
Investment earnings	-	18,924	-	18,924	18,924
Total revenues	2,194,000	1,068,924	1,144,000	2,212,924	18,924
Expenditures:					
Engineering	358,500	309,341	42,339	351,680	6,820
Construction	4,321,073	3,964,085	177,047	4,141,132	179,941
Interest	263,769	114,822	-	114,822	148,947
Legal	41,982	41,982	174,168	216,150	(174,168)
Land purchase	1,000	1,000	-	1,000	-
Water district V expenses	249,676	249,676	-	249,676	-
Total expenditures	5,236,000	4,680,906	393,554	5,074,460	161,540
Revenues over (under) expenditures	(3,042,000)	(3,611,982)	750,446	(2,861,536)	180,464
Other financing sources:					
Proceeds from long-term debt	3,042,000	3,042,000	-	3,042,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ (569,982)	\$ 750,446	\$ 180,464	\$ 180,464

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT V - CLEAN WATER
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-16

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ 807,561	\$ 807,561	\$ -	\$ 807,561	\$ -
Investment earnings	-	548	20	568	568
Total revenues	807,561	808,109	20	808,129	568
Expenditures:					
Engineering	152,846	150,418	-	150,418	2,428
Construction	1,285,027	1,285,027	-	1,285,027	-
Contingency	-	-	-	-	-
Legal	5,000	5,037	-	5,037	(37)
Land purchase	9,000	8,100	-	8,100	900
Audit / accounting	194	-	-	-	194
Total expenditures	1,452,067	1,448,582	-	1,448,582	3,485
Revenues over (under) expenditures	(644,506)	(640,473)	20	(640,453)	4,053
Other financing sources:					
Proceeds from long-term debt	644,506	644,506	-	644,506	-
Revenues and other sources over (under) expenditures	\$ -	\$ 4,033	\$ 20	\$ 4,053	\$ 4,053

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT V
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-17

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental					
State grant	\$ 1,895,100	\$ 1,895,100	\$ -	\$ 1,895,100	\$ -
Tap fees	645,388	612,288	-	612,288	(33,100)
Investment earnings	-	32,736	-	32,736	32,736
Total revenues	<u>2,540,488</u>	<u>2,540,124</u>	<u>-</u>	<u>2,540,124</u>	<u>(364)</u>
Expenditures:					
Engineering	475,435	446,488	18,339	464,827	10,608
Construction	5,256,888	5,015,008	132,723	5,147,731	109,157
Contingency	-	-	-	-	-
Interest	416,971	256,714	131,743	388,457	28,514
Administrative services	905	906	-	906	(1)
Legal	45,015	45,015	-	45,015	-
Land purchase	37,810	37,810	-	37,810	-
Audit / accounting	-	-	-	-	-
Water district I expenses	307,464	250,419	56,087	306,506	958
Initial operation / maintenance	-	-	-	-	-
Total expenditures	<u>6,540,488</u>	<u>6,052,360</u>	<u>338,892</u>	<u>6,391,252</u>	<u>149,236</u>
Revenues under expenditures	(4,000,000)	(3,512,236)	(338,892)	(3,851,128)	148,872
Other financing sources:					
Proceeds from long-term debt	4,000,000	4,000,000	-	4,000,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 487,764</u>	<u>\$ (338,892)</u>	<u>\$ 148,872</u>	<u>\$ 148,872</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT VI - SOUTHSIDE SCHOOL
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-18

	Project Aurthorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Restricted intergovernmental:					
State grant	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Investment earnings	-	4,492	-	4,492	4,492
Total revenues	<u>100,000</u>	<u>104,492</u>	<u>-</u>	<u>104,492</u>	<u>4,492</u>
Expenditures:					
Engineering	57,500	25,716	31,678	57,394	106
Construction	471,859	426,710	32,411	459,121	12,738
Legal	2,500	-	-	-	2,500
Contingency	118,141	-	-	-	118,141
Total expenditures	<u>650,000</u>	<u>452,426</u>	<u>64,089</u>	<u>516,515</u>	<u>133,485</u>
Revenues under expenditures	(550,000)	(347,934)	(64,089)	(412,023)	137,977
Other financing sources (uses):					
Transfer from general fund	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 202,066</u>	<u>\$ (64,089)</u>	<u>\$ 137,977</u>	<u>\$ 137,977</u>

Beaufort County, North Carolina
WATER DISTRICT CAPITAL PROJECT FUND - WATER DISTRICT VII
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2000

EXHIBIT E-19

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Year	Current Year	Total to Date	
Revenue:					
Tap fees	\$ 31,000	\$ 178,963	\$ -	\$ 178,963	\$ 147,963
Investment earnings	-	-	-	-	-
Restricted intergovernmental:					
State grant	1,532,000	1,532,000	-	1,532,000	-
Total revenues	<u>1,563,000</u>	<u>1,710,963</u>	<u>-</u>	<u>1,710,963</u>	<u>147,963</u>
Expenditures:					
Engineering	572,042	568,117	4,591	572,708	(666)
Construction	6,404,050	6,394,132	7,918	6,402,050	2,000
Contingency	-	-	-	-	-
Interest	524,506	525,566	-	525,566	(1,060)
Legal	60,457	60,457	-	60,457	-
Audit / accounting	1,945	1,945	-	1,945	-
Initial operation / maintenance	-	-	-	-	-
Total expenditures	<u>7,563,000</u>	<u>7,550,217</u>	<u>12,509</u>	<u>7,562,726</u>	<u>274</u>
Revenues over (under) expenditures	<u>(6,000,000)</u>	<u>(5,839,254)</u>	<u>(12,509)</u>	<u>(5,851,763)</u>	<u>148,237</u>
Other financing sources:					
Proceeds from long-term debt	6,000,000	6,000,000	-	6,000,000	-
Bond anticipation note payment	-	100,000	-	100,000	100,000
Total other financing sources	<u>6,000,000</u>	<u>6,100,000</u>	<u>-</u>	<u>6,100,000</u>	<u>100,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 260,746</u>	<u>\$ (12,509)</u>	<u>\$ 248,237</u>	<u>\$ 248,237</u>

AGENCY FUND

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

Beaufort County, North Carolina
AGENCY FUNDS
COMBINING BALANCE SHEET
 June 30, 2000
 With Comparative Totals For June 30, 1999

EXHIBIT F-1

	Social Services	County Home	Inmate Account	Totals	
				June 30 2000	1999
ASSETS					
Cash and cash equivalents	\$ 64,966	\$ 1,812	\$ 3,384	\$ 70,162	\$ 195,158
Due from other funds	-	-	-	-	109
Total assets	\$ 64,966	\$ 1,812	\$ 3,384	\$ 70,162	\$ 195,267
LIABILITIES AND FUND BALANCE					
Miscellaneous liabilities	\$ 64,966	\$ 1,812	\$ 3,384	\$ 70,162	\$ 195,267
Fund Balance	-	-	-	-	-
Total liabilities and fund balance	\$ 64,966	\$ 1,812	\$ 3,384	\$ 70,162	\$ 195,267

Beaufort County, North Carolina
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2000

EXHIBIT F-2

	Balance July 1, 1999	Deposits	Disbursements	Balance June 30, 2000
Social Services Fund:				
Assets				
Cash and cash equivalents	\$ 48,577	\$ 326,486	\$ 310,097	\$ 64,966
Liabilities				
Miscellaneous liabilities	\$ 48,577	\$ 326,486	\$ 310,097	\$ 64,966
County Home Fund:				
Assets				
Cash and cash equivalents	\$ 2,290	\$ 12,014	\$ 12,492	\$ 1,812
Due from other funds	109	-	109	-
Total Assets	<u>\$ 2,399</u>	<u>\$ 12,014</u>	<u>\$ 12,601</u>	<u>\$ 1,812</u>
Liabilities				
Miscellaneous liabilities	\$ 2,399	\$ 12,014	\$ 12,601	\$ 1,812
Inmate Fund:				
Assets				
Cash and cash equivalents	\$ -	\$ 9,962	\$ 6,578	\$ 3,384
Liabilities				
Miscellaneous liabilities	\$ -	\$ 9,962	\$ 6,578	\$ 3,384
Total - All Agency Funds:				
Assets				
Cash and cash equivalents	\$ 50,867	\$ 348,462	\$ 329,167	\$ 70,162
Due from other funds	109	-	109	-
Total Assets	<u>\$ 50,976</u>	<u>\$ 348,462</u>	<u>\$ 329,276</u>	<u>\$ 70,162</u>
Liabilities				
Miscellaneous liabilities	\$ 50,976	\$ 348,462	\$ 329,276	\$ 70,162

OTHER SCHEDULES

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

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

Beaufort County, North Carolina
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2000

EXHIBIT G-1

<u>Fiscal Year</u>	Uncollected Balance July 1, 1999	Additions	Collections and Credits	Uncollected Balance June 30, 2000
1999-2000	\$ -	\$ 16,102,179	\$ 15,045,453	\$ 1,056,726
1998-1999	877,067		485,168	391,899
1997-1998	353,096		112,411	240,685
1996-1997	229,888		59,733	170,155
1995-1996	174,291		34,836	139,455
1994-1995	122,063		20,839	101,224
1993-1994	104,786		11,400	93,386
1992-1993	81,105		8,558	72,547
1991-1992	93,583		1,625	91,958
1990-1991	23,777		540	23,237
1989-1990	52,101		52,101	-
	<u>\$ 2,111,757</u>	<u>\$ 16,102,179</u>	<u>\$ 15,832,664</u>	2,381,272
Plus: uncollected 1998 ad valorem taxes receivable on annually registered vehicles				-
Less: allowance for uncollectible taxes				<u>(390,000)</u>
Ad valorem taxes - General Fund				<u>\$ 1,991,272</u>
Reconciliation with revenue: Ad valorem taxes - General Fund				\$ 15,888,733
Reconciling items				
Interest collected				(153,022)
Taxes written off per statute of limitations				52,101
Abatements - prior years				44,852
Miscellaneous adjustments				-
				<u>(56,069)</u>
Total collections and credits				<u>\$ 15,832,664</u>

Beaufort County, North Carolina
SUMMARY OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2000

EXHIBIT G-2

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property current rate	\$ 2,531,426,352	\$.63	\$ 15,948,003	\$ 14,062,578	\$ 1,885,425
Motor Vehicles prior rate	7,474,000	.60	44,844		44,843
Penalties			29,139	29,139	-
Advertising			16,770	16,770	-
			16,038,756	14,108,487	1,930,268
Discoveries					
Current year taxes	5,426,667	.63	34,188	34,188	-
Prior year taxes			48,974	48,974	-
Penalties			11,182	11,182	-
			94,344	94,344	-
Abatements					
Tax	(4,908,092)		(30,921)	(30,921)	-
Penalty			-	-	-
			(30,921)	(30,921)	-
Total property valuation	\$ 2,539,418,927				
Net levy			16,102,179	14,171,910	1,930,268
Uncollected taxes at June 30, 2000			1,056,726	748,657	308,069
Current years taxes collected			\$ 15,045,453	\$ 13,423,253	\$ 1,622,199
Current levy collection percentage			93.44%	94.72%	84.04%

Beaufort County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 1998

EXHIBIT G-2a

Secondary Market Disclosures

Assessed Valuation		100%
Assessment Ratio		
Real Property	\$ 1,326,669,723	
Personal Property	1,156,483,959	
Public service companies	56,265,245	
Total assessed valuation	<u>\$ 2,539,418,927</u>	
Tax rate per \$100		.63
Levy (includes discoveries, releases, and abatements)	<u>\$ 16,102,179</u>	

Beaufort County, North Carolina
TEN LARGEST TAXPAYERS
 For the Fiscal Year Ended June 30, 2000

EXHIBIT G-2b

Taxpayer	Type of Business	1999 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate mining/ Acid production	\$ 395,523,333	15.58%
Weyerhaeuser Co.	Tree farm operation	48,600,794	1.91
Purified Acid Partnership	Acid production	24,835,873	.98
National Spinning Co., Inc.	Textiles	20,007,619	.79
Carolina Telephone & Telegraph	Communications	16,144,444	.64
Tideland Electric Membership	Utilities	13,737,143	.54
Stanadyme Automotive Corp.	Automotive Diesel components	12,493,651	.49
Weyerhaeuser Real Estate	Real Estate development	11,658,254	.46
Fountain Powerboats, Inc.	Powerboats	11,309,524	.45
Carolina Power & Light Co.	Utilities	9,470,317	.37
		<u>\$ 563,780,952</u>	22.21%

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
For the Fiscal Year Ended June 30, 2000

EXHIBIT G-3
Page 1 of 3

	Transfers	
	From	To
OPERATING TRANSFERS FROM/TO OTHER FUNDS		
General Fund		
Special Revenue Fund		
Capital Reserve	120,000	-
CDBG Grant	343	-
Capital Projects		
Farm Services Administration Building	-	493,170
County Buildings Revaluation	1,514	-
Enterprise Fund		
Water District I Capital Project	-	815,000
Water District II	-	12,000
Water District III	-	33,000
Water District IV	-	5,000
Water District V	-	5,000
Water District VII	-	5,000
Special Revenue Fund		
Arbitrage Reserve		
BCCC Fund - Capital Project	139,048	-
CDBG Grant		
General Fund	-	343
Disaster Relief Initiative		
NC Disaster Relief Initiative	-	240,000
NC Disaster Relief Initiative		
Disaster Relief Initiative	240,000	-
Capital Reserve		
General Fund	-	120,000
Farm Services Administrative Building - Capital Project	-	460,000
County Buildings Renovation - Capital Project	74	-
Health Department - Capital Project	2,878	-
Tideland Mental Health Center - Capital Project	198,584	-
Farm Services Administrative Building - Capital Project	39,926	-

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
For the Fiscal Year Ended June 30, 2000

EXHIBIT G-3
Page 2 of 3

	Transfers	
	From	To
Capital Projects		
County Buildings Renovation		
General Fund	-	1,514
Capital Reserve - Special Revenue	-	74
 Health Department		
Capital Reserve - Special Revenue	-	2,878
 BCCC Fund		
Arbitrage Reserve - Special Revenue	-	139,048
 Tideland Mental Health Center Expansion		
Capital Reserve - Special Revenue	-	198,584
 Farm Services Administration Building		
General Fund	493,170	-
Capital Reserve - Special Revenue	460,000	-
Capital Reserve - Special Revenue	-	39,926
 Enterprise Fund		
Water District I Capital Project		
General Fund	815,000	-
 Water District II		
General Fund	12,000	-
 Water District III		
General Fund	33,000	-
Water District IV	10,057	-
 Water District IV		
General Fund	5,000	-
Water District III	-	10,057
 Water District V		
General Fund	5,000	-
 Water District VII		
General Fund	5,000	-
 Total operating transfers from / to other funds	<u>\$ 2,580,594</u>	<u>\$ 2,580,594</u>

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
 For the Fiscal Year Ended June 30, 2000

EXHIBIT G-3
 Page 3 of 3

	Transfers	
	From	To
OPERATING TRANSFERS FROM/TO COMPONENT UNITS		
General Fund		
Component units - discretely presented		
Beaufort County ABC Board	\$ 70,426	\$ -
Warren Field Airport Commission	-	56,400
Component units discretely presented		
Beaufort County ABC Board	-	70,426
General Fund		
Warren Field Airport Commission		
General Fund	56,400	-
Total operating transfers from / to component units	\$ 126,826	\$ 126,826

Beaufort County, North Carolina
SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2000

EXHIBIT G-4

	Reported Value	Fair Value
Cash:		
On hand	\$ 1,103	\$ 1,103
In demand deposits	2,510,721	2,510,721
NOW, SuperNOW, and money market	3,283,094	3,283,094
Certificates of deposits	4,076,078	4,076,078
Total Cash	9,870,996	9,870,996
Other investments:		
North Carolina Capital Management Trust	2,761,036	2,761,036
Common stock	3,764	9,037
Commercial Paper	1,500,000	1,500,000
Total other investments	4,264,800	4,270,073
Total cash and investments	\$ 14,135,796	\$ 14,141,069
Distribution by funds:		
General Fund	\$ 4,852,432	\$ 4,857,705
Special Revenue Fund:		
Revaluation	11,701	11,701
Economic Development	251,697	251,697
Fire Tax Districts	179,383	179,383
Arbitrage Reserve	300,245	300,245
E911 Service	56,717	56,717
NC Housing Finance Agency	1,247	1,247
Federal Disaster Relief Initiative	109	109
NC Disaster Relief Initiative	3,982	3,982
Capital Reserve	471,443	471,443
Capital Project Fund:		
Fountain Project	3,300	3,300
Hospital Renovations	4,259,031	4,259,031
Enterprise Fund:		
Water District I-Washington Township	460,056	460,056
Water District II-Long Acre West	634,153	634,153
Water District III-Long Acre East	320,424	320,424
Water District IV-Bath	1,392,638	1,392,638
Water District V-Pantego	387,078	387,078
Water District VI-Chocowinity	145,641	145,641
Water District VII-Richlands	334,357	334,357
Agency Funds:		
Social Services	64,966	64,966
County Home	1,812	1,812
Inmate	3,384	3,384
	\$ 14,135,796	\$ 14,141,069

COMPLIANCE SECTION



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

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the general purpose financial statements of Beaufort County, North Carolina as of and for the year ended June 30, 2000, and have issued our report thereon dated November 5, 2000. We did not audit the financial statements of the Beaufort County ABC Board or Beaufort County Hospital Association, Inc., or Warren Field Airport Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, and Beaufort County Hospital Association, Inc., and Warren Field Airport Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of Beaufort County in a separate letter dated November 5, 2000.

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

Pittard Berry & Crone, Inc.

Belhaven, North Carolina
November 5, 2000



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

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of Beaufort County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2000. Beaufort County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on Beaufort County's compliance based on our audit.

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

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

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

Pittard Peng & Crane, Inc.

Belhaven, North Carolina
November 5, 2000



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

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of Beaufort County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2000. Beaufort County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on Beaufort County's compliance based on our audit.

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

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

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

Pittard Perry + Crane, Inc.

Belhaven, North Carolina
November 5, 2000

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended June 30, 2000

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program

Food Stamp Program Cluster

10.551	Food Stamp Program
10.561	State Administrative Matching Grants for Food Stamp Program

Child Care Cluster

93.575	Child Care and Development Block Grant
93.596	Child Care Matching Funds
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between type A and type B programs			\$ 1,207,324
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Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended June 30, 2000

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

State Awards

Internal control over major State programs:

Material weakness(es) identified? _____ Yes X No

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

Noncompliance material to State Awards _____ Yes X No

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

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

Identification of major State programs:

- Names of State Program or Cluster
- Public School Bond Fund
- Special Assistance – Aged and Disabled
- NC Industrial Development
- Grants to Successful SBA Applicants

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

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2000

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

Beaufort County, North Carolina
CORRECTIVE ACTION PLAN
For The Year Ended June 30, 2000

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None

Beaufort County, North Carolina
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended June 30, 2000

Status:

N/A

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2000

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
FEDERAL AWARDS:			
Cash Programs:			
<u>U.S. Department of Health and Human Services</u>			
Passed through N.C. Dept. of Health and Human Services			
Division of Aging:			
Passed through Mid-East Commission			
Aging Cluster:			
In home services:			
Title III-B	93.044	38,063	2,239
Title III-D	93.046	2,416	142
SSBG	93.667	19,612	560
Access:			
Title III-B	93.044	6,792	400
Nutrition Services:			
Title III-C	93.045	80,666	4,745
		147,549	8,086
Passed through NC Dept. of Health and Human Services			
Division of Social Services:			
Foster Care and Adoption Cluster:			
IV-E Foster care	93.658	200,313	36,856
Adoption/Foster care	93.659	15,234	-
Total Foster Care and Adoption Cluster		215,547	36,856
Medical transportation	93.778	24,291	-
Adult care home case management	93.778	19,920	9,960
Permanency planning	93.645	17,887	5,962
Independent living initiative	93.674	3,676	-
Other services and training	93.667	187,883	-
IV - D offset fees	93.563	2,070	-
In-home services	93.667	27,568	-
Crisis intervention program	93.568	342,695	-
Carolina Access	93.778	10,520	10,520
CCDF	93.596	71,665	-
Work first service	93.558	482,619	35,689
NC Health Choice	93.767	13,550	6,955
		1,419,891	105,942
Administration:			
TANF/Work first	93.558	108,987	4,689
Low-income energy	93.568	58,259	-
IV-D administration	93.563	521,717	-
Eligible workers	93.778	14,997	14,923
Medical assistance /transportation	93.778	354,199	-
		1,058,159	19,612

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2000

<u>Grantor/Pass Through</u> <u>Grantor/Program Title</u>	Federal CFDA Number	Federal (Direct & Pass Thru) Expenditures	State Expenditures
Passed through NC Dept. of Health and Human Services:			
Direct Benefit Payments			
TANF Aid	93.558	1,094,386	-
Energy Assistance	93.568	132,464	-
IV-E Foster care	93.658	108,154	28,916
IV-E Adoption subsidy	93.659	105,475	31,490
CWS Adoption subsidy	93.645	5,269	12,671
		1,445,748	73,077
Division of Medical Assistance:			
Direct Benefit Payments			
Title XIX - Medicaid	93.778	25,446,946	12,909,887
Division of Child Development:			
Subsidized Child Care Cluster:			
Child care & development block grant	93.575	573,481	-
Social services block grant	93.667	147,873	-
TANF	93.558	114,085	99,587
Child Care Development fund	93.596	765,318	81,105
State Funding	N/A	-	132,107
		1,600,757	312,799
Division of Women and Children:			
Family planning Title X	93.217	23,916	-
Maternal & child health block grant	93.994	55,941	-
Temporary Assistance for Needy Families	93.558	11,124	-
		90,981	-
Division of Epidemiology			
Aids prevention	93.940	11,672	-
Aids counseling	93.959	8,576	-
Immunization Action	93.268	12,045	-
		32,293	-
Division of Community Health			
Preventive health block grant	93.991	29,960	-
Breast & cervical cancer	93.919	15,114	-
		45,074	-
Total U.S. Dept. of Health & Human Services		31,287,398	13,429,403
<u>U.S. Dept. of Agriculture</u>			
Rural Development			
Direct Program			
Water system development	10.418	1,144,000	-
Division of Aging			
Passed through Mid-East Commission			
USDA Supplement	10.570	14,905	-

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2000

<u>Grantor/Pass Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal</u> <u>(Direct & Pass Thru)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
Passed through NC Dept. of Health and Human Services:			
Special supplemental food program for women, infants and children	10.557	158,070	-
Direct Benefit Payments			
Special supplemental food program for women, infants, and children	10.557	731,549	-
Passed through NC Dept. of Social Services			
Direct Benefit Payments			
Food Stamp Cluster:			
Food Stamp Program (Noncash program)	10.551	4,747,934	-
Passed through NC Dept. of Health and Human Services			
Food stamp administration (Cash program)	10.561	240,349	-
		<u>4,988,283</u>	<u>-</u>
Total U.S. Dept. of Agriculture		7,036,807	-
 <u>U.S. Dept. of Housing and Urban Development</u>			
Passed through NC Dept. of Commerce			
Community Development Block Grant			
States program - EDA	14.228	326,695	-
Passed through NC Housing Finance Agency			
Single Family Rehab Program	14.239	784	-
 <u>Federal Emergency Management Agency</u>			
Passed Through NC Dept. of Crime Control and Public Safety:			
Federal disaster assistance	83.516	264,361	-
Hazard Mitigation	83.535	853,960	237,035
State and Local Assistance	83.534	-	-
		<u>1,118,321</u>	<u>237,035</u>
 Other Federal Assistance:			
 <u>U.S. Dept. of Housing and Urban Development</u>			
Direct Benefit Payments			
Special Assistance DRI	NONE	474,137	-

STATE AWARDS:
Cash programs:

NC Dept. of Health and Human Services

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2000

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct & Pass Thru) Expenditures</u>	<u>State Expenditures</u>
<u>NC Dept. of Health and Human Services</u>			
Division of Social Services:			
Mosquito control grant		-	108,538
Aid to counties		-	48,410
AFDC Incentive/Program Integrity		-	992
TANF Incentive/Program Integrity		-	3,700
Core training CPS		-	313
Food stamp tax intercept		-	6,704
CP & L Energy program		-	3,815
		-	<u>172,472</u>
Direct Benefit Payments			
State/County Special Assistance for Adults		-	422,922
State Foster Home		-	13,190
Division of Youth Services:			
Community based alternatives		-	168,483
		-	<u>604,595</u>
Passed Through Mid-East Commission			
In-home services		-	148,025
Access services		-	14,053
Nutrition services		-	41,997
		-	<u>204,075</u>
Division of Human Services:			
Local health services		-	28,025
Tuberculosis		-	24,356
Communicable Disease		-	4,355
Maternal health		-	50,825
Child health		-	14,444
Child care coordination		-	12,587
Adolescent health project		-	381
HIV grant		-	1,611
Aids Prevention		-	3,923
Immunization		-	3,698
Women's preventive health		-	36,858
		-	<u>181,063</u>
Division of Environmental Health			
White Goods Management		-	17,582
Food / Lodging Program		-	3,514
Well sample grant		-	21,000
		-	<u>42,096</u>

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended June 30, 2000

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct & Pass Thru) Expenditures</u>	<u>State Expenditures</u>
Direct Grants:			
State appropriation - soil and water		-	19,918
Total NC Dept. of Health and Human Services		-	1,455,913
<u>NC Dept. of Public Instruction</u>			
Public School Bond Fund		-	1,489,154
Public School Capital Building Fund		-	-
		-	1,489,154
<u>NC Dept. of Transportation</u>			
Elderly/disabled transportation assistance (EDTAP)		-	70,382
<u>NC Industrial Development Fund</u>			
Economic Development		-	328,850
<u>NC Dept. of Commerce</u>			
Grants to successful SBA applicants		-	936,471
<u>NC Dept. of Administration</u>			
Veterans		-	2,000
TOTAL ASSISTANCE		<u>\$ 40,244,142</u>	<u>\$ 17,717,514</u>

Notes to the preceding schedule:

1. Basis of Presentation

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

2. Subrecipients

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

Subrecipient	156	Program Name	State
--------------	-----	--------------	-------

Beaufort County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For The Year Ended June 30, 2000

<u>Grantor/Pass Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal</u> <u>(Direct & Pass Thru)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
Beaufort County Board of Education		Public School Bond Fund	\$ 1,489,154



To the Board of Commissioners
Beaufort County, North Carolina

In connection with our audit of the general purpose financial statements of Beaufort County, North Carolina, as of and for the year ended June 30, 2000, we reviewed various administrative and financial procedures and controls of the County but did not make a comprehensive review for the purpose of submitting detailed recommendations.

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

Water Districts

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

Tax Department Software

We noted the following regarding the tax software package that the County is currently using.

- The system does not allow for the recording of prepaid property taxes.
- The system will not generate a top ten taxpayers report. This information is needed for disclosure to comply with secondary market disclosure requirements.
- An annual motor vehicle receivable and collections report and an annual discoveries report is greatly needed. To get annual totals at present one must foot individual billing cycle records. This requires an extensive amount of effort to get the detailed segregated information needed for year-end reporting. If an annual report can be developed amounts levied at prior year tax rates need to be segregated from amounts levied at current year rates.

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

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
November 5, 2000