

Beaufort County, North Carolina

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

Year Ended June 30, 1994

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 June 30, 1994, and for the year then ended, 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, 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 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 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides 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, 1994, 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.

As discussed in Note 11 to the financial statements, the County's reporting entity changed in 1994 as a result of GASB Statement No. 14, "The Financial Reporting Entity."

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, account group financial statements, as well as the schedule of federal and state financial assistance and other statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Beaufort County, North Carolina. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Pittard, Perry & Crone, Inc.

Belhaven, North Carolina
November 8, 1994

GENERAL PURPOSE FINANCIAL STATEMENTS

Beaufort County, North Carolina
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS**
June 30, 1994

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
Cash and investments	\$ 6,859,041	\$ 427,943	\$ 3,646,767	\$ 288,655
Receivables (net of allowances):				
Property taxes	1,308,266	70,236	-	-
Accounts	2,748,063	17,426	114,962	1,800
Other	25,756	-	-	-
Due from other funds	215	4,346	-	1,840
Due from component units	21,033	-	-	-
Prepaid items	-	1,109	-	-
Inventory	-	-	-	-
Fixed assets, net	-	-	-	11,277
Other debits				
Amount to be provided for retirement of long-term debt	-	-	-	-
Total assets and other debits	<u>\$10,962,374</u>	<u>\$ 521,060</u>	<u>\$ 3,761,729</u>	<u>\$ 303,572</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable & accrued liabilities	\$ 1,139,728	\$ 17,426	\$ 579,543	\$ 13,882
Due to primary government	-	-	-	-
Due to other funds	4,673	-	-	2,055
Deferred revenue	1,633,942	75,691	-	-
Notes payable - current	-	-	8,769,000	-
Capital leases payable - current	-	-	-	-
General obligation bonds payable - current	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued landfill care	-	-	-	-
General obligation bonds payable - noncurrent	-	-	-	-
Notes payable - noncurrent	-	-	-	-
Capital leases payable - noncurrent	-	-	-	-
Total liabilities	2,778,343	93,117	9,348,543	15,937
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
Fund balances:				
Reserved:				
Reserved for health services	239,477	-	-	-
Reserved by State statute	2,624,683	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	1,305,015	57,000	-	-
Undesignated	4,014,856	370,943	<5,586,814>	287,635
Total equity and other credits	<u>8,184,031</u>	<u>427,943</u>	<u><5,586,814></u>	<u>287,635</u>
Total liabilities, equity & other credits	<u>\$10,962,374</u>	<u>\$ 521,060</u>	<u>\$ 3,761,729</u>	<u>\$ 303,572</u>

EXHIBIT 1

Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)	Component Units		
	Agency	General Fixed Assets	General Long- Term Debt	Primary Government	Beaufort County		Warren
					Hospital	ABC Board	Field Airport Commission
\$ 207,338	\$ -	\$ -	\$ 11,429,744	\$ 1,114,097	\$ 224,441	\$ 153,130	
-	-	-	1,378,502	-	-	-	
-	-	-	2,882,251	4,084,716	-	13,192	
-	-	-	25,756	144,886	133	-	
327	-	-	6,728	-	-	-	
-	-	-	21,033	-	-	-	
-	-	-	1,109	98,963	6,175	2,725	
-	-	-	-	734,391	346,063	-	
-	10,569,959	-	10,581,236	8,566,438	381,352	1,299,498	
-	-	16,157,709	16,157,709	-	-	-	
<u>\$ 207,665</u>	<u>\$10,569,959</u>	<u>\$16,157,709</u>	<u>\$42,484,068</u>	<u>\$14,743,491</u>	<u>\$ 958,164</u>	<u>\$ 1,468,545</u>	
\$ 207,665	\$ -	\$ -	\$ 1,958,244	\$ 1,614,588	\$ 169,587	\$ 22,065	
-	-	-	-	-	21,033	-	
-	-	-	6,728	-	-	-	
-	-	-	1,709,633	-	-	585	
-	-	422,848	9,191,848	147,081	-	-	
-	-	37,398	37,398	190,268	-	-	
-	-	1,000,000	1,000,000	-	-	-	
-	-	329,871	329,871	377,994	-	-	
-	-	606,332	606,332	-	-	-	
-	-	11,420,000	11,420,000	-	-	-	
-	-	2,217,466	2,217,466	636,498	-	-	
-	-	123,794	123,794	197,831	-	-	
207,665	-	16,157,709	28,601,314	3,164,260	190,620	22,650	
-	10,569,959	-	10,569,959	-	-	-	
-	-	-	-	-	-	1,499,695	
-	-	-	-	11,579,231	767,544	<53,800>	
-	-	-	239,477	-	-	-	
-	-	-	2,624,683	-	-	-	
-	-	-	1,362,015	-	-	-	
-	-	-	<913,380>	-	-	-	
-	10,569,959	-	13,882,754	11,579,231	767,544	1,445,895	
<u>\$ 207,665</u>	<u>\$10,569,959</u>	<u>\$16,157,709</u>	<u>\$42,484,068</u>	<u>\$14,743,491</u>	<u>\$ 958,164</u>	<u>\$ 1,468,545</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, 1994

EXHIBIT 2

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Project	Primary Government
REVENUES				
Ad Valorem taxes	\$12,963,258	\$ 488,724	\$ -	\$13,451,982
Other taxes, licenses & permits	498,649	-	-	498,649
Intergovernmental	7,410,720	817,104	-	8,227,824
Local option sales tax	4,817,766	-	-	4,817,766
Sales and services	2,848,567	-	222,262	3,070,829
Investment earnings	197,998	9,312	77,330	284,640
Miscellaneous	229,583	39,676	-	269,259
Total revenues	<u>28,966,541</u>	<u>1,354,816</u>	<u>299,592</u>	<u>30,620,949</u>
EXPENDITURES				
General government	1,929,840	230,971	-	2,160,811
Public safety	3,378,153	446,283	-	3,824,436
Environmental protection	2,705,319	-	-	2,705,319
Economic & community development	410,289	854,685	-	1,264,974
Culture and recreation	197,468	-	-	197,468
Education	8,166,421	42,441	-	8,208,862
Human services	9,204,778	-	-	9,204,778
Transportation	146,000	-	-	146,000
Capital projects	-	-	6,147,496	6,147,496
Nondepartmental	59,846	-	-	59,846
Debt service:				
Bond principal	1,000,000	-	-	1,000,000
Lease principal	35,617	-	-	35,617
Note principal	246,923	-	-	246,923
Interest	942,957	-	-	942,957
Fees and commissions	221	-	-	221
Total expenditures	<u>28,423,832</u>	<u>1,574,380</u>	<u>6,147,496</u>	<u>36,145,708</u>
Revenues over <under> expenditures	542,709	<219,564>	<5,847,904>	<5,524,759>
OTHER FINANCING SOURCES <USES>				
Operating transfers from other funds	-	167,789	-	167,789
Operating transfers to other funds	<167,789>	-	-	<167,789>
Proceeds from long-term debt	715,000	-	2,172,237	2,887,237
Total other financing sources <uses>	<u>547,211</u>	<u>167,789</u>	<u>2,172,237</u>	<u>2,887,237</u>
Revenues & other sources over <under> expenditures & other uses	1,089,920	<51,775>	<3,675,667>	<2,637,522>
FUND BALANCES,				
beginning of year	<u>7,094,111</u>	<u>479,718</u>	<u><1,911,147></u>	<u>5,662,682</u>
end of year	<u>\$ 8,184,031</u>	<u>\$ 427,943</u>	<u>\$<5,586,814></u>	<u>\$ 3,025,160</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
ANNUAL BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUNDS
For The Fiscal Year Ended June 30, 1994

	General Fund		Variance Favorable <Unfavorable>
	Budget	Actual	
REVENUES			
Taxes	\$12,288,651	\$12,963,258	\$ 674,607
Other taxes, licenses & permits	428,000	498,649	70,649
Intergovernmental	7,353,997	7,410,720	56,723
Sales and services	3,185,971	2,848,567	<337,404>
Investment earnings	200,000	197,998	<2,002>
Miscellaneous	218,999	229,583	10,584
Local option sales tax	<u>4,323,000</u>	<u>4,817,766</u>	<u>494,766</u>
Total revenue	27,998,618	28,966,541	967,923
EXPENDITURES			
General government	2,053,481	1,929,840	123,641
Public safety	3,692,603	3,378,153	314,450
Environmental protection	2,723,550	2,705,319	18,231
Economic and community development	476,901	410,289	66,612
Culture and recreation	200,925	197,468	3,457
Education	8,186,509	8,166,421	20,088
Human services	9,524,882	9,204,778	320,104
Transportation	146,500	146,000	500
Contingency	14,193	-	14,193
Nondepartmental	60,350	59,846	504
Debt service:			
Bond principal	1,000,000	1,000,000	-
Lease principal	36,782	35,617	1,165
Note principal	246,923	246,923	-
Interest	950,230	942,957	7,273
Fees and commissions	<u>2,000</u>	<u>221</u>	<u>1,779</u>
Total expenditures	<u>29,315,829</u>	<u>28,423,832</u>	<u>891,997</u>
Revenue over <under> expenditures	<1,317,211>	542,709	1,859,920
OTHER FINANCING SOURCES <USES>			
Operating transfers from <to> other funds	<197,789>	<167,789>	30,000
Proceeds of long-term debt	<u>715,000</u>	<u>715,000</u>	-
Total other financing sources <uses>	<u>517,211</u>	<u>547,211</u>	<u>30,000</u>
Revenues and other sources over <under> expenditures and other uses	<800,000>	1,089,920	1,889,920
Appropriated fund balance	<u>800,000</u>	-	<u><800,000></u>
Revenues, other sources & appropriated fund balance over <under> expenditures and other uses	<u>\$ -</u>	1,089,920	<u>\$ 1,089,920</u>
FUND BALANCES, beginning of year		<u>7,094,111</u>	
FUND BALANCES, end of year		<u>\$ 8,184,031</u>	

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	Variance Favorable <Unfavorable>
\$ 493,000	\$ 488,724	\$ <4,276>
-	-	-
1,000,000	817,104	<182,896>
-	-	-
24,200	9,312	<14,888>
50,500	39,676	<10,824>
-	-	-
<u>1,567,700</u>	<u>1,354,816</u>	<u><212,884></u>
630,000	230,971	399,029
453,000	446,283	6,717
-	-	-
1,053,900	854,685	199,215
-	-	-
40,000	42,441	<2,441>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,176,900</u>	<u>1,574,380</u>	<u>602,520</u>
<609,200>	<219,564>	389,636
230,000	167,789	<62,211>
-	-	-
<u>230,000</u>	<u>167,789</u>	<u><62,211></u>
<379,200>	<51,775>	327,425
<u>379,200</u>	<u>-</u>	<u><379,200></u>
<u>\$ -</u>	<51,775>	<u>\$ <51,775></u>
	<u>479,718</u>	
	<u>\$ 427,943</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, 1994

EXHIBIT 4

	Proprietary Fund		Component Unit	
	Type		Beaufort County	
	Enterprise Primary Government	ABC Board	Hospital	Airport
OPERATING REVENUES:				
Charges for service and sales	\$ 5,263	\$ -	\$18,914,189	\$ 26,167
Other operating revenue	<u>285,700</u>	<u>2,092,590</u>	<u>527,737</u>	<u>6,112</u>
Total operating revenues	290,963	2,092,590	19,441,926	32,279
OPERATING EXPENSES:				
Depreciation	-	-	956,787	52,625
Water purchases	4,991	-	-	-
Cost of goods sold	-	1,467,940	-	-
Store expenses	-	255,612	-	-
Warehouse expenses	-	18,037	-	-
Administrative expenses	<u>2,828</u>	<u>225,019</u>	<u>18,623,391</u>	<u>42,911</u>
Total expenses	<u>7,819</u>	<u>1,966,608</u>	<u>19,580,178</u>	<u>95,536</u>
Operating income	283,144	125,982	<138,252>	<63,257>
NONOPERATING REVENUES <EXPENSES>:				
Intergovernmental revenues	-	-	-	12,235
Interest on investments	4,491	3,805	33,195	3,936
Miscellaneous income	-	-	12,802	-
Required distribution	-	<42,650>	-	-
Donation	-	-	-	<2,000>
Net nonoperating revenue <expense>	<u>4,491</u>	<u><38,845></u>	<u>45,997</u>	<u>14,171</u>
Net income <loss>	287,635	87,137	<92,255>	<49,086>
Add depreciation on contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,678</u>
Increase <decrease> in retained earnings	287,635	87,137	<92,255>	<27,408>
RETAINED EARNINGS, beginning of year	-	767,544	11,671,486	<26,392>
Deduct distributions:				
County	<u>-</u>	<u><87,137></u>	<u>-</u>	<u>-</u>
RETAINED EARNINGS, end of year	<u>\$ 287,635</u>	<u>\$ 767,544</u>	<u>\$11,579,231</u>	<u>\$ <53,800></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, 1994

EXHIBIT 5
PAGE 1 OF 2

	Proprietary Fund		Component Units	
	Type		Beaufort County	
	Enterprise Primary Government	ABC Board	Hospital	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 289,163	\$ 2,092,603	\$18,927,575	\$ 32,155
Cash paid for goods and services	<3,050>	<1,669,836>	<7,387,953>	<42,559>
Cash paid to employees for services	<1,949>	<274,188>	<11,128,530>	-
Other operating revenue	-	80	582,060	-
Net cash provided by <used in> operating activities	284,164	148,659	993,152	<10,404>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues	-	-	-	12,235
Operating transfers to primary government	-	<131,655>	-	-
Gifts and grants	-	-	12,802	<2,000>
Net cash provided by <used in> non-capital financing activities	-	<131,655>	12,802	10,235
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	<34,373>	<1,674,762>	<512,652>
Proceeds of long-term borrowing	-	-	795,510	-
Principal paid on long-term borrowing, including capital lease obligations	-	-	<324,060>	-
Interest paid on long-term borrowing, including capital lease obligations	-	-	<41,483>	-
Profit distributions	-	-	-	-
Intergovernmental revenues	-	-	-	546,007
Net cash provided by <used in> capital and related financing activities	-	<34,373>	<1,244,795>	33,355
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	4,491	3,805	33,195	3,936
Net increase in cash and cash equivalents	288,655	<13,564>	<205,646>	37,122
Cash and cash equivalents at beginning of year	-	238,005	1,319,743	116,008
Cash and cash equivalents at end of year	\$ 288,655	\$ 224,441	\$ 1,114,097	\$ 153,130

Beaufort County, North Carolina
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS
For The Fiscal Year Ended June 30, 1994

EXHIBIT 5
PAGE 2 OF 2

	Proprietary Fund		Component Unit	
	Type		Beaufort County	
	Enterprise Primary Government	ABC Board	Hospital	Airport
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 283,144	\$ 125,982	\$ <138,252>	\$ <63,257>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	-	34,246	956,787	52,625
Changes in assets and liabilities:				
Interest paid	-	-	41,483	-
<Increase> decrease in accounts receivable	<1,800>	<11,569>	177,867	1,125
Decrease <increase> in inventories, prepaid expenses, and other current assets	-	-	<44,323>	<697>
<Decrease> Increase in accounts payable and accrued liabilities	2,605	-	<410>	<200>
<Increase> in due to/due from accounts	215	-	-	-
Total adjustments	1,020	22,677	1,131,404	52,853
Net cash provided by <used in> operating activities	\$ 284,164	\$ 148,659	\$ 993,152	\$ <10,404>

The accompanying notes are an integral part of this financial statement

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Beaufort County, North Carolina and its discretely presented component units conform to generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

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 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.

Beaufort County Hospital

Beaufort County Hospital is a not for profit acute care hospital. 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.

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

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

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

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

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing 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. In this report the various funds are grouped into three broad categories and six generic fund types. 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. The primary revenue sources are ad valorem taxes, sales taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for education, human services, public safety, and general government services.

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 four special revenue funds as detailed in the supplementary schedules.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County has four Capital Projects Funds within its governmental fund types, the Beaufort Community College Building Fund, the Department of Social Services Building Fund, Water District II Construction Fund and Water District III Construction Fund.

Fiduciary funds account for assets held by the County as an agent for outside parties, including other governments, or on behalf of other funds within the government. Fiduciary funds include the following funds:

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting (continued)

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

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 two Enterprise Funds, Water District I and Water District II.

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

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

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.

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 subsequent 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, 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 1993 through February 1994 apply to the fiscal year ended June 30, 1994. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. Those taxes for vehicles registered from March 1 through the fiscal year-end apply to the fiscal year 1994-95 and are not shown as receivables at June 30, 1994. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the financial statements and are 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 vehicles registered annually that have already been collected as of year-end are also reflected as

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

deferred revenues at June 30, 1994 because they are intended to finance the County's operations during the 1994-95 fiscal year.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intangibles taxes, intergovernmental revenues, and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

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. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for the general fund, special revenue funds and enterprise fund, 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.

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.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Data (continued)

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

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 State statute. The County, the Hospital, the ABC Board and the Airport may designate as an official depository any bank or savings and loan 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 statutes authorize 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.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and 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 to be cash and cash equivalents.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Ad valorem taxes receivable

In accordance with state statutes, ad valorem taxes are levied on July 1, the beginning of the fiscal year and are due on September 1; however, interest does not accrue until the following January 6. The taxes are based on the assessed values as of January 1, 1993.

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts, estimated to equal the amount of the accounts written off in prior years.

5. 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 consists of materials and supplies held for consumption. The cost of this inventory is recorded as an expense as it is consumed.

6. 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.

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.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Fixed assets (continued)

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

	<u>Years</u>
Furniture and equipment	5-10
Leasehold improvements	10

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	20 years
Furniture/equipment	10 years
Vehicles	3-5 years
Leasehold improvements	10-20 years
Computers, etc.	3 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 GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. 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 County's long-term debt for water and sewer purposes is carried in the Water and Sewer Fund rather than in the General Long-Term Debt Account Group. The debt service requirements for the water and sewer debt are being met by water and sewer revenues, but the taxing power is pledged to make these payments if water and sewer 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 Groups are the hospital improvement bonds issued by the County. For the hospital improvement bonds issued by the County, the Hospital's revenues are sufficient to cover the debt service requirements on the bonds; however, the taxing power of the County is pledged to make the payments if the Hospital's revenues should be inadequate. 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.

8. 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.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 1994-1995 budget ordinance.

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

F. Revenues, Expenditures and Expenses

1. Other Resources

The General Fund provided 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, 1994 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.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues, Expenditures and Expenses (continued)

2. Compensated absences (continued)

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.

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's year's presentation.

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 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

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

A. Assets (continued)

1. Deposits (continued)

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' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, the Airport or the ABC Board or 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 collateralize public deposits under the Pooling Method.

At June 30, 1994, the County's deposits had a carrying amount of \$4,945,530 and a bank balance of \$5,186,866. Of the bank balance, \$769,795 was covered by federal depository insurance and \$3,219,682 was covered by collateral held under the Dedicated Method, and \$1,176 in non-interest bearing deposits and \$1,196,213 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 1994, the carrying amount of deposits for Beaufort County ABC Board was \$221,892 and the bank balance was \$215,522. Of the bank balance, \$3,266 was covered by federal depository insurance and \$212,256 was collateralized under the Pooling Method.

At September 30, 1993, the Hospital's deposits had a balance of \$1,114,097 and a bank balance of \$1,319,743. All of the bank balance was covered by federal depository insurance.

At June 30, 1994, the Airport's deposits had a carrying amount of \$153,130 and a bank balance of \$155,301 with \$100,000 of the amount being covered by federal depository insurance.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

A. Assets (continued)

2. Investments

The County's, the Hospital's, and the ABC Board'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 included investments that are insured or registered or for which the securities are held by the County, the Hospital, or the ABC Board or their agents in the entity's name. Column B included uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the County's, the Hospital's, or the ABC Board's name. Column C included uninsured and unregistered investments for which the securities are held by the counterpart, or by its trust department or agent but not in the County's, the Hospital's, or the ABC Board'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, and the ABC Board's investments in the North Carolina Capital Management Trust and the County's investments on the Deferred Compensation Agency Fund are exempt from risk categorization because the County, the Hospital, and the ABC Board do not own any identifiable securities in these mutual funds.

At June 30, 1994 the County's investment balances were as follows:

	<u>Categories</u>			<u>Cost Value</u>	<u>Market Value</u>
	<u>A</u>	<u>B</u>	<u>C</u>		
Federal National Mortgage FNMA Strips-Zero Coupon	\$500,052	\$ -	\$ -	\$ 500,052	\$ 371,438
Common Stock	<u>3,764</u>	<u>-</u>	<u>-</u>	3,764	6,727
	<u>\$503,816</u>	<u>\$ -</u>	<u>\$ -</u>		
North Carolina Capital Management Trust				<u>5,980,398</u>	<u>5,980,398</u>
Total investments				<u>\$6,484,214</u>	<u>\$6,358,563</u>

At June 30, 1994, the ABC Board had no money in the above type investments.

At September 30, 1993, the Beaufort County Hospital had no money in the above type investments.

At June 30, 1994, Warren Field Commission had no money in the above type investments.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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</u> <u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
1990	\$ 35,606	\$ 11,661	\$ 47,267
1991	40,681	9,662	50,343
1992	42,565	6,278	48,843
1993	<u>48,737</u>	<u>2,802</u>	<u>51,539</u>
	<u>\$167,589</u>	<u>\$ 30,403</u>	<u>\$197,992</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, 1994</u>
Property taxes receivable	
General fund	\$307,443
Special revenue fund	<u>23,515</u>
	<u>\$330,958</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$2,556,383.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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, 1993	Additions and Discoveries	Retirements	General Fixed Assets June 30, 1994
Land	\$ 576,493	\$ -	\$ -	\$ 576,493
Buildings & improvements	6,377,096	-	-	6,377,096
Vehicles & equipment	2,532,873	407,265	42,619	2,897,519
Construction in progress				
DSS building	-	718,851	-	718,851
Total	<u>\$9,486,462</u>	<u>\$1,126,116</u>	<u>\$ 42,619</u>	<u>\$10,569,959</u>
By Function				
General government	\$3,240,809	\$ 39,957	\$ -	\$ 3,280,766
Public safety	958,853	268,548	35,504	1,191,897
Human services	3,397,735	69,452	7,115	3,460,072
Environmental protection	1,437,182	2,764	-	1,439,946
Economic and physical development	446,883	26,544	-	473,427
Revaluation	5,000	-	-	5,000
Construction in progress	-	718,851	-	718,851
Total	<u>\$9,486,462</u>	<u>\$1,126,116</u>	<u>\$ 42,619</u>	<u>\$10,569,959</u>

Reconciliation of additions:

Capital outlay expenditures	\$ 407,201
Capital Projects - construction in progress per Exhibit D-2	718,851
Discoveries	64
Total	<u>\$1,126,116</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

A. Assets (continued)

6. Proprietary Fund Fixed Assets

The fixed assets of the Water District II Fund at June 30, 1994 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Vehicles	\$ <u>6,642</u>	\$ <u>-</u>	\$ <u>6,642</u>

The fixed assets of the Water District III Fund at June 30, 1994 are as follows:

Vehicles	\$ <u>4,635</u>	\$ <u>-</u>	\$ <u>4,635</u>
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The following is a summary of proprietary fund type fixed assets for the ABC Board at June 30, 1994:

Land	\$ 147,266
Buildings	345,971
Furniture and equipment	136,051
Vehicles	<u>19,614</u>
Total	648,902
Less accumulated depreciation	<u><267,550></u>
Fixed assets, net	<u>\$ 381,352</u>

For Beaufort County Hospital, the components of property, plant, and equipment at September 30, 1993 are as follows:

Land and improvements	\$ 304,388
Buildings	8,121,140
Equipment	8,212,022
Construction in progress	<u>1,246,017</u>
Total	17,883,567
Less accumulated depreciation	<u><9,317,129></u>
Property, plant and equipment, net	<u>\$8,566,438</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

A. Assets (continued)

The following is a summary of fixed assets of the Warren Field Airport Commission at June 30, 1994:

Land	\$ 488,384
Buildings and hangars	303,714
Lights, taxiway, & runway improvements	2,441,466
Parking lot	17,429
Gas pump and tanks	59,954
Reforestation	2,730
Construction in progress	22,750
Furniture, fixtures, and equipment	<u>172,665</u>
	3,509,092
Less accumulated depreciation	<2,209,594>
Total	<u>\$ 1,299,498</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employee's Retirement System

All permanent full-time employees of both the County and the ABC Board participate in the statewide Local Governmental Employees' Retirement System (System), a multiple-employer, cost-sharing, defined benefit pension plan. The County's payroll for employees covered by the System for the fiscal year ended June 30, 1994 was \$4,763,937; the County's total payroll was \$5,938,302. The ABC Board's payroll for employees covered by the System for the fiscal year ended June 30, 1994 was \$264,132; the ABC Board's total payroll was \$304,799.

The system provides retirement and disability benefits. After five years of creditable service, employees qualify for a vested deferred benefit. Employees not engaged in law enforcement may retire with unreduced retirement benefits under the following conditions:

- 1) Complete 30 years of creditable service, or
- 2) Reach age 65 and complete 5 years of creditable service, or
- 3) Reach age 60 and complete 25 years of creditable service.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

Law enforcement officers may retire with unreduced retirement benefits after completing 30 years of creditable service or after reaching age 55 and completing 5 years of creditable service. Employees retiring under any of these conditions are entitled to annual retirement benefits equal to 1.70 percent of their average final compensation times their years of creditable service. Average final compensation is the average of an employee's salary during the employee's four highest paid years in a row.

Employees may retire with reduced retirement benefits under the following conditions:

- 1) Employees not engaged in law enforcement who reach age 50 and complete 20 years of creditable service or reach age 60 and complete 5 years of creditable service, or
- 2) Law enforcement officers who reach age 50 and complete 15 years of creditable service, or
- 3) Firemen who reach age 55 and complete 5 years of creditable service.

Covered employees are required by State statute to contribute 6 percent of their salary to the System. The County and the ABC Board are required by the same statute to contribute the remaining amounts necessary to pay benefits when due. For the County, the actuarial determined contribution requirement for the year ended June 30, 1994 was \$604,492, which consisted of \$272,985 from the County and \$331,507 from employees; the County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 5.04 percent and 4.32 percent of covered payroll, respectively. For the ABC Board, the actuarial determined contribution requirement for the fiscal year ended June 30, 1994 was \$28,987, which consisted of \$13,139 from the ABC Board and \$15,848 from the employees; the ABC Board's required contributions for employees was 5.06%. The ABC Board does not have any employees engaged in law enforcement.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole at December 31, 1993, the date of the latest available actuarial valuation was \$4,046,264,000. The System's net assets available for benefits on that date (at cost) were \$4,436,587,000 leaving net assets in excess of the pension benefit obligation of \$390,323,000. The County's 1994 contribution and the ABC Board's 1994 contribution each represented less than one percent of total contributions required of all participating entities.

Ten-year historical trend information showing the System's revenue by source and expenses by type will be presented in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina as of and for the fiscal year ended June 30, 1994. The State's CAFR will also begin to present prospective trend information showing the System's progress in accumulating sufficient assets to pay benefits when due.

b. Law Enforcement Officers Special Separation Allowance

Description

Beaufort County is the administrator of a single-employer, defined benefit, public employee retirement system (System) established by the County to provide special separation benefits to its law enforcement officers. The County's payroll for employees covered by the System for the fiscal year ended June 30, 1994 was \$761,174; the County's total payroll was \$5,938,302.

All full-time County law enforcement officers are covered by the System. At December 31, 1993 the System's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	1
Current employees:	
Vested	0
Nonvested	37
Total	38

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

The System provides separation benefits to all full-time County law enforcement officers who meet the following:

- 1) Have (a) completed 30 or more years of creditable service, or (b) have attained 55 years of age and completed 5 or more years of creditable service, and
- 2) Have not attained 62 years of age, and
- 3) Have completed at least 5 years of continuous service as a law enforcement officer immediately preceding a service retirement.

The qualified law enforcement officers are entitled to an annual retirement benefit of .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the covered employee for each year of creditable service. The retirement benefits are paid monthly in equal installments. Payments to retired officers cease at their death or on the last day of the month in which the officer attains 62 years of age or upon the first day of re-employment by any State department, agency, or institution.

The County is required by State statute to provide these special separation benefits and has chosen to fund the amount necessary to cover the benefits earned when the benefits are due and records these payments as General Fund expenditures.

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1993. Significant actuarial assumptions used in the valuation include (a) an annual rate of return on the investment of present and future assets of 7.5 percent

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

compounded annually, (b) projected annual salary increases of 5 percent compounded annually, attributable to inflation, (c) additional projected annual salary increases, attributable to seniority/merit, and (d) no post-employment retirement increases.

At December 31, 1993, the date of the last actuarial study, the unfunded pension benefit obligation was \$87,049 as follows:

Pension benefit obligation:	
Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	\$ 4,769
Current employees:	
Accumulated employee contributions	-
Employer-financed vested	-
Employer-financed nonvested	<u>82,280</u>
Total pension benefit obligation	87,049
Net assets available for benefits	<u>-</u>
Unfunded pension benefit obligation	<u>\$ 87,049</u>

Contribution Requirements and Contributions Made

The County has chosen to fund the amount necessary to cover the benefits earned when the benefits are due. The County has not currently adopted an actuarial determined funding policy, and no contribution requirement has been established by the County. There were no contributions made by the employer or employees for the year ended June 30, 1994. Current and long-term unfunded contributions at June 30, 1994 are not considered material and have not been recorded as a fund liability, nor in the general long-term account groups.

Trend information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information is presented for as many years as the standardized measure of pension benefit obligation is available. As of June 30, 1994, no assets were available to fund the pension benefit obligation. Unfunded pension benefit obligation represented 11.44 percent of the annual payroll for employees covered by the System

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

for 1994. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. As discussed above, the County has elected not to fund the pension benefit obligation until it becomes due.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the System. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the System.

c. Supplemental Retirement Income Plan

All permanent full-time Beaufort County employees participate in the Supplemental Income Plan, a defined contribution pension plan. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County contributes each month, an amount equal to 5 percent of each eligible employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan.

The County's contributions were calculated using a covered payroll amount of \$761,174. Total contributions for the year ended June 30, 1994 were \$38,059 which consisted of \$38,059 from the County and \$0.00 from the employees. The County's contributions and the employees contributions represented 5.0 percent and 0 percent of the covered payroll amount, respectively.

d. Registers of Deeds' Supplemental Pension Fund

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the Fund), which is a noncontributory defined contribution pension plan. As established by the North Carolina General Assembly (Article 3 of GS 161), effective October 1, 1987,

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

this plan covers any county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan.

On a monthly basis the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5 percent) of the monthly receipts collected pursuant to Article 1 of GS 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety percent (90 percent) 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 ten percent (10 percent) of the Fund's assets may be used by the State Treasurer in administering the Fund.

Any county register of deeds who has retired with at least 10 years eligible service as register of deeds under the LGERS or an equivalent locally sponsored plan before June 30, 1988, and those who retire thereafter who have completed at least 10 years of eligible service as register of deeds are entitled to receive a monthly pension payment under this plan.

An eligible retired register of deeds is entitled to receive an annual pension benefit, payable in equal monthly installments, equal to one share for each full year of eligible service as register of deeds multiplied by his/her total number of years of eligible service. The amount of each share shall be determined by dividing the total number of years of eligible service for all eligible retired registers of deeds on December 31 of each calendar year into the amount to be disbursed. Benefits received under this plan may not exceed the lessor of 1) \$1200 per month, or 2) an amount which, when added to benefits received under the LGERS or an equivalent plan and any benefits received from employer contributions to the Supplemental Retirement Income Plan, would exceed 75 percent of the recipient's equivalent annual salary immediately preceding retirement computed on a monthly base rate.

Monthly pensions payable under this plan cease at the death of the pensioner and no payment is made to any beneficiaries or to the descendent's estate. Monthly pensions also cease if a pensioner becomes a full-time employee who participates in the LGERS.

For the year ended June 30, 1994, the County's required and actual contributions were \$6,411.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

e. 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 preceding retirement. Total pension expense charged to operations amounted to \$25,698 for the year ending September 30, 1993 including amortization of prior service cost over 30 years. The Hospital's policy is to fund pension costs accrued. The actuarial present values were determined using assumed rates of return of 7.5% and annual salary increases of 5%.

	<u>1993</u>
Actuarial present value of accumulated plan benefits:	
Vested	\$2,995,400
Nonvested	<u>52,857</u>
Accumulated benefit obligation	<u>\$3,048,257</u>
 Net assets available for benefits:	
Held by First Union National Bank invested in First Union Funds Balanced Portfolio Trust, a Mutual Fund	<u>\$3,745,762</u>

f. Warren Field Airport Commission

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

2. Postemployment Health Care Benefits - Beaufort County

The County does not provide post retirement health benefits to employees.

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 \$606,332 reported as landfill postclosure care liability at June 30, 1994 represents a cumulative amount reported to date. The County will recognize the remaining estimated cost

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

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

of postclosure care over the remaining 30 year period. 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 had 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.

In order to prevent the forward or future recognition of closure and postclosure care liabilities resulting from the County's use of its landfill in prior periods, GASB Statement No. 18 is applied retroactively upon implementation. Therefore, the balance of general long-term debt as of July 1, 1993 has been adjusted for the retroactive application of GASB Statement No 18. Of the \$715,250 adjustment, \$47,683 related to the fiscal year ended June 30, 1993. The remaining \$667,567 relates to prior fiscal years. The effect of the restatement was to increase the beginning general long-term debt as follows:

General long-term debt as reported at July 1, 1993	\$13,891,304
Prior period adjustment	<u>715,250</u>
General long-term debt as restated	<u>\$14,606,554</u>

4. Deferred Revenue

The balance of deferred revenue at year-end is comprised of the following:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	<u>Total</u>
Property taxes receivable	\$1,308,265	\$ 70,237	\$1,378,502
Prepaid taxes	155,293	5,454	160,747
Solid waste fees	<u>170,384</u>	<u>-</u>	<u>170,384</u>
Total	<u>\$1,633,942</u>	<u>\$ 75,691</u>	<u>\$1,709,633</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

5. Commitments

The County had commitments of approximately \$966,507 for the construction of the Department of Social Services building and \$836,383 for Water District construction.

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.

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 insurance coverage of \$125.5 million per 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, \$500,000 of aggregate annual losses in excess of \$25,000 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. 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; 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. Claims have not exceeded coverage in any of the past three fiscal years.

Beaufort County Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these risks of loss. Claims have not exceeded coverage in any of the past three fiscal years.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

6. Risk Management (continued)

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. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. Long-Term Obligations

a. Lease Obligations

The County has entered into an agreement to lease certain equipment. This agreement is in substance a lease-purchase (capital lease) and is included in the General Long-Term Debt Account Group.

The lease agreement is for a tax department computer executed on June 25, 1993 requiring 60 monthly payments of \$3,704.

The following is an analysis of the assets recorded under capital leases:

<u>Classes of Property</u>	<u>General Fixed Assets</u>
Equipment	<u>\$ 196,809</u>

For Beaufort County, the following is a schedule of the future minimum lease obligations and the net present value of these net minimum lease payments as of June 30, 1994:

<u>Fiscal Year Ending June 30,</u>	<u>General Long-Term Debt</u>
1995	\$ 44,449
1996	44,449
1997	44,449
1998	<u>44,449</u>
Total minimum lease payments	177,796
Less amount representing interest	<u>16,604</u>
Present value of future minimum lease payments	<u>\$161,192</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

b. General Obligations Indebtedness

The County's general obligation bonds financed by the governmental funds are accounted for in the General Long-Term Debt Account Group. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 1994 are comprised of the following individual issues:

General obligation bonds

\$600,000 1978 Technical Institute Serial bonds, due on May 1 in installments ranging from \$20,000 to \$50,000 through May 1, 1996; interest ranging from 5.3% to 5.4%	\$ 70,000
\$6,700,000 1989 School Facility Serial bonds, due on February 1 in installments ranging from \$300,000 to \$400,000 through February, 2006; interest ranging from 6.7% to 6.75%	4,700,000
\$5,300,000 1988 School Facility Serial bonds, due on June 1 in installments ranging from \$200,000 to \$300,000 through June, 2006; interest at 7.1%	3,500,000
\$3,500,000 1998 Hospital Improvement Serial bonds, due on June 1 in installments ranging from \$100,000 to \$200,000 through June, 2006; interest at 7.1%	2,300,000
\$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%	<u>1,850,000</u>
	<u>\$12,420,000</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

b. General Obligations Indebtedness (continued)

Bond anticipation notes

\$4,660,000 Water Bond anticipation notes issued on December 7, 1993 and due August 24, 1994; interest at 2.42%. The notes will be repaid from a \$4,660,000 bond issue expected to be sold next year 4,660,000

\$4,109,000 Water Bond Anticipation notes issued on December 7, 1993 and due August 24, 1994; interest at 2.42%. The notes will be repaid from a \$4,109,000 bond issue expected to be sold next year 4,109,000

\$ 8,769,000

At June 30, 1994, Beaufort county had bonds authorized but unissued of \$8,769,000 and had a legal debt margin of \$126,421,631.

Annual debt service requirements to maturity for the County's general obligation bond, reported in the General Long-Term Debt Account Group, including interest of \$5,756,160, are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
1995	\$ 1,853,030
1996	1,784,630
1997	1,734,550
1988	1,645,550
1999	1,576,550
Next 5 years	6,847,750
Thereafter	<u>2,734,100</u>
	<u>\$18,176,160</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 For The Fiscal Year Ended June 30, 1994

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

B. Liabilities (continued)

c. Notes Payable

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.

For Beaufort County, the following summarizes the annual requirements for the 911 system and the Department of Social Services notes, including interest of \$266,723 for the Department of Social Services Building note and \$52,892 for the Enhanced 911 system note:

<u>Year Ending June 30,</u>	DSS Building Note	Enhanced 911 System Note	<u>Total</u>
1995	\$ 348,423	\$ 166,492	\$ 514,915
1996	348,423	161,169	509,592
1997	348,423	155,847	504,270
1998	348,423	150,524	498,947
1999	348,423	61,148	409,571
2000	348,423	-	348,423
Next 5 years	<u>174,211</u>	<u>-</u>	<u>174,211</u>
	<u>\$2,264,749</u>	<u>\$ 695,180</u>	<u>\$2,959,929</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

c. Changes in General Long-Term Debt

The following is a summary of changes in the County's general long-term debt for the fiscal year ended June 30, 1994;

	Balance July 1, 1993	Additions	Retirements	Balance June 30, 1994
By type:				
General obligation bonds	\$13,420,000	\$ -	\$ 1,000,000	\$12,420,000
Capitalized leases	196,809	-	35,617	161,192
DSS building note	-	2,172,237	174,211	1,998,026
Enhanced 911 system note	-	715,000	72,712	642,288
Compensated absences	274,495	55,376	-	329,871
Landfill postclosure care	715,250	15,894	124,812	606,332
Total	<u>\$14,606,554</u>	<u>\$ 2,958,507</u>	<u>\$ 1,407,352</u>	<u>\$16,157,709</u>
By function:				
General government:				
Equipment	\$ 196,809	\$ -	\$ 35,617	\$ 161,192
Economic and community development	-	715,000	72,712	642,288
Education	10,920,000	-	800,000	10,120,000
Human services				
Land and building	-	2,172,237	174,211	1,998,026
Environmental protection	715,250	15,894	124,812	606,332
Compensated absences	274,495	55,376	-	329,871
Hospital	2,500,000	-	200,000	2,300,000
Total	<u>\$14,606,554</u>	<u>\$ 2,958,507</u>	<u>\$ 1,407,352</u>	<u>\$16,157,709</u>

8. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 1994 are as follows:

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government - General Fund	Component unit: Beaufort County ABC Board Required distributions	<u>\$ 21,033</u>

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

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 on going financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 1994. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$84,100 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 \$747,565 and \$160,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 1994. In addition, the County made debt service payments of \$50,000 during the fiscal year on general

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 4 JOINT VENTURES (continued)

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, 1994. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

The County, in conjunction with four other counties, participates in the Tideland Mental Health Center. The County Commissioners appoint four members to the twenty member board of the Center. In addition, one County Commissioner also serves on the Center's board. The Center, a multi-county public mental health authority, is a separate and distinct subdivision charged by State law with the responsibility of providing 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, 1994. 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-five municipalities, established the Mid-East Commission (MEC). 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 \$12,681 to the Commission during the fiscal year ended June 30, 1994.

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, 1994, 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 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.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 7 SCHOOL FACILITIES FINANCE ACT OF 1987 (continued)

1. Public School Building Capital Fund

This program is funded using a portion of the corporate income taxes of 7.75%, 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, 1994, the balance of the County's ADM allocation account was \$328,608.

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, 1994 the County did not have a balance in its disbursing account. The County did not have any new projects identified and authorized.

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 Commission on School Facility Needs based on the County's critical needs. A joint application must be made by the Beaufort County Board of Commissioners and the Beaufort County Board of Education. At June 30, 1994, the Boards had not submitted a grant application to the Commission on School Facility Needs.

Beaufort County, North Carolina
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 1994

NOTE 8 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

1. Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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 9 CHANGE IN THE REPORTING ENTITY

In the fiscal year ended June 30, 1994, Beaufort County implemented GASB Statement No. 14, The Financial Reporting Entity. As a result, Beaufort County ABC Board, Warren Field Airport Commission, and the Beaufort County Hospital Association, Inc. are now reported as discretely presented component units of the County.

NOTE 10 SUBSEQUENT EVENTS

On August 22, 1994, bonds were issued for Water district II in the amount of \$4,660,000, and for Water District III in the amount of \$4,109,000. These funds were used to pay off the bond anticipation notes in the Capital Projects Fund.

NOTE 11 MAJOR TAXPAYER

Beaufort County had property tax revenue from one taxpayer in 1994 of \$2,796,300, which accounted for approximately 21 percent of total property tax levied.

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

- Revenues by Source and Expenses by Type for the Law Enforcement Officers' Special Separation Allowance

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

EXHIBIT A-1

Calendar Year	(1) Net Assets Available for Benefits (At Cost)	(2) Pension Benefit Obligation	(3) Percentage Funded (1)-(2)	(4) Unfunded Pension Benefit Obligation	(5) Valuation Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Valuation Payroll (4)-(5)
1989	\$ -	\$ 52,153	-%	\$ 52,153	\$ 443,232	11.77%
1990	-	57,722	-	57,722	491,141	11.75
1991	-	68,172	-	68,172	515,292	13.23
1992	-	72,119	-	72,119	553,888	13.02
1993	-	87,049	-	87,049	737,811	11.80

Analysis of the dollar amounts of net assets available for benefit pension obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally the greater this percentage, the stronger the Public Employees' Retirement System (PERS). Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

Beaufort County, North Carolina
LAW ENFORCEMENT OFFICERS' SPECIAL ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE

EXHIBIT A-2

<u>Fiscal</u> <u>Year</u>	<u>Revenues by Sources</u>			<u>Total</u>
	<u>Employee</u> <u>Contributions</u>	<u>Employer</u> <u>Contributions</u>	<u>Investment</u> <u>Income</u>	
1989	\$ -	\$ 1,743	\$ -	\$ 1,743
1990	-	2,613	-	2,613
1991	-	2,613	-	2,613
1992	-	2,613	-	2,613
1993	-	2,613	-	2,613

<u>Fiscal</u> <u>Year</u>	<u>Expenses By Type</u>			<u>Total</u>
	<u>Employee</u> <u>Benefits</u>	<u>Administrative</u> <u>Expenses</u>	<u>Refund</u>	
1989	\$ 1,743	\$ -	\$ -	\$ 1,743
1990	2,613	-	-	2,613
1991	2,613	-	-	2,613
1992	2,613	-	-	2,613
1993	2,613	-	-	2,613

Contributions were made as needed to cover benefits due.

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, 1994 and 1993

STATEMENT B-1

	<u>June 30, 1994</u>	<u>June 30, 1993</u>
ASSETS		
Cash and investments	\$ 6,859,041	\$ 5,323,405
Receivables:		
Taxes	1,308,266	1,009,402
Accounts receivable	2,769,096	2,070,565
Other	25,756	38,756
Due from other funds	215	-
Prepaid expenses	-	110
Total assets	<u>\$10,962,374</u>	<u>\$ 8,442,238</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,139,728	\$ 329,974
Deferred revenues	1,633,942	1,018,079
Due to other funds	4,673	74
Total liabilities	2,778,343	1,348,127
Fund Balances:		
Reserved by State statute	2,624,683	2,109,431
Reserved for health services	239,477	192,351
Unreserved:		
Designated for subsequent year's expenditures	1,305,015	800,000
Undesignated	4,014,856	3,992,329
Total fund balances	8,184,031	7,094,111
Total liabilities and fund balances	<u>\$10,962,374</u>	<u>\$ 8,442,238</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, 1994
 With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
 1 of 6

	1994			1993
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <Unfavorable>	<u>Actual</u>
Revenue:				
Ad Valorem taxes				
Current Year	\$11,766,651	\$12,357,929	\$ 591,278	\$10,205,782
Prior years	345,000	394,065	49,065	407,588
Interest and penalties	166,000	202,310	36,310	197,903
Animal taxes	<u>11,000</u>	<u>8,954</u>	<u><2,046></u>	<u>9,782</u>
Total	12,288,651	12,963,258	674,607	10,821,055
Local option sales tax				
Article 39 one percent	1,923,000	2,122,648	199,648	1,948,387
Article 40 1/2 of one percent	1,200,000	1,347,555	147,555	1,230,373
Article 42 1/2 of one percent	<u>1,200,000</u>	<u>1,347,563</u>	<u>147,563</u>	<u>1,230,345</u>
Total	4,323,000	4,817,766	494,766	4,409,105
Other taxes and licenses				
Documentary stamps	60,000	54,929	<5,071>	56,169
Scrap tire disposal tax	25,000	27,960	2,960	22,210
911 access charges	168,000	190,838	22,838	59,788
White goods disposal tax	-	11,792	11,792	-
Schedule B license tax	<u>10,000</u>	<u>6,929</u>	<u><3,071></u>	<u>9,822</u>
Total	263,000	292,448	29,448	147,989
Restricted intergovernmental				
Federal and state grants	5,280,097	5,237,709	<42,388>	4,014,843
Court facility fees	138,000	135,157	<2,843>	138,246
Fines and forfeitures	260,000	312,860	52,860	272,019
ABC bottle tax/profit distribution	<u>140,900</u>	<u>110,024</u>	<u><30,876></u>	<u>126,807</u>
Total	5,818,997	5,795,750	<23,247>	4,551,915
Unrestricted intergovernmental				
Intangibles tax	500,000	518,387	18,387	520,577
Beer and wine tax	112,000	116,886	4,886	111,583
Sales and gas tax refunds	78,000	91,338	13,338	79,421
Senior citizens exemption	30,000	27,726	<2,274>	25,916
Food stamp tax reimbursement	45,000	44,026	<974>	43,956
Inventories tax reimbursement	<u>770,000</u>	<u>816,607</u>	<u>46,607</u>	<u>769,652</u>
Total	1,535,000	1,614,970	79,970	1,551,105
Permits and fees				
Building inspection fees	60,000	73,750	13,750	55,557
Register of Deeds	<u>105,000</u>	<u>132,451</u>	<u>27,451</u>	<u>114,961</u>
Total	165,000	206,201	41,201	170,518

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, 1994
 With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
2 of 6

	1994		Variance Favorable <Unfavorable>	1993
	Budget	Actual		Actual
Sales and services:				
Patient fees - Nursing Home	\$ 860,000	\$ 743,666	\$ <116,334>	\$ 792,270
Patient fees - other	65,600	67,801	2,201	57,885
Gas sales	5,000	3,074	<1,926>	3,922
Rescue squad	8,000	26,599	18,599	14,712
Prisoners' reimbursement	50,000	61,239	11,239	57,545
Vending concessions	7,500	7,416	<84>	10,329
Rent of public building	25,000	24,540	<460>	25,340
State election reimbursement	15,371	15,371	-	-
Environmental fees	25,500	46,258	20,758	44,935
Landfill fees	2,028,000	1,749,301	<278,699>	12,805
Cable TV franchise fees	30,000	29,219	<781>	27,692
Candidate filing fees	-	3,110	3,110	60
Collection fees - town taxes	46,000	44,400	<1,600>	43,114
Sheriff's fees	15,000	22,855	7,855	15,825
Animal control fees	5,000	3,718	<1,282>	4,611
Communication center	-	-	-	12,500
Total	<u>3,185,971</u>	<u>2,848,567</u>	<u><337,404></u>	<u>1,123,545</u>
Investment earnings	200,000	197,998	<2,002>	250,784
Miscellaneous:				
Sale of fixed assets	10,000	20,551	10,551	-
Donations & contributions	137,301	127,830	<9,471>	85,432
Honeywell repayment	-	19,165	19,165	-
Insurance claims & reimbursements	25,000	7,950	<17,050>	14,449
Drug task force-salary reimbursement	15,000	28,644	13,644	15,326
Hospital share of service	13,248	13,033	<215>	14,434
Other	18,450	12,410	<6,040>	21,397
Total	<u>218,999</u>	<u>229,583</u>	<u>10,584</u>	<u>151,038</u>
Total revenues	27,998,618	28,966,541	967,923	23,177,054
Expenditures:				
General government:				
Governing body	71,712	68,347	3,365	60,977
Elections	136,319	106,867	29,452	99,774
Finance	140,232	131,684	8,548	99,302
Administration	428,651	409,496	19,155	669,903
Tax Supervisor/Collector	691,606	666,989	24,617	695,762
Legal	30,473	27,769	2,704	24,257
Register of deeds	140,774	140,205	569	138,218
Public buildings	413,714	378,483	35,231	270,310
Total general government	<u>2,053,481</u>	<u>1,929,840</u>	<u>123,641</u>	<u>2,058,503</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, 1994
With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
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	1994		Variance Favorable <Unfavorable>	1993
	Budget	Actual		Actual
Public Safety				
Sheriff	\$ 1,466,704	\$ 1,409,940	\$ 56,764	\$ 1,077,696
Jail	639,082	619,454	19,628	500,055
Central communications	1,023,008	825,902	197,106	246,187
Emergency management	41,109	39,779	1,330	38,705
Fire protection	78,871	84,277	<5,406>	182,125
Inspections	154,507	143,815	10,692	93,972
Drug Task Force	70,000	40,948	29,052	41,621
Medical examiner	18,000	17,225	775	15,325
Ambulance/Rescue service	123,300	119,732	3,568	102,217
Animal control	78,022	77,081	941	48,143
Total public safety	3,692,603	3,378,153	314,450	2,346,046
Economic and community development				
Agricultural extension	172,574	171,333	1,241	159,375
Economic development	253,009	188,527	64,482	56,713
Conservation of natural resources/soil	51,318	50,429	889	36,514
Planning	-	-	-	1,625
Community development	-	-	-	15,800
Total economic & community development	476,901	410,289	66,612	270,027
Culture and recreation				
Libraries	92,900	92,900	-	87,888
Recreation	42,524	39,067	3,457	35,682
Special appropriations	65,501	65,501	-	25,500
Total culture and recreation	200,925	197,468	3,457	149,070
Education				
Schools	7,278,944	7,258,856	20,088	6,386,363
Community college	907,565	907,565	-	817,565
Total education	8,186,509	8,166,421	20,088	7,203,928
Human services				
Health:				
Administration	653,398	642,345	11,053	614,170
Adult health-hypertension	9,436	9,125	311	10,924
Child health	144,673	131,493	13,180	-
Maternal health	149,142	139,004	10,138	215,976
WIC - Administration	156,408	152,300	4,108	133,568
TB Program	24,557	24,296	261	24,173
Risk reduction	22,101	22,043	58	21,840
Environmental health	9,518	9,095	423	8,834
Aids Control	28,336	26,168	2,168	21,398
Family planning	143,699	123,430	20,269	105,088
Total health	1,341,268	1,279,299	61,969	1,155,971

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, 1994
 With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
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	1994			1993
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <Unfavorable>	<u>Actual</u>
Mental health				
General appropriation	\$ 120,000	\$ 120,000	\$ -	\$ 116,000
Alcohol rehab	36,000	36,000	-	33,000
Total mental health	<u>156,000</u>	<u>156,000</u>	-	<u>149,000</u>
Mental retardation				
Beaufort County Development Center	85,000	85,000	-	75,000
N.C. Elderly handicapped trans	10,000	7,764	2,236	7,764
Total mental retardation	<u>95,000</u>	<u>92,764</u>	2,236	<u>82,764</u>
Social services				
Administration	2,837,223	2,724,539	112,684	2,405,640
Jobs program	665,700	654,482	11,218	405,198
SSBG program	227,375	222,189	5,186	244,877
Aging program	98,500	92,006	6,494	96,044
AFDC program	577,504	524,185	53,319	524,740
Medicaid program	1,284,544	1,277,170	7,374	1,037,165
Special assistance	519,256	548,763	<29,507>	430,689
Aid to the blind program	14,444	17,714	<3,270>	14,105
Foster care	125,000	94,915	30,085	67,884
Adoption assistance	3,500	473	3,027	503
Transportation - elderly	10,000	7,094	2,906	9,388
Other assistance	425,685	419,361	6,324	413,562
County services	12,800	11,291	1,509	11,435
Total social services	<u>6,801,531</u>	<u>6,594,182</u>	207,349	<u>5,661,230</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, 1994
 With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
5 OF 6

	1994			1993
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <Unfavorable>	<u>Actual</u>
Other human services:				
County home	\$ 1,020,421	\$ 977,919	\$ 42,502	\$ 899,053
Veterans services	11,870	11,426	444	7,996
Special appropriations	<u>98,792</u>	<u>93,188</u>	<u>5,604</u>	<u>117,028</u>
Total other human service activities	<u>1,131,083</u>	<u>1,082,533</u>	<u>48,550</u>	<u>1,024,077</u>
Total human services	9,524,882	9,204,778	320,104	8,073,042
Environmental protection:				
Solid waste	2,723,550	2,705,319	18,231	1,119,395
Non-departmental				
States sales tax	40,000	39,706	294	39,451
County sales tax	20,000	19,994	6	19,696
Tire fee	<u>350</u>	<u>146</u>	<u>204</u>	<u>72</u>
Total non-departmental	60,350	59,846	504	59,219
Transportation				
Warren Airport	146,000	146,000	-	19,000
Local highway association	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total transportation	146,500	146,000	500	19,500
Contingency	14,193	-	14,193	-
Debt service:				
Bond principal	1,000,000	1,000,000	-	1,102,305
Lease principal - tax department	36,782	35,617	1,165	-
Note principal - DSS building	174,211	174,211	-	-
Note principal - 911 system	72,712	72,712	-	-
Interest	950,230	942,957	7,273	995,870
Fees and commissions	<u>2,000</u>	<u>221</u>	<u>1,779</u>	<u>-</u>
Total debt service	<u>2,235,935</u>	<u>2,225,718</u>	<u>10,217</u>	<u>2,098,175</u>
Total expenditures	<u>29,315,829</u>	<u>28,423,832</u>	<u>891,997</u>	<u>23,396,905</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, 1994
 With Comparative Actual Amounts for the Year Ended June 30, 1993

STATEMENT B-2
 6 of 6

	1994			1993
	Budget	Actual	Variance Favorable <Unfavorable>	Actual
Revenue over <under> expenditures	\$ <1,317,211>	\$ 542,709	\$ 1,859,920	\$ <219,851>
Other financing sources <uses>				
Operating transfers from <to> other funds				
Schools Capital Reserve	-	-	-	196,809
Revaluation Fund	<30,000>	-	30,000	-
B.C. Buildings Capital Reserve	<167,789>	<167,789>	-	-
Proceeds from lease purchase	-	-	-	492,417
Total	<197,789>	<167,789>	30,000	689,226
Proceeds from issuance of note	715,000	715,000	-	-
Total other financing sources <uses>	517,211	547,211	30,000	689,226
Revenues & other sources over <under> expenditures & other uses	<800,000>	1,089,920	1,889,920	469,375
Appropriated fund balance	800,000	-	<800,000>	-
Revenues, other sources, and appropriated fund balance over <under> expenditures & other uses	\$ -	1,089,920	\$ 1,089,920	469,375
Fund balance, beginning of year		7,094,111		6,624,736
Fund balance, end of year		\$ 8,184,031		\$ 7,094,111

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, 1994
 With Comparative Totals For June 30, 1993

	<u>Revaluation</u>	<u>Washington Administrative Unit</u>	<u>Richland Fire/Rescue District</u>	<u>Bunyan Fire District</u>	<u>Chocowinity Fire District</u>
ASSETS					
Assets:					
Cash and investments	\$ 90,327	\$ -	\$ -	\$ -	\$ -
Receivables:					
Property taxes receivable	-	32,877	3,315	5,639	9,524
Accounts receivable	-	-	-	-	-
Due from General Fund	-	-	-	-	-
Prepaid expenses	-	-	489	-	620
Total assets	<u>\$ 90,327</u>	<u>\$ 32,877</u>	<u>\$ 3,804</u>	<u>\$ 5,639</u>	<u>\$ 10,144</u>
LIABILITIES AND EQUITY					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	32,877	3,804	5,639	10,144
Total liabilities	-	32,877	3,804	5,639	10,144
Equity:					
Reserved for subsequent years	57,000	-	-	-	-
Unreserved	33,327	-	-	-	-
Total equity	<u>90,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and equity	<u>\$ 90,327</u>	<u>\$ 32,877</u>	<u>\$ 3,804</u>	<u>\$ 5,639</u>	<u>\$ 10,144</u>

Northside Fire District	Capital Reserve Funds				Totals	
	Beaufort Co. Buildings	Broad Creek Dredging	Arbitrage Reserve	CDBG 1992	June 30, 1994	June 30, 1993
\$ -	\$ 167,789	\$ 33,557	\$ 117,821	\$ 18,449	\$ 427,943	\$ 479,718
18,881	-	-	-	-	70,236	70,907
-	-	-	-	17,426	17,426	-
4,346	-	-	-	-	4,346	-
-	-	-	-	-	1,109	-
<u>\$ 23,227</u>	<u>\$ 167,789</u>	<u>\$ 33,557</u>	<u>\$ 117,821</u>	<u>\$ 35,875</u>	<u>\$ 521,060</u>	<u>\$ 550,625</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,426	\$ 17,426	\$ -
23,227	-	-	-	-	75,691	70,907
23,227	-	-	-	17,426	93,117	70,907
-	-	-	-	-	57,000	-
-	167,789	33,557	117,821	18,449	370,943	479,718
-	167,789	33,557	117,821	18,449	427,943	479,718
<u>\$ 23,227</u>	<u>\$ 167,789</u>	<u>\$ 33,557</u>	<u>\$ 117,821</u>	<u>\$ 35,875</u>	<u>\$ 521,060</u>	<u>\$ 550,625</u>

Beaufort County, North Carolina
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS**
 For The Year Ended June 30, 1994
 With Comparative Totals For The Year Ended June 30, 1993

	<u>Revaluation</u>	Washington Administrative <u>Unit</u>	<u>Richland Fire/Rescue District</u>	<u>Bunyan Fire District</u>	<u>Chocowinity Fire District</u>
Revenue:					
Ad Valorem taxes	\$ -	\$ 42,441	\$ 106,057	\$ 6,528	\$ 65,791
Intergovernmental	-	-	-	-	-
Project/program income	-	-	-	-	-
Investment earnings	<u>4,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	4,900	42,441	106,057	6,528	65,791
Expenditures:					
General government	230,971	-	-	-	-
Public safety	-	-	106,057	6,528	65,791
Economic & community development	-	-	-	-	-
Education	<u>-</u>	<u>42,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>230,971</u>	<u>42,441</u>	<u>106,057</u>	<u>6,528</u>	<u>65,791</u>
Revenue over <under> expenditures	<226,071>	-	-	-	-
Other financing sources <uses>:					
Operating transfer in	-	-	-	-	-
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources <uses>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue & other financing sources over <under> expenditures & other financing uses					
	<226,071>	-	-	-	-
Fund balances					
Beginning of year	<u>316,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 90,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Northside Fire District	Capital Reserve Funds				Totals	
	Beaufort Co. Buildings	Broad Creek Dredging	Arbitrage Reserve	CDBG 1992	June 30, 1994	June 30, 1993
\$ 267,907	\$ -	\$ -	\$ -	\$ -	\$ 488,724	\$ 656,792
-	-	-	-	817,104	817,104	15,000
-	-	-	-	39,676	39,676	-
-	-	875	3,537	-	9,312	19,821
267,907	-	875	3,537	856,780	1,354,816	691,613
-	-	-	-	-	230,971	344,049
267,907	-	-	-	-	446,283	221,358
-	-	2,094	-	852,591	854,685	747
-	-	-	-	-	42,441	435,434
267,907	-	2,094	-	852,591	1,574,380	1,001,588
-	-	<1,219>	3,537	4,189	<219,564>	<309,975>
-	167,789	-	-	-	167,789	-
-	-	-	-	-	-	<587,015>
-	167,789	-	-	-	167,789	<587,015>
-	167,789	<1,219>	3,537	4,189	<51,775>	<896,990>
-	-	34,776	114,284	14,260	479,718	1,376,708
\$ -	\$ 167,789	\$ 33,557	\$ 117,821	\$ 18,449	\$ 427,943	\$ 479,718

Beaufort County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REVALUATION FUND**
 For The Year Ended June 30, 1994
 With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-3

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>	<u><Unfavorable></u>	<u>Actual</u>
Revenue:				
Interest	\$ 17,000	\$ 4,900	\$ <12,100>	\$ 12,778
Expenditures:				
General government:				
Reappraisal services	300,000	207,914	92,086	161,996
Tax mapping	<u>130,000</u>	<u>23,057</u>	<u>106,943</u>	<u>182,053</u>
	<u>430,000</u>	<u>230,971</u>	<u>199,029</u>	<u>344,049</u>
Revenue over <under> expenditures	<413,000>	<226,071>	186,929	<331,271>
Other financing sources:				
Operating transfer in -				
General Fund	30,000	-	<30,000>	-
Fund balance appropriation	<u>383,000</u>	<u>-</u>	<u><383,000></u>	<u>-</u>
Total	<u>413,000</u>	<u>-</u>	<u><413,000></u>	<u>-</u>
Revenue & other financing sources over <under> expenditures	<u>\$ -</u>	<226,071>	<u>\$ <226,071></u>	<331,271>
Fund balance, beginning of year		<u>316,398</u>		<u>647,669</u>
Fund balance, end of year		<u>\$ 90,327</u>		<u>\$ 316,398</u>

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

For The Year Ended June 30, 1994

With Comparative Actual Amounts For the Year ended June 30, 1993 EXHIBIT C-4

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Ad Valorem taxes				
Current year	\$ 40,000	\$ 22,559	\$ <17,441>	\$ 412,465
Prior year	<u> -</u>	<u>19,882</u>	<u>19,882</u>	<u>22,969</u>
Total revenues	40,000	42,441	2,441.	435,434
Expenditures:				
Education				
School current expense	<u>40,000</u>	<u>42,441</u>	<u><2,441></u>	<u>435,434</u>
Revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning of year		<u>-</u>		<u>-</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
 RICHLAND FIRE/RESCUE DISTRICT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-5

	1994		Variance	1993
	<u>Budget</u>	<u>Actual</u>	Favorable <Unfavorable>	<u>Actual</u>
Revenues:				
Ad Valorem taxes				
Current year	\$ 110,000	\$ 104,751	\$ <5,249>	\$ 105,707
Prior year	<u> -</u>	<u> 1,306</u>	<u> 1,306</u>	<u> 1,294</u>
Total revenues	110,000	106,057	<3,943>	107,001
Expenditures:				
Public safety				
Contracted services	<u>110,000</u>	<u>106,057</u>	<u> 3,943</u>	<u>107,001</u>
Revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning of year		<u> -</u>		<u> -</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
BUNYAN FIRE DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-6

	1994		Variance	1993
	<u>Budget</u>	<u>Actual</u>	Favorable <Unfavorable>	<u>Actual</u>
Revenues:				
Ad Valorem taxes				
Current year	\$ 7,000	\$ 3,796	\$ <3,204>	\$ 60,468
Prior year	<u> -</u>	<u> 2,732</u>	<u> 2,732</u>	<u> 4,294</u>
Total revenues	7,000	6,528	<472>	64,762
Expenditures:				
Public safety				
Contracted services	<u> 7,000</u>	<u> 6,528</u>	<u> 472</u>	<u> 64,762</u>
Revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning of year		<u> -</u>		<u> -</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
 CHOCOWINITY FIRE DISTRICT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-7

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>	<u><Unfavorable></u>	<u>Actual</u>
Revenues:				
Ad Valorem taxes				
Current year	\$ 64,000	\$ 61,856	\$ <2,144>	\$ 45,097
Prior year	<u> -</u>	<u> 3,935</u>	<u> 3,935</u>	<u> 4,498</u>
Total revenues	64,000	65,791	1,791	49,595
Expenditures:				
Public safety				
Contracted services	<u>64,000</u>	<u>65,791</u>	<u><1,791></u>	<u>49,595</u>
Revenues under expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning of year		<u> -</u>		<u> -</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
NORTHSIDE FIRE DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-8

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Ad Valorem taxes				
Current year	\$ 272,000	\$ 267,907	\$ <4,093>	\$ -
Prior year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	272,000	267,907	<4,093>	-
Expenditures:				
Public safety				
Contracted services	<u>272,000</u>	<u>267,907</u>	<u>4,093</u>	<u>-</u>
Revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning of year		<u>-</u>		<u>-</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

Beaufort County, North Carolina
CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-9

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Other financing sources				
Transfer from general fund	\$ 167,789	\$ 167,789	\$ -	\$ -
Expenditures	<u>167,789</u>	<u>-</u>	<u>167,789</u>	<u>-</u>
Other financing sources over expenditures	<u>\$ -</u>	<u>167,789</u>	<u>\$ 167,789</u>	<u>-</u>
Fund balance, beginning of year		<u>-</u>		<u>-</u>
Fund balance, end of year		<u>\$ 167,789</u>		<u>\$ -</u>

Beaufort County, North Carolina
BROAD CREEK DREDGING - CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-10

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>	<u><Unfavorable></u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 7,200	\$ 875	\$ <6,325>	\$ 1,403
Expenditures:				
Economic and community development				
Broad Creek dredging	<u>3,400</u>	<u>2,094</u>	<u>1,306</u>	<u>-</u>
Revenues over <under> expenditures	3,800	<1,219>	<5,019>	1,403
Other financing sources <uses>				
Fund balance appropriation	<u><3,800></u>	<u>-</u>	<u>3,800</u>	<u>-</u>
Revenues and other financing sources over <under> expenditures and other financing uses	<u>\$ -</u>	<1,219>	<u>\$ <1,219></u>	1,403
Fund balance, beginning of year		<u>34,776</u>		<u>33,373</u>
Fund balance, end of year		<u>\$ 33,557</u>		<u>\$ 34,776</u>

Beaufort County, North Carolina
ARBITRAGE RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 1994

With Comparative Actual Amounts For The Year Ended June 30, 1993 EXHIBIT C-11

	1994		Variance Favorable <Unfavorable>	1993
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 3,537	\$ 3,537	\$ 3,375
Expenditures	-	-	-	-
Revenues over expenditures	\$ -	3,537	\$ 3,537	3,375
Fund balance, beginning of year		<u>114,284</u>		<u>110,909</u>
Fund balance, end of year		<u>\$117,821</u>		<u>\$114,284</u>

Beaufort County, North Carolina
COMMUNITY DEVELOPMENT BLOCK GRANT - 1992
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception And For The Year Ended June 30, 1994

EXHIBIT C-12

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
Community development block grant	\$1,000,000	\$ 15,000	\$ 817,104	\$ 832,104
Project/program income	<u>50,500</u>	<u>-</u>	<u>39,676</u>	<u>39,676</u>
	1,050,500	15,000	856,780	871,780
Expenditures:				
Economic & physical development	<u>1,050,500</u>	<u>740</u>	<u>852,591</u>	<u>853,331</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 14,260</u>	4,189	<u>\$ 18,449</u>
Fund balance, beginning of year			<u>14,260</u>	
Fund balance, end of year			<u>\$ 18,449</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.

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

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

Water District Capital Projects - These funds are used to account for the construction of a County-wide water system. The system will be financed primarily by general obligation bond proceeds.

Beaufort County, North Carolina
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
 June 30, 1994

EXHIBIT D-1

	DSS <u>Building</u>	BCCC <u>Fund</u>	<u>Water</u>		<u>Totals</u> June 30,	
			<u>District II</u>	<u>District III</u>	<u>1994</u>	<u>1993</u>
ASSETS						
Cash & cash equivalents	\$ 1,472,428	\$ 104,584	\$ 1,012,201	\$ 1,057,554	\$ 3,646,767	\$ 1,150,460
Accounts receivable (net)	-	-	60,787	54,175	114,962	-
Total assets	<u>\$ 1,472,428</u>	<u>\$ 104,584</u>	<u>\$ 1,072,988</u>	<u>\$ 1,111,729</u>	<u>\$ 3,761,729</u>	<u>\$ 1,150,460</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 203,067	-	\$ 187,999	\$ 188,477	\$ 579,543	\$ 190,590
Notes payable	-	-	4,660,000	4,109,000	8,769,000	2,871,017
Total liabilities	203,067	-	4,847,999	4,297,477	9,348,543	3,061,607
Fund balances:						
Unreserved:						
Designated for subsequent year	<u>1,269,361</u>	<u>104,584</u>	<u><3,775,011></u>	<u><3,185,748></u>	<u><5,586,814></u>	<u><1,911,147></u>
Total liabilities & fund balance	<u>\$ 1,472,428</u>	<u>\$ 104,584</u>	<u>\$ 1,072,988</u>	<u>\$ 1,111,729</u>	<u>\$ 3,761,729</u>	<u>\$ 1,150,460</u>

Beaufort County, North Carolina
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Fiscal Years Ended June 30, 1994 and June 30, 1993

EXHIBIT D-2

	DSS		BCCC		Water		Totals	
	<u>Building</u>		<u>Fund</u>		<u>District II</u>	<u>District III</u>	<u>1994</u>	<u>June 30, 1993</u>
Revenues:								
Operating revenues	\$ -		\$ -		\$ 146,787	\$ 75,475	\$ 222,262	\$ -
Investment earnings	<u>19,042</u>		<u>3,703</u>		<u>27,656</u>	<u>26,929</u>	<u>77,330</u>	<u>21,791</u>
Total revenues	19,042		3,703		174,443	102,404	299,592	21,791
Expenditures:								
Capital projects	<u>921,918</u>		<u>30,000</u>		<u>2,869,510</u>	<u>2,326,068</u>	<u>6,147,496</u>	<u>2,958,015</u>
Revenues under expenditures	<902,876>		<26,297>		<2,695,067>	<2,223,664>	<5,847,904>	<2,936,224>
Other financing sources:								
Proceeds from long-term debt	2,172,237		-		-	-	2,172,237	20,191
Operating transfers in	<u>-</u>		<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>94,598</u>
Total	<u>2,172,237</u>		<u>-</u>		<u>-</u>	<u>-</u>	<u>2,172,237</u>	<u>114,789</u>
Revenues & other sources over <under> expenditures	1,269,361		<26,297>		<2,695,067>	<2,223,664>	<3,675,667>	<2,821,435>
Fund balances:								
Beginning of year	<u>-</u>		<u>130,881</u>		<u><1,079,944></u>	<u><962,084></u>	<u><1,911,147></u>	<u>910,288</u>
End of year	<u>\$ 1,269,361</u>		<u>\$ 104,584</u>		<u>\$ <3,775,011></u>	<u>\$ <3,185,748></u>	<u>\$ <5,586,814></u>	<u>\$ <1,911,147></u>

Beaufort County, North Carolina
CAPITAL PROJECT FUND - DSS BUILDING
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception And For The Year Ended June 30, 1994

EXHIBIT D-3

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ -	\$ 19,042	\$ 19,042
Expenditures:				
Architect	97,300	-	87,552	87,552
Construction	1,847,417	-	829,502	829,502
Furniture/equipment	147,540	-	-	-
Contingency	<u>79,980</u>	<u>-</u>	<u>4,864</u>	<u>4,864</u>
Total expenditures	<u>2,172,237</u>	<u>-</u>	<u>921,918</u>	<u>921,918</u>
Revenues under expenditures	<2,172,237>	-	<902,876>	<902,876>
Other financing sources				
Proceeds from long-term debt	<u>2,172,237</u>	<u>-</u>	<u>2,172,237</u>	<u>2,172,237</u>
Increase <decrease> in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,269,361	<u>\$1,269,361</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$1,269,361</u>	

Beaufort County, North Carolina
CAPITAL PROJECT FUND - BCCC
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception And For The Year Ended June 30, 1994

EXHIBIT D-4

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ 92,033	\$ 3,703	\$ 95,736
Expenditures:				
Architect	99,673	99,177	-	99,177
Construction	1,761,073	1,728,190	30,000	1,758,190
Administration	29,156	29,156	-	29,156
Contingency	998	-	-	-
Furnishings/Equipment	<u>107,792</u>	<u>106,920</u>	<u>-</u>	<u>106,920</u>
Total expenditures	<u>1,998,692</u>	<u>1,963,443</u>	<u>30,000</u>	<u>1,993,443</u>
Revenues under expenditures	<1,998,692>	<1,871,410>	<26,297>	<1,897,707>
Other financing sources				
Proceeds from long-term debt	<u>1,998,692</u>	<u>2,002,291</u>	<u>-</u>	<u>2,002,291</u>
Increase <decrease> in fund balance	<u>\$ -</u>	<u>\$ 130,881</u>	<26,297>	<u>\$ 104,584</u>
Fund balance, beginning of year			<u>130,881</u>	
Fund balance, end of year			<u>\$ 104,584</u>	

Beaufort County, North Carolina
CAPITAL PROJECT FUND - WATER DISTRICT II
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception And For The Year Ended June 30, 1994

EXHIBIT D-5

	Actual			Total to Date
	Project Authorization	Prior Years	Current Year	
Revenues:				
Sales tax refund	\$ 75,000	\$ -	\$ 55,612	\$ 55,612
Washington Park improvements	60,000	-	60,000	60,000
Tap fees	35,200	9,200	31,175	40,375
Investment earnings	<u>-</u>	<u>6,123</u>	<u>27,656</u>	<u>33,779</u>
Total revenues	<u>170,200</u>	<u>15,323</u>	<u>174,443</u>	<u>189,766</u>
Expenditures:				
Land	5,000	500	4,821	5,321
Engineering	238,807	-	201,399	201,399
Construction	4,265,030	1,089,041	2,619,705	3,708,746
Administration	48,000	5,726	13,846	19,572
Contingency	24,802	-	2,725	2,725
Interest	<u>248,561</u>	<u>-</u>	<u>27,014</u>	<u>27,014</u>
Total expenditures	<u>4,830,200</u>	<u>1,095,267</u>	<u>2,869,510</u>	<u>3,964,777</u>
Revenues under expenditures	<4,660,000>	<1,079,944>	<2,695,067>	<3,775,011>
Other financing sources				
Proceeds from long-term debt	<u>4,660,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase <decrease> in fund balance	<u>\$ -</u>	<u>\$<1,079,944></u>	<u><2,695,067></u>	<u>\$<3,775,011></u>
Fund balance, beginning of year			<u><1,079,944></u>	
Fund balance, end of year			<u>\$<3,775,011></u>	

Beaufort County, North Carolina
CAPITAL PROJECT FUND - WATER DISTRICT III
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception And For The Year Ended June 30, 1994

EXHIBIT D-6

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Sales tax refund	\$ 75,000	\$ -	\$ 52,150	\$ 52,150
Tap fees	30,000	8,700	23,325	32,025
Investment earnings	<u>-</u>	<u>5,394</u>	<u>26,929</u>	<u>32,323</u>
Total revenues	<u>105,000</u>	<u>14,094</u>	<u>102,404</u>	<u>116,498</u>
Expenditures:				
Land	10,000	10,000	-	10,000
Engineering	223,181	-	173,904	173,904
Construction	3,686,260	960,726	2,119,671	3,080,397
Administration	33,000	5,452	8,664	14,116
Contingency	39,771	-	-	-
Interest	<u>221,788</u>	<u>-</u>	<u>23,829</u>	<u>23,829</u>
Total expenditures	<u>4,214,000</u>	<u>976,178</u>	<u>2,326,068</u>	<u>3,302,246</u>
Revenues under expenditures	<4,109,000>	<962,084>	<2,223,664>	<3,185,748>
Other financing sources				
Proceeds from long-term debt	<u>4,109,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase <decrease> in fund balance	<u>\$ -</u>	<u>\$ <962,084></u>	<u><2,223,664></u>	<u>\$ <3,185,748></u>
Fund balance, beginning of year			<u><962,084></u>	
Fund balance, end of year			<u>\$ <3,185,748></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, 1994

EXHIBIT E-1

	<u>Water District II</u>	<u>Water District III</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 250,436	\$ 38,219	\$ 288,655
Accounts receivable (net)	957	843	1,800
Due from Water District III	<u>1,840</u>	<u>-</u>	<u>1,840</u>
Total current assets	253,233	39,062	292,295
Fixed assets <net>	<u>6,642</u>	<u>4,635</u>	<u>11,277</u>
Total assets	<u>\$ 259,875</u>	<u>\$ 43,697</u>	<u>\$ 303,572</u>
LIABILITIES AND FUND EQUITY			
Current liabilities			
Accounts payable & accrued liabilities	\$ 8,177	\$ 5,705	\$ 13,882
Due to Water District II	-	1,840	1,840
Due to general fund	<u>127</u>	<u>88</u>	<u>215</u>
Total current liabilities	8,304	7,633	15,937
Retained earnings, unreserved	<u>251,571</u>	<u>36,064</u>	<u>287,635</u>
Total liabilities and fund equity	<u>\$ 259,875</u>	<u>\$ 43,697</u>	<u>\$ 303,572</u>

Beaufort County, North Carolina
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For The Fiscal Year Ended June 30, 1994

EXHIBIT E-2

	<u>Water</u> <u>District II</u>	<u>Water</u> <u>District III</u>	<u>Total</u>
Operating revenues:			
Charges for service	\$ 2,797	\$ 2,466	\$ 5,263
Water taps	<u>249,025</u>	<u>36,675</u>	<u>285,700</u>
Total operating revenues	251,822	39,141	290,963
Operating expenses:			
Administration	1,636	1,192	2,828
Water purchases	<u>2,802</u>	<u>2,189</u>	<u>4,991</u>
Total operating expenses	<u>4,438</u>	<u>3,381</u>	<u>7,819</u>
Operating income	247,384	35,760	283,144
Nonoperating revenues:			
Investment earnings	<u>4,187</u>	<u>304</u>	<u>4,491</u>
Net income	251,571	36,064	287,635
Retained earnings, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Retained earnings, end of year	<u>\$ 251,571</u>	<u>\$ 36,064</u>	<u>\$ 287,635</u>

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT II
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP)
For The Year Ended June 30, 1994

EXHIBIT E-3

	1994		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <Unfavorable>
Operating revenue:			
Charges for service:			
Water fees	\$ -	\$ 2,797	\$ 2,797
Tap fees	<u>57,000</u>	<u>249,025</u>	<u>192,025</u>
Total operating revenue	57,000	251,822	194,822
Expenses:			
Operating:			
Salaries and employee benefits	2,441	1,517	924
Consulting and engineering	46,203	119	46,084
Uniforms	275	-	275
Water purchases	-	2,802	<2,802>
Travel	147	-	147
Insurance	<u>44</u>	<u>-</u>	<u>44</u>
Total expenses	49,110	4,438	44,672
Capital Outlay:			
Capital outlay - equipment	<u>8,540</u>	<u>6,642</u>	<u>1,898</u>
Total operating expenses	<u>57,650</u>	<u>11,080</u>	<u>46,570</u>
Operating revenue over operating expenses	<650>	240,742	241,392
Nonoperating revenue:			
Investment earnings	<u>650</u>	<u>4,187</u>	<u>3,537</u>
Revenue over expenses	<u>\$ -</u>	<u>\$244,929</u>	<u>\$244,929</u>
Reconciliation from budgetary basis (modified accrual) to full accrual			
Revenue over expenses		244,929	
Capital outlay		<u>6,642</u>	
Net income, full accrual basis		<u>\$251,571</u>	

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICT III
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP)
For The Year Ended June 30, 1994

EXHIBIT E-4

	1994		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <Unfavorable>
Operating revenue:			
Charges for service:			
Water fees	\$ -	\$ 2,466	\$ 2,466
Tap fees	<u>47,525</u>	<u>36,675</u>	<u><10,850></u>
Total operating revenue	47,525	39,141	<8,384>
Expenses:			
Operating:			
Salaries and employee benefits	1,807	1,058	749
Consulting and engineering	39,432	134	39,298
Uniforms	192	-	192
Water purchases	-	2,189	<2,189>
Travel	103	-	103
Insurance	<u>31</u>	<u>-</u>	<u>31</u>
Total expenses	41,565	3,381	38,184
Capital Outlay:			
Capital outlay - equipment	<u>5,960</u>	<u>4,635</u>	<u>1,325</u>
Total operating expenses	<u>47,525</u>	<u>8,016</u>	<u>39,509</u>
Operating revenue over operating expenses	-	31,125	31,125
Nonoperating revenue:			
Investment earnings	<u>-</u>	<u>304</u>	<u>304</u>
Revenue over expenses	<u>\$ -</u>	<u>\$ 31,429</u>	<u>\$ 31,429</u>
Reconciliation from budgetary basis (modified accrual) to full accrual			
Revenue over expenses		31,429	
Capital outlay		<u>4,635</u>	
Net income, full accrual basis		<u>\$ 36,064</u>	

Beaufort County, North Carolina
ENTERPRISE FUND - WATER DISTRICTS
COMBINING STATEMENT OF CASH FLOWS
For The Fiscal Year Ended June 30, 1994

EXHIBIT E-5

	<u>Water District II</u>	<u>Water District III</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 249,025	\$ 40,138	\$ 289,163
Cash paid for goods and services	<1,628>	<1,422>	<3,050>
Cash paid to employees for services	<u><1,148></u>	<u><801></u>	<u><1,949></u>
Net cash provided by operating activities	246,249	37,915	284,164
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	<u>4,187</u>	<u>304</u>	<u>4,491</u>
Net increase in cash & cash equivalents	250,436	38,219	288,655
Cash & cash equivalents at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash & cash equivalents at end of year	<u>\$ 250,436</u>	<u>\$ 38,219</u>	<u>\$ 288,655</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating Income	247,384	35,760	283,144
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
<Increase> in accounts receivable	<957>	<843>	<1,800>
Increase in accounts payable & accrued liabilities	1,535	1,070	2,605
<Increase> in due to/due from accounts	<u><1,713></u>	<u>1,928</u>	<u>215</u>
Total adjustments			
Net cash provided by operating activities	<u>\$ 246,249</u>	<u>\$ 37,915</u>	<u>\$ 284,164</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
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
 June 30, 1994
 With Comparative Totals for June 30, 1993

EXHIBIT F-1

	<u>Fire</u>	<u>Agency</u>	<u>County</u>	<u>Totals</u>	
	<u>Districts</u>	<u>Social</u>	<u>Home</u>	June 30,	
		<u>Services</u>		<u>1994</u>	<u>1993</u>
ASSETS					
Cash and investments	\$ 175,666	\$ 30,161	\$ 1,511	\$ 207,338	\$ 26,406
Due from other funds	<u>225</u>	<u>-</u>	<u>102</u>	<u>327</u>	<u>74</u>
Total assets	<u>\$ 175,891</u>	<u>\$ 30,161</u>	<u>\$ 1,613</u>	<u>\$ 207,665</u>	<u>\$ 26,480</u>
LIABILITIES					
Miscellaneous liabilities	<u>175,891</u>	<u>30,161</u>	<u>1,613</u>	<u>207,665</u>	<u>26,480</u>
Total liabilities	<u>\$ 175,891</u>	<u>\$ 30,161</u>	<u>\$ 1,613</u>	<u>\$ 207,665</u>	<u>\$ 26,480</u>

Beaufort County, North Carolina
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1994

EXHIBIT F-2

	<u>Balance</u> July 1, <u>1993</u>	<u>Deposits</u>	<u>Disbursements</u>	<u>Balance</u> June 30, <u>1994</u>
Social Services Fund:				
Assets				
Cash	<u>\$ 24,994</u>	<u>\$ 273,018</u>	<u>\$ 267,851</u>	<u>\$ 30,161</u>
Liabilities				
Accounts payable	<u>\$ 24,994</u>	<u>\$ 273,018</u>	<u>\$ 267,851</u>	<u>\$ 30,161</u>
 County Home Fund:				
Assets				
Cash	\$ 1,412	\$ 8,931	\$ 8,832	\$ 1,511
Due from other funds	<u>74</u>	<u>28</u>	<u>-</u>	<u>102</u>
Total Assets	<u>\$ 1,486</u>	<u>\$ 8,959</u>	<u>\$ 8,832</u>	<u>\$ 1,613</u>
Liabilities				
	<u>\$ 1,486</u>	<u>\$ 8,959</u>	<u>\$ 8,832</u>	<u>\$ 1,613</u>
 Fire District Fund:				
Assets				
Cash	\$ -	\$ 273,064	\$ 97,398	\$ 175,666
Due from other funds	<u>-</u>	<u>225</u>	<u>-</u>	<u>225</u>
Total Assets	<u>\$ -</u>	<u>\$ 273,289</u>	<u>\$ 97,398</u>	<u>\$ 175,891</u>
Liabilities				
	<u>\$ -</u>	<u>\$ 273,289</u>	<u>\$ 97,398</u>	<u>\$ 175,891</u>
 Total - All Agency Funds:				
Assets				
Cash	\$ 26,406	\$ 555,013	\$ 374,081	\$ 207,338
Due from other funds	<u>74</u>	<u>253</u>	<u>-</u>	<u>327</u>
Total Assets	<u>\$ 26,480</u>	<u>\$ 555,266</u>	<u>\$ 374,081</u>	<u>\$ 207,665</u>
Liabilities				
	<u>\$ 26,480</u>	<u>\$ 555,266</u>	<u>\$ 374,081</u>	<u>\$ 207,665</u>

OTHER SCHEDULES

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

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Schedule of Transfers
- Schedule of Cash and Investment Balances

Beaufort County, North Carolina
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 1994

EXHIBIT G-1

<u>Fiscal Year</u>	Uncollected Balance <u>June 30, 1993</u>	<u>Additions</u>	Collections and <u>Credits</u>	Uncollected Balance <u>June 30, 1994</u>
1993-1994	\$ -	\$13,632,268	\$12,862,108	\$ 770,160
1992-1993	520,144	-	245,169	274,975
1991-1992	311,205	-	98,257	212,948
1990-1991	125,635	-	46,943	78,692
1989-1990	115,779	-	23,705	92,074
1988-1989	75,099	-	11,372	63,727
1987-1988	51,010	-	7,555	43,455
1986-1987	49,136	-	6,841	42,295
1985-1986	63,545	-	4,603	58,942
1984-1985	41,735	-	3,178	38,557
1983-1984	39,170	-	39,170	-
Prior years	-	<u>5,730</u>	<u>5,730</u>	-
	<u>\$ 1,392,458</u>	<u>\$13,637,998</u>	<u>\$13,354,631</u>	<u>1,675,825</u>
Plus uncollected 1994-1995 ad valorem taxes receivable on annually registered vehicles				33,635
Less allowance for uncollectible taxes:				
General fund				<307,443>
Special Revenue fund-Fire Districts				<u><23,515></u>
				<u><330,958></u>
Ad valorem taxes receivable-net				<u>\$ 1,378,502</u>
Reconcilement with revenue:				
Ad valorem taxes - General Fund				\$12,963,258
- Special Revenue Fund - Fire Districts				<u>488,724</u>
				13,451,982
Reconciling items				
Interest collected				<144,984>
Taxes written off per statute of limitations				37,362
Abatements - prior years				<u>10,271</u>
				<u><97,351></u>
				<u>\$13,354,631</u>

Beaufort County, North Carolina
SUMMARY OF CURRENT TAX LEVY
 For The Year Ended June 30, 1994

EXHIBIT G-2

	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>
Original levy			
Property taxed at current year's rate			
County-wide	\$1,771,945,102	\$.71	\$ 12,580,842
Fire Districts			459,072
Motor Vehicles taxed at prior year's rate			
County-wide	80,106,092	.59	472,632
Fire Districts			32,759
Penalties			50,101
County Dog tax			9,296
Advertising			<u>17,055</u>
	<u>1,852,051,194</u>		<u>13,621,757</u>
 Discoveries			
County-wide			
Current year taxes	2,541,105	.71	17,982
Prior year taxes			34,294
Penalties			10,833
Fire Districts			<u>3,178</u>
			66,287
 Abatements			
County-wide	<7,444,511>	.71	<51,580>
Fire Districts			<u><4,195></u>
			<u><55,775></u>
 Total property valuation	<u>\$1,847,147,788</u>		
 Net levy			13,632,268
 Uncollected taxes at June 30, 1994			<u>770,160</u>
 Current years taxes collected			<u>\$ 12,862,108</u>
 Current levy collection percentage			<u>94.35%</u>

Beaufort County, North Carolina
SCHEDULE OF TRANSFERS
For The Year Ended June 30, 1994

EXHIBIT G-3

	<u>Transfers</u>	
	<u>From</u>	<u>To</u>
Operating Transfers From/To Other Funds:		
General Fund		
B.C. Buildings Capital Reserve	<u>\$ -</u>	<u>\$167,789</u>
B.C. Buildings Capital Reserve		
General Fund	<u>\$167,789</u>	<u>\$ -</u>

Beaufort County, North Carolina
SCHEDULE OF CASH AND INVESTMENT BALANCES
 June 30, 1994

EXHIBIT G-4

	<u>Carrying Value</u>	<u>Cost Value</u>	<u>Market Value</u>
Cash:			
On hand	\$ 710	\$ 710	\$ 710
In demand deposits	1,302,559	1,302,559	1,302,559
NOW, SuperNOW, and money market	3,519,682	3,519,682	3,519,682
Certificates of deposits	<u>122,579</u>	<u>122,579</u>	<u>122,579</u>
Total cash	4,945,530	4,945,530	4,945,530
Other investments:			
North Carolina Capital Management Trust	5,980,398	5,980,398	5,980,398
Common stock	3,764	3,764	6,727
Federal National Mortgage Association			
Zero Coupon Bonds	<u>500,052</u>	<u>500,052</u>	<u>371,438</u>
Total other investments	<u>6,484,214</u>	<u>6,484,214</u>	<u>6,358,563</u>
Total cash and investments	<u>\$11,429,744</u>	<u>\$11,429,744</u>	<u>\$11,304,093</u>
Distribution by Funds:			
General Fund		\$ 6,859,041	
Special Revenue Fund:			
Revaluation	90,327		
Capital Reserve Fund-Buildings	167,789		
Capital Reserve Fund-Broad Creek Dredging	33,557		
Community Development Block Grant-1992	18,449		
Arbitrage Reserve Fund	<u>117,821</u>	427,943	
Capital Project Fund:			
Department of Social Service-building	1,472,428		
ECCC	104,584		
Water District II-Long Acre West	1,012,201		
Water District III-Long Acre East	<u>1,057,554</u>	3,646,767	
Enterprise Fund:			
Water District II-Long Acre West	250,436		
Water District III-Long Acre East	<u>38,219</u>	288,655	
Trust and Agency Fund:			
Fire districts	175,666		
Social Services	30,161		
County Home	<u>1,511</u>	<u>207,338</u>	
		<u>\$11,429,744</u>	

COMPLIANCE SECTION



**Compliance Report Based on an Audit of General Purpose
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, 1994, and have issued our report thereon dated November 8, 1994. We did not audit the financial statements of the Beaufort County ABC Board or Warren Field Airport Commission, or Beaufort County Hospital Association, Inc. 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, Warren Field Airport Commission and Beaufort County Hospital Association, Inc. is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Beaufort County, North Carolina is the responsibility of Beaufort County, North Carolina's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Beaufort County, North Carolina complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

This report is intended for the information of the management and the governing board. However, this report is also a matter of public record, and its distribution is not limited.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina

November 8, 1994
MEMBER: NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC
ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS



Pittard Perry
Crone, INCORPORATED
CERTIFIED PUBLIC ACCOUNTANTS

**Single Audit Report on Compliance with Specific Requirements
Applicable to Major and Certain Nonmajor Federal and State
Financial Assistance Programs**

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, 1994, and have issued our report thereon dated November 8, 1994. We did not audit the financial statements of the Beaufort County ABC Board or Warren Field Airport Commission, or Beaufort County Hospital Association, Inc. 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, Warren Field Airport Commission and Beaufort County Hospital Association, Inc. is based solely on the reports of the other auditors.

We have also audited Beaufort County, North Carolina's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; cost allocation; special tests and provisions as listed in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal and State financial assistance programs, which are identified in the accompanying schedule of federal and State financial assistance, for the year ended June 30, 1994. The management of Beaufort County, North Carolina, is responsible for Beaufort County, North Carolina's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, Audits of State and Local Governments; and the State Single Audit Implementation Act. Those standards, OMB Circular A-128, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Beaufort County, North Carolina's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Beaufort County, North Carolina
November 8, 1994
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In our opinion, Beaufort County, North Carolina, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions as listed in the Audit Manual for Governmental Auditors in North Carolina issued by the Local Government Commission; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal and State financial assistance programs for the year ended June 30, 1994.

In connection with our audit of the general purpose financial statements of Beaufort County, North Carolina, and with our consideration of Beaufort County, North Carolina's control structure used to administer federal and State financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, and the State Single Audit Implementation Act, we selected certain transactions applicable to certain nonmajor federal and State financial assistance programs for the year ended June 30, 1994.

As required by OMB Circular A-128 and the State Single Audit Implementation Act, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and special tests and provisions as listed in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Beaufort County, North Carolina's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Beaufort County, North Carolina, had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and governing board. However, this report is also a matter of public record, and its distribution is not limited.

Pittard Perry & Crane, Inc.

Belhaven, North Carolina
November 8, 1994



Single Audit Report on Compliance with the
General Requirements Applicable to
Federal Financial Assistance Programs

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, 1994, and have issued our report thereon dated November 8, 1994. We did not audit the financial statements of the Beaufort County ABC Board or Warren Field Airport Commission, or Beaufort County Hospital Association, Inc. 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, Warren Field Airport Commission and Beaufort County Hospital Association, Inc. is based solely on the reports of the other auditors.

We have applied procedures to test Beaufort County, North Carolina's, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal and State financial assistance, for the year ended June 30, 1994:

Political activity	Allowable costs/cost principles
Civil rights	Administrative requirements
Cash management	

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Beaufort County, North Carolina's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Beaufort County, North Carolina, had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and the governing board. However, this report is also a matter of public record, and its distribution is not limited.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina

November 8, 1994
MEMBER: NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC
ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS

Beaufort County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 1994

<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
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NONE

Status of Prior Year's findings - As of June 30, 1994, Beaufort County, North Carolina management had resolved all findings from prior years.



**Report on the Internal Control Structure Based on an
Audit of General Purpose Financial
Statements Performed in Accordance With
Government Auditing Standards**

We have audited the general purpose financial statements of Beaufort County, North Carolina, as of and for the year ended June 30, 1994, and have issued our report thereon dated November 8, 1994. We did not audit the financial statements of the Beaufort County ABC Board or Warren Field Airport Commission, or Beaufort County Hospital Association, Inc. 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, Warren Field Airport Commission and Beaufort County Hospital Association, Inc. is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Beaufort County, North Carolina, for the year ended June 30, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of Beaufort County, North Carolina is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: cash and cash equivalents, receivables, property and equipment, payables and accrued liabilities, debt, fund balance, political activity, civil rights, cash management, allowable costs/cost principles, drug-free workplace, administrative requirements, types of services, eligibility, reporting, cost allocation, special requirements, claims for advances and reimbursements and amounts claimed or used for matching.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Segregation of Duties

In an organization such as Beaufort County, North Carolina, with a limited number of personnel for certain functions, there are inherent limitations of the effectiveness of certain controls due to the lack of segregation of duties among County personnel.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the general purpose financial statements of Beaufort County, North Carolina for the year ended June 30, 1994, and this report does not affect our report thereon dated November 8, 1994.

Beaufort County, North Carolina
November 8, 1994
Page 3

We believe the item listed above, concerning the insufficient segregation of duties, results in a material weakness in accounting and administrative controls.

Recommendation

We recommend as Beaufort County hires additional employees that their responsibilities be structured to achieve greater segregation of duties.

Management Response

For fiscal year 1994-1995, additional staff have been hired and duties have been assigned to allow for greater segregation of duties, thereby improving internal controls.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Beaufort County, North Carolina, in a separate letter dated November 8, 1994.

This report is intended for the information of the management, and the governing board. However, this report is also a matter of public record, and its distribution is not limited.

Pittard Perry & Crone, Inc.

Belhaven, North Carolina
November 8, 1994



**Single Audit Report on the Internal Control Structure
Used in Administering Federal and State Financial Assistance
Programs**

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, 1994, and have issued our report thereon dated November 8, 1994. We did not audit the financial statements of the Beaufort County ABC Board or Warren Field Airport Commission, or Beaufort County Hospital Association, Inc. 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, Warren Field Airport Commission and Beaufort County Hospital Association, Inc. is based solely on the reports of the other auditors. We have also audited Beaufort County, North Carolina's compliance with requirements applicable to major federal and State financial assistance programs and have issued our report thereon dated November 8, 1994.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments; and the State Single Audit Implementation Act. Those standards, OMB Circular A-128, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Beaufort County, North Carolina, complied with laws and regulations, noncompliance with which would be material to a major federal or State financial assistance program.

In planning and performing our audits for the year ended June 30, 1994, we considered the County's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the County's general purpose financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128 and the State Single Audit Implementation Act. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal or State financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 8, 1994.

The management of Beaufort County, North Carolina, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal and State financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal and State financial assistance programs in the following categories: cash and cash equivalents, receivables, property and equipment, payables and accrued liabilities, debt, fund balance, political activity, civil rights, cash management, allowable costs/cost principles, administrative requirements, types of services, eligibility, reporting, cost allocation, special requirements, claims for advances and reimbursements and amounts claimed or used for matching.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1994, Beaufort County, North Carolina, expended 56 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128 and the State Single Audit Implementation Act, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the County's major federal and State financial assistance programs, which are identified in the accompanying schedule of federal and State financial assistance. Our procedures were less in scope than would be necessary

to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement could adversely affect the County's ability to administer federal and State financial assistance programs in accordance with applicable laws and regulations.

Segregation of Duties

In an organization such as Beaufort County, North Carolina, with a limited number of personnel for certain functions, there are inherent limitations of the effectiveness of certain controls due to the lack of segregation of duties among County personnel.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal or State financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal and State financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of Beaufort County, North Carolina's compliance with requirements applicable to its major federal financial assistance programs for the year ended June 30, 1994, and this report does not affect our report thereon dated November 8, 1994.

We believe the item listed above, concerning the insufficient segregation of duties, results in a material weakness in accounting and administrative controls.

Recommendation

We recommend as Beaufort County hires additional employees that their responsibilities be structured to achieve greater segregation of duties.

Management Response

For fiscal year 1994-1995, additional staff have been hired and duties have been assigned to allow for greater segregation of duties, thereby improving internal controls.

Beaufort County, North Carolina
November 8, 1994
Page 4

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Beaufort County, North Carolina, in a separate letter dated November 8, 1994.

This report is intended for the information of management and the governing board. However, this report is also a matter of public record, and its distribution is not limited.

Pittad Perry & Crane, Inc.

Belhaven, North Carolina
November 8, 1994

Beaufort County, North Carolina
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 For The Year Ended June 30, 1994

<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>
FEDERAL GRANTS:			
<u>U.S. Department of Health and Human Services</u>			
Passed through N.C. Dept. of Human Resources			
Division of Aging:			
Passed through Mid-East Commission			
Nutrition services:			
Special programs for the aging	93.635	\$ 61,875	\$ 8,994
In home services			
Title III-D	93.641	1,442	85
SSBG	93.667 *	53,718	625
Transportation services:			
Special programs for the aging-Title III B	93.633	28,337	1,667
Special programs for the aging - Access	93.633	16,249	9,998
Passed through N.C. Dept. of Human Resources			
Division of Social Services:			
Assistance payments/maintenance assistance:			
Aid to families with dependent children	93.560 *	88,172	46,756
JOBS program	93.561 *	189,255	113,660
IV-D program	93.563	246,084	-
IV-E Adoption subsidy	93.659	10,389	2,755
IV-E Foster care	93.658	42,951	10,606
Medical transportation	93.778	<u>11,296</u>	<u>-</u>
		588,147	173,777
Child protection services			
CCPS grant	93.643	473	-
Permanency planning:			
Child welfare services	93.645	20,413	5,052
State adult day care fund:			
Social services block grant	93.667 *	241,231	-
State child protection services			
Social services block grant	93.667 *	77,302	-
State in-home services fund:			
Social services block grant	93.667 *	12,906	9,041
Crisis intervention program:			
Low-income home energy assistance	93.568	45,670	-
Independent living	93.674	<u>2,707</u>	<u>-</u>
		48,377	-
Administration:			
Aid to families with dependent children	93.560 *	184,285	-
Low-income home energy assistance	93.568	21,519	-
Medical assistance program	93.778	243,866	14,233
IV-E administration	93.658	<u>11,635</u>	<u>-</u>
		461,305	14,233

Beaufort County, North Carolina
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 For The Year Ended June 30, 1994

PAGE 2 of 4

<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 N.C. Dept. of Environment, Health and Natural Resources:			
Maternal and Child Health Program:			
Maternal & child health services block grant	93.994	\$ 68,633	\$ 46,588
Preventive health block grant	93.991	94,326	20,888
AIDS prevention	93.118	9,478	4,931
Family planning	93.217	44,337	-
Family planning - breast & cervical cancer	93.919	1,326	-
Immunization grant	93.268	<u>1,363</u>	<u>-</u>
		219,463	72,407
Passed Through N.C. Division of Facility Services			
Child day care section:			
Social services block grant	93.667 *	57,865	-
Child Development block grant	93.575	199,887	-
At risk	93.574	63,569	33,723
Aid to families with dependent children	93.560 *	<u>374,329</u>	<u>198,393</u>
		<u>695,650</u>	<u>232,116</u>
Total U.S. Dept. of Health & Human Services		2,526,888	527,995
<u>U.S. Dept. of Agriculture</u>			
Passed Through N.C. Dept. of Human Resources			
Administration:			
Food distribution program	10.550	2,037	-
Food stamp program	10.561	<u>210,614</u>	<u>-</u>
		212,651	-
Passed Through Mid-East Commission			
USDA Supplement	10.550	14,659	-
Passed Through N.C. Dept. of Environment, Health and Natural Resources:			
Special supplemental food program for women, infants and children	10.557	<u>129,668</u>	<u>-</u>
Total U.S. Dept. of Agriculture		356,978	-
<u>U.S. Dept. of Justice</u>			
Passed Through N.C. Dept. of Crime Control and Public Safety:			
Drug law enforcement	16.579	37,244	-

Beaufort County, North Carolina
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 For The Year Ended June 30, 1994

PAGE 3 of 4

<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>U.S. Dept. of Housing and Urban Development</u>			
Passed Through N.C. Dept of Economic and Community Development:			
Community Development Block Grant	14.228 *	\$ 817,104	\$ -
<u>Federal Emergency Management Agency</u>			
Passed Through N.C. Dept of Crime Control and Public Safety:			
Federal emergency management assistance	83.503	9,572	-
STATE GRANTS:			
<u>N.C. Dept. of Human Resources</u>			
Division of Social Services:			
Core training CPS		-	100
CP&L energy program		-	5,167
Foster care		-	13,524
Aid to counties		-	43,447
Child protection services		-	126,355
Abortion fund		-	6,255
Day care coordinator		-	3,000
Food stamp tax intercept		-	6,298
		-	204,146
Division of Youth Services:			
Community based alternatives		-	72,645
Division of Child Development			
Child day care payments		-	50,298
Passed Through Mid-East Commission			
In-home services		-	57,204
Total N.C. Dept of Human Resources		-	384,293
<u>N.C. Dept of Environment, Health & Natural Resources</u>			
Division of Human Services:			
Aid to Counties		-	29,473
Environmental Health		-	9,993
Communicable Disease		-	22,060
Tuberculosis		-	9,723
Child services coordinator		-	26,344
Child health		-	58,272
Mosquito control		-	2,615
		-	158,480
Direct Grants:			
State Land Records Management		-	7,500
Soil and Water Grant		-	13,356
		-	20,856
Total N.C. Dept. of Environment, Health & Natural Resources		-	179,336

Beaufort County, North Carolina
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 For The Year Ended June 30, 1994

PAGE 4 of 4

<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>N.C. Dept. of Transportation</u> Elderly/handicapped transportation		\$ -	\$ 26,599
<u>N.C. Dept. of Administration</u> Veterans		-	2,000
<u>Office of the governor</u> Public school building capital fund	*	-	404,370
TOTAL ASSISTANCE		<u>\$ 3,747,786</u>	<u>\$ 1,524,593</u>

* Major programs

Notes to the preceding schedule:

1. Benefit Payments Issued by the State

Food Stamp Program	10.561	\$ 4,278,881	\$ -
Aid to Families with Dependent Children	93.560	1,889,625	533,188
Medical Assistance Program	93.778	15,061,805	6,645,311
Special Supplemental Food Program for Women, Infants, and Children	10.557	635,093	-
Energy Assistance Payment	93.568	209,564	-
CWS Adopt Subsidy & Vendor	93.645	10,676	4,017
Special Assistance - Aged and Disabled	n/a	-	503,583

The above amounts were paid directly to recipients by the State from federal and state moneys on behalf of the County. County personnel are involved with certain functions, primarily eligibility determinations, that cause benefit payments to be issued by the State. These amounts disclose the 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.



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, 1994, 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 Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards and the Single Audit Report on the Internal Control Structure Used in Administering Federal and State Financial Assistance Programs, both dated November 8, 1994.

General Fixed Assets

The County has a computerized fixed asset listing, which itemizes machinery, equipment, furniture and fixtures, and recent land and building acquisitions. We recommend updating this listing to show all land and buildings owned by the County. This could be accomplished by reviewing deeds and prior years financial statements to ascertain an approximate cost for each property. This would provide the County with a complete Property and Equipment listing.

General Matters

During the year, a lease was entered into by the Department of Social Services for equipment. The lease was signed by the Social Services Director. In the future, we recommend that only the finance officer or deputy finance officer sign legal documents for the County.

Expenditures over budget

Expenditures exceeded budget in three departments of the general fund and in two of the special revenue funds. The over-expenditure in the general fund mostly resulted from site drafts in the social services accounts. The over-expenditure in the special revenue funds were due to revenues exceeding budgeted expectations. Although these amounts were not material, we suggest that in the future, the budgets be amended, as appropriate.

Accounts receivable

With the implementation of the water districts, quite a large amount of tap fees have been collected and a large number of potential customers have signed on. In order to keep accurate information on the balance of receivables due from water customers, we recommend that management develop a systematic method to account for tap fees collected and receivable.

This report is intended solely for the information and use of the Beaufort County, North Carolina's 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 8, 1994