

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2023

BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-12
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	13
Statement of Activities	2	14
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	15
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	3a	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4a	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	5	19
Statement of Fund Net Position – Proprietary Funds	6	20
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	21
Statement of Cash Flows – Proprietary Funds	8	22-23
Statement of Fiduciary Net Position – Fiduciary Funds	9	24
Statement of Changes in Fiduciary Net Position- Fiduciary Funds	10	25
Notes to the Financial Statements		26-67

BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Required Supplemental Financial Data:		
Schedule of County's Proportionate Share of Net Pension Liability (LGERS)	A-1	68
Schedule of County Contributions (LGERS)	A-2	69
Schedule of County's Proportionate Share of Net Pension Asset (ROD)	A-3	70
Schedule of County Contributions (ROD)	A-4	71
Schedule of Changes in Total Pension Liability (LEOSSA)	A-5	72
Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)	A-6	73
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-7	74
Combining and Individual Fund Financial Statements and Schedules:		
Major Funds:		
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-1	75-78
Revaluation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-1a	79
Non-Major Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	81
Special Revenue Funds:		
Combining Balance Sheets – Non-Major Special Revenue Funds	C-3	82-84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	C-4	85-87
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
HCCBG - Aging Fund	C-5	88
Economic Development Fund	C-6	89

BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Fire and Rescue Tax Districts Fund	C-7	90
Emergency Telephone System Fund	C-8	91
State and Federal Seizures Fund	C-9	92
Healthcare Reserve Fund	C-10	93
One NC Grant Fund	C-11	94
NC Housing Finance Grant	C-12	95
Economic Development Initiatives	C-13	96
Representative Payee Fund	C-14	97
4H Fund	C-15	98
Cooperative Extension Fund	C-16	99
EMS Billing and Collections Fund	C-17	100
CDBG - River Breeze Fund	C-18	101
ADFPTF - USDA Grant	C-19	102
Agricultural Development Farmland Preservation Trust Fund	C-20	103
Revaluation Project Fund	C-21	104
NC Housing Financing Agency Urgent Repair Program Fund	C-22	105
NC Department of Public Safety (Beaufort Co 2021-2023)	C-23	106
Opioid Settlement Fund	C-24	107
State Centric Model Grant Fund	C-25	108
Housing Finance Agency Grant Fund	C-26	109
Beaufort Promise Fund	C-27	110
ARPA Fund	C-28	111
Capital Project Funds:		
Combining Balance Sheets – Non-Major Capital Projects Fund	D-1	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Projects Fund	D-2	113

BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Capital Improvements Fund	D-3	114
Stream Debris Removal Fund	D-4	115
Voting Machine Capital Reserve Fund	D-5	116
Facility Capital Reserve Fund	D-6	117
Facility Improvements Capital Project Fund	D-7	118
Capital Project Fund	D-8	119
Wrights Creek PARTF Grant Fund	D-9	120
Harbor District Market Fund	D-10	121
Enterprise Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Solid Waste Fund	E-1	122-123
Solid Waste Convenience Sites Improvements	E-1a	124
Water District Fund - Consolidated	E-2	125-126
CL2 Conversion Project - Water District I	E-2a	127
Gaylord Booster Pump Station 53 - Water District V	E-2b	128
Southside Water Treatment Plant Expansion - Water District I	E-2c	129
CL2 Conversion Project - Water District IV	E-2d	130
CL2 Conversion Project - Water District V	E-2e	131
CL2 Conversion Project - Water District VI	E-2f	132
CL2 Conversion Project - Water District VII	E-2g	133
Advanced Metering Infrastructure Fund - All Water Districts	E-2h	134
Northside Generator Fund - Phase II - Water Districted I, II, III, IV, and V	E-2i	135
Swan Point Mobile Home Park - Water Districts	E-2j	136
American Rescue Plan Act - Water Projects	E-2k	137
NCDOT NC 33 Water Line Relocation - Water Projects	E-2l	138

BEAUFORT COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Internal Service Fund:		
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP) - Internal Service Fund	F-1	139
Custodial Funds:		
Combining Statement of Fiduciary Net Position	G-1	140
Combining Statement of Changes in Fiduciary Net Position	G-2	141
Other Schedules:		
Schedule of Ad Valorem Taxes Receivable	H-1	142
Analysis of Current Tax Levy	H-2	143
Top Ten Taxpayers	H-3	144
 COMPLIANCE SECTION		
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>		145-146
Report On Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act		147-149
Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act		150-152
Schedule of Findings and Questioned Costs		153-159
Corrective Action Plan		160-163
Summary Schedule of Prior Year Audit Findings		164
Schedule of Expenditures of Federal and State Awards		165-170

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year then ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Beaufort County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Beaufort County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Beaufort County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

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

Responsibilities of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Beaufort County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 68 and 69, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 70 and 71, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 72 and 73, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of Beaufort County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beaufort County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2023

BEAUFORT COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Beaufort County, we offer this overview and analysis of the financial activities of Beaufort County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with the County's financial statements and notes to those financial statements, which follow this narrative.

Financial Highlights

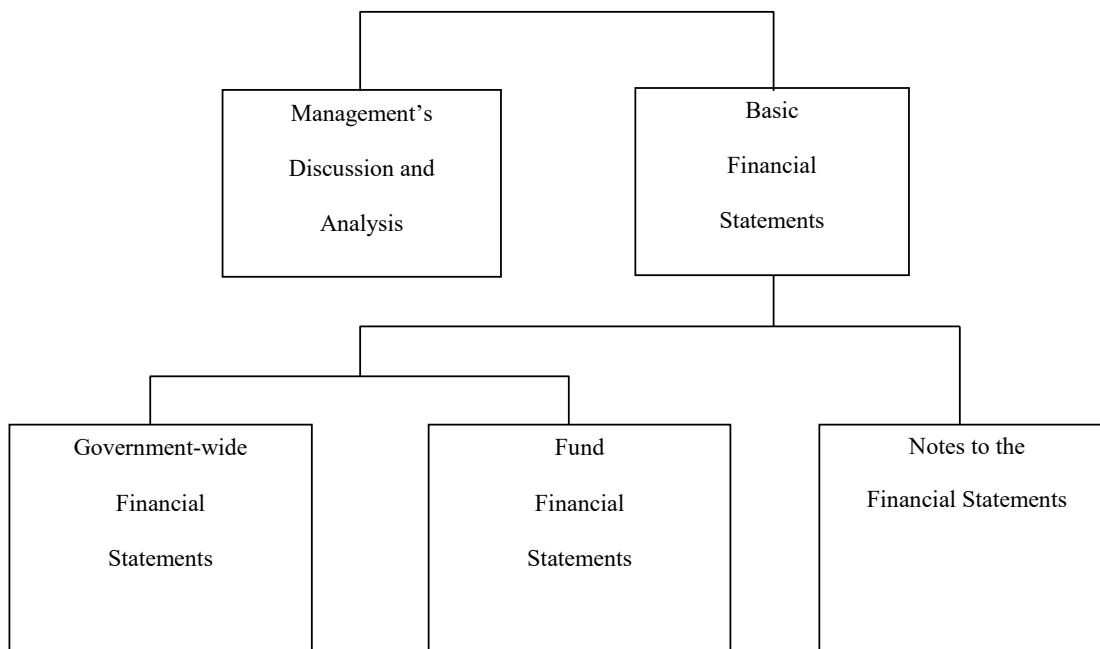
- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$103,509,364 (net position).
- Beaufort County's total net position increased by \$9,158,252, mainly due to a significant increase in net position of both the governmental activities and business-type activities.
- As of June 30, 2023, Beaufort County's governmental funds reported combined ending fund balances of \$60,610,440, an increase of \$6,795,619 in comparison with the prior year. Approximately 23.95% of this total amount or \$14,517,544 is restricted or nonspendable.
- Also at June 30, 2023, unassigned fund balance for the General Fund was \$32,416,800, or 45.07% of total general fund expenditures (including transfers to other funds less lease purchase proceeds) of \$71,929,917 for the fiscal year.
- Beaufort County's total debt decreased by \$4,323,152 or 8.96% during the current fiscal year. The key factor in this decrease was the scheduled payments on outstanding debt.

Overview of the Financial Statements

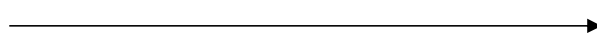
This discussion and analysis are intended to serve as an introduction to Beaufort County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see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

Required Components of Annual Financial Report

Figure 1



Summary



Detail

Basic Financial Statements

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

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

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Beaufort County has three fiduciary funds, all of which are custodial funds.

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Beaufort County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 68 of this report.

Government-Wide Financial Analysis

BEAUFORT COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 68,748,108	\$ 62,668,959	\$ 15,894,686	\$ 15,146,018	\$ 84,642,794	\$ 77,814,977
Capital assets	25,000,247	24,157,888	58,212,860	59,801,073	83,213,107	83,958,961
Total assets	93,748,355	86,826,847	74,107,546	74,947,091	167,855,901	161,773,938
Total deferred outflows of resources	10,412,889	7,265,707	1,215,051	973,454	11,627,940	8,239,161
Current and other liabilities	7,783,950	6,317,690	3,382,355	896,395	11,166,305	7,214,085
Long-term liabilities outstanding	28,318,646	23,826,019	32,925,972	37,003,952	61,244,618	60,829,971
Total liabilities	36,102,596	30,143,709	36,308,327	37,900,347	72,410,923	68,044,056
Total deferred inflows of resources	2,527,518	6,419,355	254,316	416,856	2,781,834	6,836,211
Net position:						
Net investment in capital assets	22,300,717	21,662,820	25,277,310	24,508,350	47,578,027	46,171,170
Restricted	12,850,794	12,906,140	-	-	12,850,794	12,906,140
Unrestricted	30,379,619	22,960,530	13,482,644	13,094,992	43,862,263	36,055,522
Total net position	\$ 65,531,130	\$ 57,529,490	\$ 38,759,954	\$ 37,603,342	\$ 104,291,084	\$ 95,132,832

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$104,291,084 as of June 30, 2023. The County's net position increased by \$9,158,252 for the fiscal year ended June 30, 2023. One of the largest portions \$47,578,027 (45.62%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Beaufort County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaufort County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Beaufort County's net position \$12,850,794 (12.32%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$43,862,263 is unrestricted.

The government's net investment in capital assets increased by \$1,406,857 or (3.05%). This increase is attributable to the purchasing and construction of additional assets.

BEAUFORT COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,231,954	\$ 6,021,587	\$ 12,946,452	\$ 12,574,739	\$ 18,178,406	\$ 18,596,326
Operating grants and contributions	13,427,038	20,473,276	-	-	13,427,038	20,473,276
Capital grants and contributions	474,000	487,000	91,776	525,762	565,776	1,012,762
General revenues:						
Property taxes	43,660,154	42,434,834	-	-	43,660,154	42,434,834
Other taxes	14,089,387	13,171,621	-	-	14,089,387	13,171,621
Investment earnings	2,250,613	100,819	211,926	21,962	2,462,539	122,781
Miscellaneous	651,583	559,047	-	-	651,583	559,047
Total revenues	79,784,729	83,248,184	13,250,154	13,122,463	93,034,883	96,370,647
Expenses:						
General government	8,404,784	6,535,532	-	-	8,404,784	6,535,532
Public safety	20,637,820	14,310,067	-	-	20,637,820	14,310,067
Economic and physical development	2,668,169	6,830,487	-	-	2,668,169	6,830,487
Human services	18,814,944	18,800,932	-	-	18,814,944	18,800,932
Cultural and recreation	467,775	438,220	-	-	467,775	438,220
Education	20,611,354	19,548,327	-	-	20,611,354	19,548,327
Interest and fees on long-term debt	208,243	282,579	-	-	208,243	282,579
Water and Solid Waste	-	-	12,063,542	11,191,315	12,063,542	11,191,315
Total expenses	71,813,089	66,746,144	12,063,542	11,191,315	83,876,631	77,937,459
Increase in net position before transfers and special items	7,971,640	16,502,040	1,186,612	1,931,148	9,158,252	18,433,188
Transfers and special items	30,000	(1,609,000)	(30,000)	1,609,000	-	-
Increase in net position after transfers and special items	8,001,640	14,893,040	1,156,612	3,540,148	9,158,252	18,433,188
Net position, beginning	57,529,490	42,636,450	37,603,342	34,063,194	95,132,832	76,699,644
Restatement	-	-	-	-	-	-
Net position, beginning, restated	57,529,490	42,636,450	37,603,342	34,063,194	95,132,832	76,699,644
Net position, ending	\$ 65,531,130	\$ 57,529,490	\$ 38,759,954	\$ 37,603,342	\$ 104,291,084	\$ 95,132,832

Governmental activities. Governmental activities increased the County's net position by \$8,001,640 during the fiscal year. Key elements of this increase include:

- Operating grants and contributions totaling \$13,427,038.
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 7.08% less than budgeted in FY 2022-2023
- Increase in investment earnings.

Business-type activities. Business-type activities increased Beaufort County's net position by \$1,156,612. Key elements of this increase include:

- Capital grants and contributions totaling \$91,776.
- Increase in water sales revenue
- Increase in investment earnings.

Financial Analysis of the County's Funds

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

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

The General fund is the chief operating fund of Beaufort County. At the end of the current fiscal year, Beaufort County's fund balance available in the General Fund was \$33,492,558, while total fund balance reached \$39,965,545. The Beaufort County Board of Commissioners has determined that the County should strive to maintain an available fund balance of 35% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 46.56% of general fund expenditures, while total fund balance represents 55.56% of that same amount.

At June 30, 2023, the governmental funds of Beaufort County reported a combined fund balance of \$60,610,440, a 12.63% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Differences between the original budgeted revenues and final budgeted revenues for the General Fund amounted to a \$1,168,105 increase and are summarized as follows:

- \$995,441 increase in restricted governmental revenues
- \$10,000 in miscellaneous revenue
- \$162,664 in sales and services

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$2,518,209 decrease and are summarized as follows:

- \$327,849 increase in general government activity
- \$276,365 decrease in public safety
- \$101,840 increase in community services
- \$1,264,392 increase in human services
- \$547,763 increase in education

Appropriation of fund balance and budgetary changes in transfers rebalanced the General Fund as follows:

- Fund balance appropriated totaled \$7,243,071
- Additional transfers to other funds \$5,950,610
- Decrease in contingency of \$57,643

During the year, General Fund revenue came in 5.36% lower than budgetary estimates and actual expenditures came in 7.08% lower than appropriations. Originally, \$1,600,000 in fund balance was expected to be used to provide transfers to the Worker's Compensation Internal Services Fund and the Beaufort Promise Special Revenue Fund; however, none was actually needed since ad valorem and sales tax revenues exceeded budgeted amounts and expenditures came in less than budgeted.

Proprietary Funds. Beaufort County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts and the Solid Waste Fund equaled \$13,482,644 at June 30, 2023. There was an increase in net position of \$1,156,612. The water districts reported a net increase of \$933,893 as a result of an increase in charges for services and investment earnings.

Net position in the Solid Waste Fund increased by \$222,719 as a result of operations during the fiscal year. Solid waste revenues increased by \$171,761. Operating expenses increased by 5%, or \$194,591, from the previous fiscal year due to processing and hauling costs associated with the additional tonnage collected at the convenience sites.

Capital Asset and Debt Administration

Capital Assets. Beaufort County's capital assets for its governmental and business – type activities as of June 30, 2023, totals \$83,213,107 (net of accumulated depreciation/amortization). This investment in capital assets includes buildings, land, equipment, vehicles, water utility system, and construction in progress. The total decrease in the County's investment in capital assets for the current fiscal year was \$972,993, a 2.57% increase for governmental activities and a 2.68% decrease for business-type activities.

Major capital asset transactions during the year include:

- Multiple HVAC Unit replacements occurred in various buildings throughout the County
- E-911 recording system was purchased for County Communications
- Viper radios with accessories were purchased for the Sheriff's Office
- A new tractor was procured for Cooperative Extension
- Installation of 3 generators were completed during the FY at the Health Department, Financial Services Building, and the Administrative Building
- A forensic scanner was purchased for the Sheriff's Office
- Courthouse exterior improvements continued
- Various water construction projects and solid waste improvement projects continued in the enterprise funds

BEAUFORT COUNTY'S CAPITAL ASSETS (net of depreciation/amortization)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,853,330	\$ 6,853,330	\$ 108,157	\$ 108,157	\$ 6,961,487	\$ 6,961,487
Building and system	9,640,360	9,450,887	48,461,405	50,536,069	58,101,765	59,986,956
Machinery and equipment	5,458,489	4,630,177	1,275,338	855,798	6,733,827	5,485,975
Construction in progress	2,659,769	3,223,494	8,360,467	8,301,049	11,020,236	11,524,543
Right to use assets	388,299	215,146	7,493	11,993	395,792	227,139
Total	\$ 25,000,247	\$ 24,373,034	\$ 58,212,860	\$ 59,813,066	\$ 83,213,107	\$ 84,186,100

Additional information on the County's capital assets can be found beginning on page 40 of this audited financial report.

Long-term Debt

As of June 30, 2023, Beaufort County had total debt outstanding of \$43,933,717, of which \$35,267,000 is backed by the full faith and credit of the County. Of this amount, \$7,527,000 is owed in general obligation school bonds and \$27,740,000 is outstanding for the Water District limited obligation bonds. \$8,248,899 is obligated for installment contracts that is collateralized with County assets, and \$417,818 is outstanding for lease and subscription liabilities.

BEAUFORT COUNTY'S OUTSTANDING DEBT General Obligation and Installment Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 7,527,000	\$ 9,253,000	\$ -	\$ -	\$ 7,527,000	\$ 9,253,000
Limited Obligation Bonds	-	-	27,740,000	29,585,000	27,740,000	29,585,000
Installment Purchases	3,055,894	3,467,540	5,193,005	5,709,847	8,248,899	9,177,387
Lease Liabilities	388,561	231,613	-	9,869	388,561	241,482
Subscription Liabilities	26,713	-	2,544	-	29,257	-
Total	\$ 10,998,168	\$ 12,952,153	\$ 32,935,549	\$ 35,304,716	\$ 43,933,717	\$ 48,256,869

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Beaufort County is \$495,284,139.

Additional information regarding Beaufort County's long-term debt can be found beginning on page 56 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The original General Fund budget for fiscal year 2023-2024 totals \$72,076,083, a \$3,139,104 increase when compared to the FY 2022-2023 original budget of \$68,936,979. The reason for the increase is rising operational costs due to inflation, a new pay plan being implemented, additional funding to the schools for restricted sales tax, and five additional positions at the Department of Social Service as well as one telecommunicator position at the Sheriff's Office. When compared to the prior year's budget, original appropriations increased in general government and administration operations by \$972,888, human services increased by \$537,313, mainly in Department of Social Services and the Health Department, community services decreased by \$281,140, education increased by \$1,747,811, public safety increased by \$1,744,551, debt payments decreased by \$59,491, while transfers to other funds and contingency decreased by \$1,522,828, mainly due to a \$1,600,000 set aside for Beaufort County Community College to continue to offer Beaufort County residents free tuition under the "Beaufort Promise" program appropriated in the prior year's budget.

There is \$100,000 in General Fund contingency budgeted for FY 2023-2024 and adequate fund balance is available for appropriation at the Board's discretion should emergency items arise during the year.

The consolidated water system FY 2023-2024 operational budget increased by \$376,868 when compared to the fiscal year 2022-2023 original budget. This is due to a pay plan implementation and overall increased operational costs due to inflation.

In 2018, the seven water districts were merged into one single operational water system and a rate study was performed in order to transform the seven different water rates into one uniform rate over a 5-year period. FY 2022-2023 was the fifth and final year of the plan implementation and water rates are now uniform across all 7 districts. The water systems advanced metering infrastructure project was completed during fiscal year 2019-2020 resulting in more accurate meter readings. Water sales revenue is expected to increase due to the more precise readings as well as the continued number of customers that are working from home.

The annual fee for Solid Waste increased by \$5, from \$175 to \$180 in the FY 23/24 budget. This increase was necessary to cover the cost of processing the County's waste due to inflation and the ever increasing solid waste tonnage, year after year. Over the past five years, waste tonnage has grown by 15%. The County continues to explore ways to improve its solid waste operations and control the increasing solid waste processing costs.

Budget Highlights for Fiscal Year Ending June 30, 2024

The following factors were also considered when preparing the County's budget for fiscal year 2023-2024:

- Sales tax revenues were up significantly during the pandemic (14%) and have continued to grow.
- The unemployment rate for Beaufort County increased slightly from 3.8% in June 2022, to 4.1% in June 2023. This compares unfavorably to a State unemployment rate of 3.3% and a national unemployment rate of 3.6% in June 2023.
- Global inflation has slowed in recent months.
- Overall budgeted expenditures increased in the general fund by \$3,139,104, compared to the prior year.
- The property tax rate remained unchanged at \$.625/\$100 assessed valuation.
- Ad valorem tax revenue is expected to increase slightly above 98.8%.

The County received a total of \$9,128,034 in American Rescue Plan funds. One half of the distribution, totaling \$4,564,017, was received in FY 2020-2021 and the remaining 50% was received in June 2022. The Beaufort County Board of Commissioners received comments during a 3 month period in the summer of 2021 from Beaufort County citizens on how the funds should be spent. The majority of citizens offering comments recommended investing the money in broad band, while some community members supported spending the funds on the County water system. The Board has tentatively designated \$7,258,500 of the ARPA money to be spent as follows: \$4,000,000 for broad band, \$1,500,000 for a multi-purpose distribution building, \$49,500 on jail architect fees, \$1,609,000 on various water system improvements, and \$100,000 of funding to BHM Library. The Board is currently prioritizing projects for the remaining \$1,869,534.

Requests for Information

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

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

BASIC
FINANCIAL STATEMENTS

Beaufort County, North Carolina
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit Beaufort County ABC Board
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash investments	\$ 57,759,167	\$ 13,747,877	\$ 71,507,044	\$ 1,344,172
Taxes receivable (net)	1,422,592	-	1,422,592	-
Accounts receivables (net)	6,164,528	1,848,859	8,013,387	-
Lease and notes receivable	153,821	-	153,821	-
Inventories	-	-	-	988,606
Prepaid items	32	-	32	-
Restricted cash and cash equivalents	2,412,157	297,950	2,710,107	-
Total current assets	<u>67,912,297</u>	<u>15,894,686</u>	<u>83,806,983</u>	<u>2,332,778</u>
Non-current Assets				
Lease and notes receivable	781,720	-	-	-
Net pension asset	54,091	-	54,091	-
Capital assets:				
Land, improvements, and construction in progress	9,513,099	8,468,624	17,981,723	338,834
Other capital assets, net of depreciation	15,098,849	49,736,742	64,835,591	1,057,617
Right to use assets, net of amortization	388,299	7,494	395,793	-
Total capital assets	<u>25,000,247</u>	<u>58,212,860</u>	<u>83,213,107</u>	<u>1,396,451</u>
Total non-current assets	<u>25,836,058</u>	<u>58,212,860</u>	<u>83,267,198</u>	<u>1,396,451</u>
Total assets	<u>\$ 93,748,355</u>	<u>\$ 74,107,546</u>	<u>\$ 167,074,181</u>	<u>\$ 3,729,229</u>
DEFERRED OUTFLOWS OF RESOURCE	<u>\$ 10,412,889</u>	<u>\$ 1,215,051</u>	<u>\$ 11,627,940</u>	<u>\$ 309,478</u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 2,730,662	\$ 658,659	\$ 3,389,321	\$ 476,317
Accrued interest payable	19,828	50,556	70,384	-
Customer deposits	-	297,950	297,950	-
Unearned revenues	2,247,028	-	2,247,028	-
Long-term liabilities - less than one year	2,786,432	2,375,190	5,161,622	-
Total current liabilities	<u>7,783,950</u>	<u>3,382,355</u>	<u>11,166,305</u>	<u>476,317</u>
Long-term liabilities:				
Due in more than one year	28,318,646	32,925,972	61,244,618	490,003
Total long-term liabilities	<u>28,318,646</u>	<u>32,925,972</u>	<u>61,244,618</u>	<u>490,003</u>
Total liabilities	<u>\$ 36,102,596</u>	<u>\$ 36,308,327</u>	<u>\$ 72,410,923</u>	<u>\$ 966,320</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,527,518</u>	<u>\$ 254,316</u>	<u>\$ 2,781,834</u>	<u>\$ 2,703</u>
NET POSITION				
Net investment in capital assets	\$ 22,300,717	\$ 25,277,310	\$ 47,578,027	\$ 1,396,451
Restricted for:				
State Statute	6,537,892	-	6,537,892	-
General Government	33,769	-	33,769	-
Economic Development	979,892	-	979,892	-
Human Services	3,290,278	-	3,290,278	-
Public Safety	1,134,711	-	1,134,711	-
Education	252,631	-	252,631	-
Cultural and recreational	541,121	-	541,121	-
Register of deeds pension plan	80,500	-	80,500	-
Working capital	-	-	-	240,762
Unrestricted (deficit)	30,379,619	13,482,644	43,080,543	1,432,471
Total net position	<u>\$ 65,531,130</u>	<u>\$ 38,759,954</u>	<u>\$ 103,509,364</u>	<u>\$ 3,069,684</u>

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

Beaufort County, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Beaufort County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental Activities:								
General government	\$ 8,404,784	\$ 1,111,369	\$ 21,302	\$ -	\$ (7,272,113)	\$ -	\$ (7,272,113)	\$ -
Public safety	20,637,820	3,555,905	1,749,191	-	(15,332,724)	-	(15,332,724)	-
Economic and physical development	2,668,169	111,144	759,760	-	(1,797,265)	-	(1,797,265)	-
Human services	18,814,944	453,536	10,816,675	-	(7,544,733)	-	(7,544,733)	-
Environmental Protection	-	-	30,110	-	30,110	-	30,110	-
Cultural and recreation	467,775	-	50,000	-	(417,775)	-	(417,775)	-
Education	20,611,354	-	-	474,000	(20,137,354)	-	(20,137,354)	-
Interest on long-term debt	208,243	-	-	-	(208,243)	-	(208,243)	-
Total governmental activities	71,813,089	5,231,954	13,427,038	474,000	(52,680,097)	-	(52,680,097)	-
Business-type activities:								
Solid Waste	4,083,524	4,265,593	-	-	-	182,069	182,069	-
Water Districts	7,980,018	8,680,859	-	91,776	-	792,617	792,617	-
Total business-type activities	12,063,542	12,946,452	-	91,776	-	974,686	974,686	-
Total primary government	83,876,631	18,178,406	13,427,038	565,776	(52,680,097)	974,686	(51,705,411)	-
Component Units:								
Beaufort County ABC Board	6,165,223	6,259,824	-	-	-	-	-	94,601
Total component units	\$ 6,165,223	\$ 6,259,824	\$ -	\$ -	-	-	-	94,601
General revenues:								
Taxes:								
Property taxes, levied for general purpose					43,660,154	-	43,660,154	-
Local option sales tax					13,749,072	-	13,749,072	-
Other taxes and licenses					340,315	-	340,315	-
Investment earnings, unrestricted					2,250,613	211,926	2,462,539	1,322
Miscellaneous, unrestricted					651,583	-	651,583	30
Transfers					30,000	(30,000)	-	-
Total general revenues, special items, and transfers					60,681,737	181,926	60,863,663	1,352
Change in net position					8,001,640	1,156,612	9,158,252	95,953
Net position, beginning					57,529,490	37,603,342	95,132,832	2,973,731
Net position-ending					\$ 65,531,130	\$ 38,759,954	\$ 104,291,084	\$ 3,069,684

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

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

	Major	Non-Major	Total Governmental Funds
	General	Other Governmental Funds	
ASSETS			
Cash and cash equivalents	\$ 37,315,970	\$ 19,714,823	\$ 57,030,793
Taxes Receivable, net	1,047,765	169,202	1,216,967
Accounts Receivable, net	6,044,061	120,467	6,164,528
Due from other funds	24,737	1,743,971	1,768,708
Cash and cash equivalents-Restricted	162,104	2,250,053	2,412,157
Lease and notes receivable	485,541	450,000	935,541
Prepaid Expenses	32	-	32
Total assets	<u>\$ 45,080,210</u>	<u>\$ 24,448,516</u>	<u>\$ 69,528,726</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,813,201	\$ 912,654	\$ 2,725,855
Due to other funds	1,743,971	24,737	1,768,708
Unearned Revenues	-	2,247,028	2,247,028
Total liabilities	<u>3,557,172</u>	<u>3,184,419</u>	<u>6,741,591</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	1,047,766	169,202	1,216,968
Prepaid Taxes	27,433	-	27,433
Leases and Notes Receivable	482,294	450,000	932,294
Total deferred inflows of resources	<u>1,557,493</u>	<u>619,202</u>	<u>2,176,695</u>
Fund balances:			
Nonspendable:			
Advance to General Fund	-	1,743,971	1,743,971
Prepaid Expenses	32	-	32
Leases	3,247	-	3,247
Restricted:			
State Statute	6,469,708	68,184	6,537,892
General Government	33,769	-	33,769
Economic Development	-	979,892	979,892
Human Services	122,340	3,167,938	3,290,278
Public Safety	4,914	1,129,797	1,134,711
Education	252,631	-	252,631
Cultural and recreational	-	541,121	541,121
Committed:			
Tax Revaluation	162,104	-	162,104
Other Purposes	-	13,046,610	13,046,610
Broadband projects	500,000	-	500,000
Unassigned:	32,416,800	(32,618)	32,384,182
Total fund balances	<u>39,965,545</u>	<u>20,644,895</u>	<u>60,610,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,080,210</u>	<u>\$ 24,448,516</u>	<u>\$ 69,528,726</u>

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

Beaufort County, North Carolina
Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position
June 30, 2023

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

Total Fund Balance - Governmental Funds	\$ 60,610,440
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,000,247
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	205,625
Net Pension Asset	54,091
Deferred outflows of resources:	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	2,270,510
ROD	4,005
Pension related deferrals	
LGERS	6,269,500
ROD	27,548
LEOSSA	631,965
OPEB related deferrals	968,354
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,758
Benefit payments for the OPEB plan paid subsequent to the measurement date	112,611
Deferred charges on refunding reported in governmental activities are not required in the funds	96,638
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	1,216,968
Pension Related Deferrals	
LGERS	(323,366)
ROD	(5,144)
LEOSSA	(674,860)
OPEB related deferrals	(564,421)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	723,567
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(11,012,731)
Compensated absences	(1,780,755)
Net OPEB Liability	(3,456,595)
Net Pension Liability	(13,225,385)
Total Pension Liability	(1,629,612)
Accrued interest payable	(19,828)
Net position of governmental activities	<u>\$ 65,531,130</u>

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	<u>Major</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 39,771,771	\$ 4,115,369	\$ 43,887,140
Local option sales tax	13,749,072	-	13,749,072
Other taxes and licenses	340,314	-	340,314
Unrestricted intergovernmental	396,674	-	396,674
Restricted intergovernmental	11,745,666	2,366,922	14,112,588
Permits and fees	428,639	-	428,639
Sales and services	3,316,817	1,292,623	4,609,440
Investment earnings	2,233,414	16,952	2,250,366
Miscellaneous	196,867	40,365	237,232
Total revenues	<u>72,179,234</u>	<u>7,832,231</u>	<u>80,011,465</u>
EXPENDITURES			
Current:			
General government	7,649,151	415,739	8,064,890
Public safety	14,185,878	5,793,977	19,979,855
Economic and physical development	1,334,561	1,965,573	3,300,134
Human services	17,340,152	723,467	18,063,619
Cultural and recreational	468,072	16,058	484,130
Education	20,611,354	-	20,611,354
Debt service:			
Principal	2,137,646	-	2,137,646
Interest and other charges	194,697	-	194,697
Total expenditures	<u>63,921,511</u>	<u>8,914,814</u>	<u>72,836,325</u>
Excess (deficiency) of revenues over expenditures	<u>8,257,723</u>	<u>(1,082,583)</u>	<u>7,175,140</u>
OTHER FINANCING SOURCES (USES)			
Lease liabilities issued	366,479	-	366,479
Transfers in	-	7,628,885	7,628,885
Transfers (out)	(8,374,885)	-	(8,374,885)
Total other financing sources and uses	<u>(8,008,406)</u>	<u>7,628,885</u>	<u>(379,521)</u>
Net change in fund balance	249,317	6,546,302	6,795,619
Fund balances, beginning	<u>39,716,228</u>	<u>14,098,593</u>	<u>53,814,821</u>
Fund balances-ending	<u>\$ 39,965,545</u>	<u>\$ 20,644,895</u>	<u>\$ 60,610,440</u>

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

Beaufort County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

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

Net changes in fund balances - total governmental funds	\$ 6,795,619
<p>Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays and right to use leased assets exceeded depreciation and amortization in the current period.</p>	
Capital outlay expenditures	1,856,036
Depreciation expense for governmental assets	(1,400,289)
Basis of assets disposed	(1,687)
Right to use assets - leased assets	366,479
Amortization expense for leased assets	(193,326)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>	
	2,274,515
<p>Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.</p>	
	31,758
<p>Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.</p>	
	112,611
<p>New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position.</p>	
	(366,479)
<p>Principal payments on debt owed are recorded as a use of funds on the fund statements but again effect only the statement of net position in the government-wide statements.</p>	
	2,320,464
<p>Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.</p>	
<p style="padding-left: 20px;">Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).</p>	
	8,755
<p style="padding-left: 20px;">Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.</p>	
	(131,115)
<p style="padding-left: 20px;">County's portion of collective pension expense</p>	
	(3,757,819)
<p style="padding-left: 20px;">OPEB Expense</p>	
	(402,730)
<p style="padding-left: 20px;">Landfill postclosure cost</p>	
	14,565
<p style="padding-left: 20px;">Amortization of deferred charges on refunding</p>	
	(22,301)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.</p>	
	723,567
<p>Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.</p>	
<p style="padding-left: 20px;">Increase (decrease) in deferred revenue</p>	
	(170,049)
<p style="padding-left: 20px;">Increase (decrease) in accrued taxes receivable</p>	
	(56,934)
<p>Total changes in net position of governmental activities</p>	
	\$ 8,001,640

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 39,187,630	\$ 39,187,630	\$ 39,771,771	\$ 584,141
Local option sales tax	12,586,519	12,586,519	13,749,072	1,162,553
Other taxes and licenses	341,570	341,570	340,314	(1,256)
Unrestricted intergovernmental	482,187	482,187	396,674	(85,513)
Restricted intergovernmental	11,287,915	12,283,356	11,745,666	(537,690)
Permits and fees	454,870	454,870	428,639	(26,231)
Sales and services	2,795,288	2,957,952	3,316,817	358,865
Investment earnings	50,000	50,000	2,233,360	2,183,360
Miscellaneous	151,000	161,000	196,867	35,867
Total revenues	<u>67,336,979</u>	<u>68,505,084</u>	<u>72,179,180</u>	<u>3,674,096</u>
Expenditures				
General government	7,613,360	7,941,209	7,649,151	292,058
Public safety	15,209,481	15,485,846	14,185,878	1,299,968
Economic and physical development	1,212,443	1,314,283	1,334,561	(20,278)
Human services	18,998,228	20,262,620	17,340,152	2,922,468
Cultural and recreational	493,922	493,922	468,072	25,850
Education	20,063,591	20,611,354	20,611,354	-
Debt service:				
Principal retirement	2,486,048	2,486,048	2,137,646	348,402
Interest and other charges	194,699	194,699	194,697	2
Total expenditures	<u>66,271,772</u>	<u>68,789,981</u>	<u>63,921,511</u>	<u>4,868,470</u>
Revenues over (under) expenditures	<u>1,065,207</u>	<u>(284,897)</u>	<u>8,257,669</u>	<u>8,542,566</u>
Other financing sources (uses):				
Lease liabilities issued	-	-	366,479	366,479
Transfer - Out	(2,586,325)	(8,536,935)	(8,536,935)	-
Fund balance appropriated	1,600,000	8,843,071	-	(8,843,071)
Total other financing sources (uses)	<u>(1,065,207)</u>	<u>284,897</u>	<u>(8,170,456)</u>	<u>(8,455,353)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	87,213	<u>\$ 87,213</u>
Fund balances:				
Beginning of year, July 1			<u>39,716,228</u>	
End of year, June 30			<u>\$ 39,803,441</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			54	
Transfer from General Fund			162,050	
Transfer to Revaluation Project Fund			-	
Fund balance, beginning of year			-	
Fund balance, ending (Exhibit 4)			<u>\$ 39,965,545</u>	

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

Beaufort County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2023

	NON-MAJOR Solid Waste	MAJOR Water Districts	Totals	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,339,584	\$ 12,408,293	\$ 13,747,877	\$ 728,374
Accounts receivable (net)	679,127	1,169,732	1,848,859	-
Total current assets	<u>2,018,711</u>	<u>13,578,025</u>	<u>15,596,736</u>	<u>728,374</u>
Noncurrent assets:				
Restricted - cash and cash equivalents	-	297,950	297,950	-
Capital assets:				
Land and Improvements	2,368	105,789	108,157	-
Construction in process	83,630	8,276,837	8,360,467	-
Buildings, Improvements, and Equipment	236,428	81,253,527	81,489,955	-
Less accumulated depreciation	(232,709)	(31,520,504)	(31,753,213)	-
Right to use assets, net of amortization	4,262	3,232	7,494	-
Total capital assets	<u>93,979</u>	<u>58,118,881</u>	<u>58,212,860</u>	<u>-</u>
Total noncurrent assets	<u>93,979</u>	<u>58,416,831</u>	<u>58,510,810</u>	<u>-</u>
Total assets	<u>2,112,690</u>	<u>71,994,856</u>	<u>74,107,546</u>	<u>728,374</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	-	275,228	275,228	-
Pension deferrals	-	505,506	505,506	-
OPEB deferrals	-	434,317	434,317	-
Total deferred outflows of resources	<u>-</u>	<u>1,215,051</u>	<u>1,215,051</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	376,499	282,160	658,659	4,807
Accrued interest payable	-	50,556	50,556	-
Customer deposits	-	297,950	297,950	-
Compensated absences	-	35,630	35,630	-
Installment purchase	-	493,305	493,305	-
Limited obligation bonds	-	1,845,000	1,845,000	-
Lease and Subscription liability	-	1,255	1,255	-
Total current liabilities	<u>376,499</u>	<u>3,005,856</u>	<u>3,382,355</u>	<u>4,807</u>
Noncurrent liabilities:				
Installment purchase	-	4,699,701	4,699,701	-
Limited Obligation Bonds	-	25,895,000	25,895,000	-
Lease and Subscription liability	-	1,289	1,289	-
Net pension liability	-	782,845	782,845	-
Total OPEB Liability	-	1,440,246	1,440,246	-
Compensated Absences	-	106,891	106,891	-
Total noncurrent liabilities	<u>-</u>	<u>32,925,972</u>	<u>32,925,972</u>	<u>-</u>
Total liabilities	<u>376,499</u>	<u>35,931,828</u>	<u>36,308,327</u>	<u>4,807</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	19,141	19,141	-
OPEB deferrals	-	235,175	235,175	-
Total deferred inflows of resources	<u>-</u>	<u>254,316</u>	<u>254,316</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	93,979	25,183,331	25,277,310	-
Unrestricted	1,642,212	11,840,432	13,482,644	723,567
Total net position	<u>\$ 1,736,191</u>	<u>\$ 37,023,763</u>	<u>\$ 38,759,954</u>	<u>\$ 723,567</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Year Ended June 30, 2023

	NON-MAJOR Solid Waste	MAJOR Water Districts	Totals	Internal Service Fund
Revenues:				
Operating Revenues:				
Water sales	\$ -	\$ 8,162,953	\$ 8,162,953	\$ -
Tap on fees	-	270,310	270,310	-
Solid Waste fees	4,265,573	-	4,265,573	-
Miscellaneous Revenue	20	247,596	247,616	-
Total Operating Revenues	<u>4,265,593</u>	<u>8,680,859</u>	<u>12,946,452</u>	<u>-</u>
Expenditures:				
Operating Expenses:				
Salaries and employee benefits	52,926	1,890,584	1,943,510	-
Water purchase	-	931,715	931,715	-
Water operations and maintenance	-	2,174,514	2,174,514	-
Solid waste operations and maintenance	4,021,968	-	4,021,968	-
Workers comp claims	-	-	-	52,680
Depreciation and Amortization	8,558	2,262,176	2,270,734	-
Total Expenditures	<u>4,083,452</u>	<u>7,258,989</u>	<u>11,342,441</u>	<u>52,680</u>
Operating income (loss)	<u>182,141</u>	<u>1,421,870</u>	<u>1,604,011</u>	<u>(52,680)</u>
Nonoperating Revenues (Expenses)				
Interest Earned on Investments	40,650	171,276	211,926	247
Interest Expense	(72)	(721,029)	(721,101)	-
Total Nonoperating Revenues (Expenses)	<u>40,578</u>	<u>(549,753)</u>	<u>(509,175)</u>	<u>247</u>
Income (Loss) before contributions and transfers	222,719	872,117	1,094,836	(52,433)
Transfers in (out)	-	(30,000)	(30,000)	776,000
Capital contributions	-	91,776	91,776	-
Change in net position	222,719	933,893	1,156,612	723,567
Total net position, beginning	<u>1,513,472</u>	<u>36,089,870</u>	<u>37,603,342</u>	<u>-</u>
Total net position, ending	<u>\$ 1,736,191</u>	<u>\$ 37,023,763</u>	<u>\$ 38,759,954</u>	<u>\$ 723,567</u>

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

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2023

	NON-MAJOR	MAJOR	Totals	Internal
	Solid Waste	Water Districts	June 30, 2023	Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 4,259,740	\$ 8,687,324	\$ 12,947,064	\$ -
Cash paid for goods and services	(3,844,228)	(3,132,906)	(6,977,134)	(47,873)
Cash paid to employees for services	(52,926)	(1,643,634)	(1,696,560)	-
Customer deposits received	-	55,350	55,350	-
Net cash provided (used) by operating activities	<u>362,586</u>	<u>3,966,134</u>	<u>4,328,720</u>	<u>(47,873)</u>
Cash flows from noncapital financing activities				
Transfers in (out)	-	(30,000)	(30,000)	776,000
Interest on Investments	40,650	171,276	211,926	247
Due from other funds	(91,548)	-	(91,548)	-
Net cash provided (used) by noncapital financial activities	<u>(50,898)</u>	<u>141,276</u>	<u>90,378</u>	<u>776,247</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(83,630)	(588,069)	(671,699)	-
Principal paid on bond maturities and equipment contracts	(9,869)	(2,367,293)	(2,377,162)	-
Interest paid on bond maturities and equipment contracts	(72)	(706,060)	(706,132)	-
Loan proceeds	-	4,128	4,128	-
Capital contributions	-	145,250	145,250	-
Net cash provided (used) by capital and related financing activities	<u>(93,571)</u>	<u>(3,512,044)</u>	<u>(3,605,615)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>218,117</u>	<u>595,366</u>	<u>813,483</u>	<u>728,374</u>
Cash and cash equivalents, July 1	<u>1,121,467</u>	<u>12,110,877</u>	<u>13,232,344</u>	<u>-</u>
Cash and cash equivalents, June 30	<u>\$ 1,339,584</u>	<u>\$ 12,706,243</u>	<u>\$ 14,045,827</u>	<u>\$ 728,374</u>

(continued)

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2023

	<u>NON-MAJOR</u>	<u>MAJOR</u>	<u>Totals</u>	<u>Internal</u>
	Solid Waste	Water Districts	June 30, 2023	Service Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 182,141	\$ 1,421,870	\$ 1,604,011	\$ (52,680)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and Amortization	8,558	2,262,176	2,270,734	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(5,853)	6,465	612	-
(Increase) decrease in deferred outflows of resources for pensions	-	(183,461)	(183,461)	-
(Increase) decrease in deferred outflows of resources - OPEB	-	(73,426)	(73,426)	-
Increase (decrease) in accounts payable and accrued liabilities	177,740	(26,677)	151,063	4,807
Increase (decrease) in deposits	-	55,350	55,350	-
Increase (decrease) in OPEB	-	76,632	76,632	-
Increase (decrease) in deferred inflows - pensions	-	(303,606)	(303,606)	-
Increase (decrease) in deferred inflows - OPEB	-	141,066	141,066	-
Increase (decrease) in net pension liability	-	565,258	565,258	-
Increase (decrease) in compensated absences	-	24,487	24,487	-
Total adjustments	180,445	2,544,264	2,724,709	4,807
Net cash provided (used) by operating activities	<u>\$ 362,586</u>	<u>\$ 3,966,134</u>	<u>\$ 4,328,720</u>	<u>\$ (47,873)</u>

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

Beaufort County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 102,700
Taxes receivable for other governments, net	324,515
Total Assets	427,215
LIABILITIES	
Accounts payable	-
Due to other governments	90,482
Total Liabilities	90,482
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	336,733
Total fiduciary net position	\$ 336,733

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

Beaufort County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 7,012,842
Collections on behalf of inmates	172,019
Drainage assessments	367,369
Total additions	7,552,230
DEDUCTIONS	
Tax distributions to other governments	7,384,591
Payments on behalf of inmates	168,212
Total deductions	7,552,803
Net increase (decrease) in fiduciary net position	(573)
Net position, beginning, as previously reported	337,306
Net position, ending	\$ 336,733

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

**BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains twenty-nine legally budgeted nonmajor governmental funds. The HCCBG – Aging Fund, Economic Development Fund, Fire and Rescue Tax Districts Fund, Emergency Telephone System Fund, State and Federal Seizures Fund, Healthcare Reserve Fund, One NC Grant, NC Housing Finance Grant, Economic Development Initiative Fund, Representative Payee Fund, 4H Fund, Cooperative Extension Fund, EMS Billing and Collections Fund, CDBG - River Breeze Fund, ADFPTF-USDA Grant Fund, ADFPTF-Grant Fund, Revaluation Project Fund, NC Housing Finance Urgent Repair Grant Fund, NC Public Safety Grant Fund, Beaufort Promise Fund, ARP Grant Fund, and Opioid Settlement Fund are reported as nonmajor special revenue funds. The Stream Debris Removal Fund, Broad Creek Capital Reserve Fund, Facility Capital Reserve Fund, Facility Improvements Fund, Capital Project Fund, Wright's Creek PARTF Project Fund, and Harbor District Market Fund are reported as nonmajor capital projects funds. The County maintains one legally budgeted nonmajor enterprise fund. The Solid Waste fund is used to account for the operations of the Solid Waste department within the County. The Landfill Cap Work Project Funds is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

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

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

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

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

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

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

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

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

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

C. Budgetary Data

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

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

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The County's and the ABC Board's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money for future tax revaluation is classified as restricted assets in the General Fund because its use is restricted per North Carolina General Statute 153A-150. The ARPA Funds received were classified as restricted (unexpended grant proceeds), as were the Opioid Settlement Funds.

Beaufort County Restricted Cash		
Governmental Activities		
General Fund		
Tax Revaluation		\$ 162,104
ARP Grant Funds	Unspent Grant Funds	1,870,162
Opioid Settlement Fund	Unexpended Settlement	379,891
Total Governmental Activities		2,412,157
 Business-Type Activities		
Water Districts		
Customer deposits		297,950
Total Business-Type Activities		297,950
Total Restricted Cash		\$ 2,710,107

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. Inventories

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

8. Capital Assets

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

The County’s capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

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

9. Deferred outflows/inflows of resources

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

10. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

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

11. Compensated Absences

The vacation policies of the County and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The County’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2023, are recorded in the governmental activities of the government-wide financial statements. For the County’s proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

12. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina’s Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State (“State Abatement Fund”)
- 80% to abatement funds established by Local Governments (“Local Abatement Funds”)
- 5% to a County Incentive Fund.

As of June 30, 2023, the County has received \$399,004 as part of this settlement. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. \$21,641 has been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County opted for Option B, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

13. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$9,128,034 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,564,017 was received in June 2021. The second installment will be received in mid-2022. The Board of Commissioners elected to claim the full \$9,128,034 of the ARPA funds as revenue replacement for reporting purposes, as allowed. The Board has tentatively designated \$7,258,000 of the funds to be spent as follows: \$4,000,000 for broad band, \$1,500,000 for a multi-purpose distribution building, \$49,500 on jail architect fees, \$1,609,000 on various water system improvements, and \$100,000 of funding to BHM Library. The Board is currently prioritizing projects for the remaining \$1,869,534.

14. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2023, nonspendable fund balance consists of the advance to the General Fund from the Healthcare Reserve Fund and the following:

Prepays - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

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

Restricted for General Government - portion of fund balance that is restricted by revenue source to pay for voting equipment.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source to pay for various projects within the County..

Restricted for Human Services- portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program, as well as fund balance restricted for the Healthcare Reserve Fund and other funds that reflect human services activities.

Restricted for Public Safety- portion of fund balance that can only be used for Emergency Telephone System and Federal and State Seizure funds.

Restricted for Education- portion of fund balance that is restricted sales tax to be provided to the schools for capital needs.

Restricted for Cultural and Recreational - portion of fund balance that is restricted for park projects.

Restricted net position in Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of the Register of Deeds' Pension Plan of \$80,500.

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

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

Committed for Other Purposes – portion of fund balance committed by the Board of Commissioners that can only be used for various projects within the County.

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Capital Projects	-	\$ 625,277	12,421,333	13,046,610
Total Committed - Other	<u>\$ -</u>	<u>\$ 625,277</u>	<u>\$ 12,421,333</u>	<u>\$ 13,046,610</u>

Committed for Broadband – portion of fund balance committed by the Board of Commissioners for Broadband projects within the County.

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

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

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

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

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

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

Total fund balance - General Fund	\$ 39,964,881
Less:	
Nonspendable fund balance (prepaids, leases)	3,279
Stabilization by State statute	6,469,708
Total available fund balance	<u>\$ 33,491,894</u>
Less:	
Other Restricted Fund Balance	\$ 413,654
Tax Revaluation	162,104
Broadband project	500,000
Total unassigned fund balance	<u>\$ 32,416,136</u>

15. Accounting Estimates

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

16. Defined Benefit Cost-Sharing Plans

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$4,920,690 consists of the following:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column).	\$ 42,504,450
Less accumulated depreciation	(17,892,502)
Net right to use assets	<u>388,299</u>
Net capital assets	25,000,247
Net pension asset	54,091
Contribution to the pension plan in the current fiscal year	2,274,515
Contribution to the OPEB plan in the current fiscal year	112,611
Benefits payments and pension administration costs for LEOSSA	31,758
Pension related deferrals	5,925,643
OPEB related deferrals	403,933
Deferred charges on refunding reported in governmental activities are not required in the funds	96,638
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds (accrued interest on taxes receivable)	205,625
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,216,968
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	723,567
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the funds statements:	
Bonds, leases, and installment financing	(11,012,731)
Net pension obligation	(1,629,612)
Total OPEB liability	(3,456,595)
Net pension liability	(13,225,385)
Compensated absences	(1,780,755)
Accrued interest payable	<u>(19,828)</u>
	<u>(31,124,906)</u>
Total adjustment	<u><u>\$ 4,920,690</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$1,206,021 is comprised of the following:

Description	Amount	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlays	\$ 1,856,036	
Depreciation	(1,400,289)	
Cost of disposal capital assets not recorded in the fund statements	(1,687)	
Right to Use Assets	366,479	
Amortization expense for right to use assets	<u>(193,326)</u>	627,213
The issuance of long-term debt (e.g. bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions or reduce long-term liabilities in the Statement of Net Position.		
Debt / Lease Liabilities issued	(366,479)	
Principal Payments on Debt owed	<u>2,320,464</u>	1,953,985
Amortization of deferred charges on refunding reported in governmental activities are not reported in the funds.	(22,301)	(22,301)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,274,515	2,274,515
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	31,758	31,758
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities.	112,611	112,611
Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds		
Accrual of interest	(56,934)	
Accrual of taxes	<u>(170,049)</u>	(226,983)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.		723,567
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(131,115)
OPEB expense		(402,730)
County's portion of collective pension expense		(3,757,819)
Landfill post-closure care		14,565
Interest expense		<u>8,755</u>
Total adjustment		<u><u>\$ 1,206,021</u></u>

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, expenditures exceeded the budget by \$20,278 in the Economic and Physical Development function of the General Fund as a result of the implementation of new standards.

NOTE III: Detail Notes on All Funds

A Assets

1. Deposits

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

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

At June 30, 2023, the County's deposits had a carrying amount of \$5,292,296. The bank balances with financial institutions were \$6,182,385. Of these bank balances, \$474,412 was covered by federal depository insurance and \$5,707,973 was covered by collateral held under the Pooling Method.

At June 30, 2023, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2023, the carrying amount of deposits for Beaufort County ABC Board was \$1,333,326 and the bank balance was \$1,233,063. Of these bank balances, \$250,000 was covered by federal depository insurance and \$983,063 was covered by collateral held under the Pooling Method.

2. Investments

As of June 30, 2023, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 69,024,997	\$ 69,024,997	\$ -	\$ -
Total		\$ 69,024,997	\$ 69,024,997	\$ -	\$ -

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from Standard & Poor's (S&P). The County has no policy concerning credit risk.

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

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

At June 30, 2023, the ABC Board had no investments.

Interest Rate Risk. The County has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's internal investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

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

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

Year Levied	Tax	Interest	Total
2020	\$ 1,957,186	\$ 538,226	\$ 2,495,412
2021	1,930,190	357,085	2,287,275
2022	1,914,976	181,923	2,096,899
2023	1,944,984	-	1,944,984
Total	\$ 7,747,336	\$ 1,077,234	\$ 8,824,570

4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Note Receivable	Lease Receivable	Total	
Governmental Activities:						
General	\$ 3,171,367	\$ 1,850,946	\$ 3,966,388	\$ -	\$ 485,541	\$ 9,474,242
Other Governmental	93,717	169,202	26,750	450,000	-	739,669
Total Receivables	3,265,084	2,020,148	3,993,138	450,000	485,541	10,213,911
Allowance for Doubtful Accts.	(1,093,694)	(597,556)	-	-	-	(1,691,250)
Total Gov't Activities	\$ 2,171,390	\$ 1,422,592	\$ 3,993,138	\$ 450,000	\$ 485,541	\$ 8,522,661
Business-type Activities:						
Water Districts	\$ 1,890,161	\$ -	\$ 62,596	\$ -	\$ -	\$ 1,952,757
Solid Waste	1,022,402	-	36,260	-	-	1,058,662
Total Receivables	2,912,563	-	98,856	-	-	3,011,419
Allowance for Doubtful Accts.	(1,162,560)	-	-	-	-	(1,162,560)
Total Business-type	\$ 1,750,003	\$ -	\$ 98,856	\$ -	\$ -	\$ 1,848,859

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

Governmental Activities:	
Local Option Sales Tax	\$ 3,706,007
Sales and Use Tax	287,131
Total	<u>\$ 3,993,138</u>
Business-Type Activities:	
Sales and Use Tax	\$ 58,779
Scrap Tire, White Goods, Solid Waste Disposal	35,038
Grant Reimbursements - Projects	5,039
Total	<u>\$ 98,856</u>

Lease Receivables

On 07/01/2021, the County entered into a 25 month lease as Lessor for the use of 155-B Airport Road. An initial lease receivable was recorded in the amount of \$123,021. As of 06/30/2023, the value of the lease receivable is \$4,946. The lessee is required to make monthly fixed payments of \$4,948. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$4,921, and the County recognized lease revenue of \$59,050 during the fiscal year. The lessee had a termination period of 6 months as of the lease commencement.

On 09/01/2021, the County entered into a 60 month lease as Lessor for the use of Ray G. Silverthorne Crisis Center Building Annex. An initial lease receivable was recorded in the amount of \$281,421. As of 06/30/2023, the value of the lease receivable is \$179,671. The lessee is required to make monthly fixed payments of \$4,803. The lease has an interest rate of 0.9720%. The value of the deferred inflow of resources as of 06/30/2023 was \$178,233, and the County recognized lease revenue of \$56,284 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 09/01/2021, the County entered into a 60 month lease as Lessor for the use of Tideland Mental Health Building. An initial lease receivable was recorded in the amount of \$323,786. As of 06/30/2023, the value of the lease receivable is \$206,719. The lessee is required to make monthly fixed payments of \$5,526. The lease has an interest rate of 0.9720%. The value of the deferred inflow of resources as of 06/30/2023 was \$205,064, and the County recognized lease revenue of \$64,757 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 08/01/2021, the County entered into a 36 month lease as Lessor for the use of Judicial District Manager's Office. An initial lease receivable was recorded in the amount of \$27,141. As of 06/30/2023, the value of the lease receivable is \$9,855. The lessee is required to make monthly fixed payments of \$761. The lease has an interest rate of 0.6320%. The value of the deferred inflow of resources as of 06/30/2023 was \$9,801, and the County recognized lease revenue of \$9,047 during the fiscal year.

On 11/04/2022, the County entered into a 60 month lease as Lessor for the use of US Cell - Keysville Rd. An initial lease receivable was recorded in the amount of \$97,045. As of 06/30/2023, the value of the lease receivable is \$84,349. The lessee is required to make monthly fixed payments of \$1,587. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of 06/30/2023 was \$84,275, and the County recognized lease revenue of \$12,771 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The County had a termination period of 1 month as of the lease commencement.

Fiscal Year	Principal and Interest Expected to Maturity		
	Governmental Activities		
	Principal	Interest	Total
2024	\$ 153,821	\$ 3,257	\$ 157,078
2025	141,719	2,040	143,759
2026	142,149	850	142,999
2027	39,678	25	39,703
2028	8,173	-	8,173
Total	<u>\$ 485,540</u>	<u>\$ 6,172</u>	<u>\$ 491,712</u>

Note Receivable

The County entered into an Inter Local Financing Agreement with the Town of Aurora to assist them with financing the purchase of land for an industrial park ("Aurora Industrial Park"). The principal and interest is due on or before 59 months after the last day of the month in which the note is dated.

5. Capital Assets

Capital asset activity for the year ended June 30, 2023, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 6,853,330	\$ -	\$ -	\$ 6,853,330
Construction in Progress	3,223,494	545,187	(1,108,912)	2,659,769
Total capital assets not being depreciated	<u>10,076,824</u>	<u>545,187</u>	<u>(1,108,912)</u>	<u>9,513,099</u>
Other capital assets:				
Buildings	21,025,625	771,175	-	21,796,800
Equipment and vehicles	9,834,359	1,648,586	(288,394)	11,194,551
Total other capital assets at historical cost	<u>30,859,984</u>	<u>2,419,761</u>	<u>(288,394)</u>	<u>32,991,351</u>
Less accumulated depreciation for:				
Buildings	11,574,738	581,702	-	12,156,440
Equipment and vehicles	5,204,182	818,587	(286,707)	5,736,062
Total other capital assets at historical cost	<u>16,778,920</u>	<u>1,400,289</u>	<u>(286,707)</u>	<u>17,892,502</u>
Other capital assets, net	<u>14,081,064</u>	<u>1,019,472</u>	<u>(1,687)</u>	<u>15,098,849</u>
Capital assets being amortized:				
Right to use assets				
Leased equipment	355,141	221,972	9,107	568,006
Leased building	-	91,200	-	91,200
IT Subscriptions	-	53,307	-	53,307
Total right to use assets	<u>355,141</u>	<u>366,479</u>	<u>9,107</u>	<u>712,513</u>
Less accumulated amortization for:				
Leased equipment	139,995	158,058	9,107	288,946
Leased building	-	15,600	-	15,600
IT Subscriptions	-	19,668	-	19,668
Total accumulated amortization	<u>139,995</u>	<u>193,326</u>	<u>9,107</u>	<u>324,214</u>
Total capital assets being amortized, net	<u>215,146</u>	<u>173,153</u>	<u>-</u>	<u>388,299</u>
Governmental activities capital assets, net	<u>\$ 24,373,034</u>	<u>\$ 1,737,812</u>	<u>\$ (1,110,599)</u>	<u>\$ 25,000,247</u>

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

Governmental Activities	
General government	\$ 406,140
Public Safety	717,275
Economic and Physical Development	25,000
Human Services	216,949
Emergency Management	228,251
	<u>\$ 1,593,615</u>

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 105,789	\$ -	\$ -	\$ 105,789
Construction in Progress	8,301,049	332,762	(356,974)	8,276,837
Total capital assets not being depreciated	8,406,838	332,762	(356,974)	8,382,626
Other capital assets:				
Plant and distribution systems	79,008,763	14,183	-	79,022,946
Furniture and equipment	1,009,066	407,711	-	1,416,777
Vehicles and motor equipment	627,821	185,983	-	813,804
Total other capital assets	80,645,650	607,877	-	81,253,527
Less accumulated depreciation for:				
Plant and distribution systems	28,477,240	2,088,021	-	30,565,261
Furniture and equipment	342,700	103,669	-	446,369
Vehicles and motor equipment	438,389	70,485	-	508,874
Total accumulated depreciation	29,258,329	2,262,175	-	31,520,504
Capital assets being amortized:				
Right to use assets				
IT Subscriptions	-	3,867	-	3,867
Total right to use assets	-	3,867	-	3,867
Less accumulated amortization for:				
IT Subscriptions	-	635	-	635
Total accumulated amortization	-	635	-	635
Total capital assets being amortized, net	-	3,232	-	3,232
Total Water Districts capital assets, net	\$ 59,794,159	\$ (1,318,304)	\$ (356,974)	\$ 58,118,881

	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Fund				
Capital assets not being depreciated:				
Land	\$ 2,368	\$ -	\$ -	\$ 2,368
Construction in Progress	-	83,630	-	83,630
Total capital assets not being depreciated:	2,368	83,630	-	85,998
Other capital assets:				
Buildings	47,080	-	-	47,080
Furniture and equipment	189,348	-	-	189,348
Total other capital assets	236,428	-	-	236,428
Less accumulated depreciation for:				
Buildings	42,534	827	-	43,361
Furniture and equipment	189,348	-	-	189,348
Total accumulated depreciation	231,882	827	-	232,709

Solid Waste Fund (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being amortized:				
Right to use assets				
Leased land	3,367	-	-	3,367
Leased building	16,357	-	-	16,357
Total right to use assets	19,724	-	-	19,724
Less accumulated amortization for:				
Leased land	1,188	1,189	-	2,377
Leased building	6,543	6,543	-	13,086
Total accumulated amortization	7,731	7,732	-	15,463
Total capital assets being amortized, net	11,993	(7,732)	-	4,261
Total Solid Waste capital assets, net	18,907	\$ 75,071	\$ -	93,978
Business-type activities capital assets, net	<u>\$ 59,813,066</u>			<u>\$ 58,212,859</u>

Construction Commitments

The government has active construction projects as of June 30, 2023. The projects include funded water system improvements, housing repairs, facility improvements, stream debris removal, tax revaluation, and a NCDOT water relocation project. As June 30, 2023, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water System Improvements	\$ 285,988	\$ 3,987,825
Housing Rehab	90,751	2,440
Building Improvements	153,413	605,636
Stream Debris Removal	133,525	80,964
Tax Revaluation	361,371	909,111
Convenience Site Improvements	23,275	19,550
NCDOT Water Line Relocation	57,847	58,961
	<u>\$ 663,677</u>	<u>\$ 4,676,865</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 338,834	\$ -	\$ -	\$ 338,834
Total capital assets not being depreciated	338,834	-	-	338,834
Capital assets being depreciated:				
Buildings	1,872,806	29,333	-	1,902,139
Equipment and Furniture	279,629	48,560	-	328,189
Vehicles	75,976	-	-	75,976
Total capital assets being depreciated	2,228,411	77,893	-	2,306,304
Less accumulated depreciation for:				
Buildings	846,717	59,491	-	906,208
Equipment and Furniture	237,840	28,662	-	266,502
Vehicles	70,912	5,065	-	75,977
Total accumulated depreciation	1,155,469	\$ 93,218	\$ -	1,248,687
Total capital assets being depreciated	1,072,942			1,057,617
Capital assets, net	<u>\$ 1,411,776</u>			<u>\$ 1,396,451</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2023, were as follows :

	<u>Vendors</u>	<u>Salaries</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,355,522	\$ 457,669	\$ 1,813,191
Other Governmental	917,461	-	917,461
Total Governmental Activities	<u>\$ 2,272,983</u>	<u>\$ 457,669</u>	<u>\$ 2,730,652</u>
Business-Type Activities			
Water Districts	\$ 249,553	\$ 32,607	\$ 282,160
Solid Waste	375,500	999	376,499
Total Business-Type Activities	<u>\$ 625,053</u>	<u>\$ 33,606</u>	<u>\$ 658,659</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County’s contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.14% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,404,908 for the year ended June 30, 2023.

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

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

At June 30, 2023, the County reported a liability of \$14,008,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County’s proportion was .2483% (measured as of June 30, 2022), which was a decrease of .0056% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$3,804,079. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 603,602	\$ 59,180
Changes of assumptions	1,397,707	-
Net difference between projected and actual earnings on pension plan investments	4,629,867	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	9,432	283,327
County contributions subsequent to the measurement date	2,404,908	-
Total	<u>\$ 9,045,516</u>	<u>\$ 342,507</u>

\$2,404,908 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 1,918,657
2024	1,715,286
2025	458,402
2026	2,205,756
2027	-
Thereafter	-
Total	<u>\$ 6,298,101</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, including inflation and productivity factor
Investment Rate of	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33%	0.9%
Global Equity	38%	6.5%
Real Estate	8%	5.9%
Alternatives	8%	8.2%
Credit	7%	5.0%
Inflation Protection	6%	2.7%
	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 25,283,051	\$ 14,008,230	\$ 4,717,123

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	<u>47</u>
Total	<u><u>50</u></u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

3. Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent including inflation and productivity factor
Discount rate	4.31 percent

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$56,183 as benefits came due for the reporting period.

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

At June 30, 2023, the County reported a total pension liability of \$1,629,612. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$154,296.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 300,581	\$ 355,070
Changes of assumptions	331,384	319,790
County contributions subsequent to the measurement date	31,758	-
Total	<u>\$ 663,723</u>	<u>\$ 674,860</u>

\$31,758 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 25,590
2025	34,003
2026	35,815
2027	(16,971)
2028	(100,555)
Thereafter	<u>(20,777)</u>
Total	<u>(42,895)</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.31 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
County's proportionate share of the net pension liability (asset)	\$ 1,774,134	\$ 1,629,612	\$ 1,498,477

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

	2023
Beginning balance	\$ 2,246,511
Service Cost	102,751
Interest on the total pension liability	49,914
Differences between expected and actual experience	(400,073)
Changes in assumptions or other inputs	(313,308)
Benefit payments	(56,183)
Ending balance of the total pension liability	\$ 1,629,612

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 (measurement date) to 4.31 percent at December 31, 2022 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers and Non-Law Enforcement Employees

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981- 5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$229,649 which consisted of \$155,343 from the County and \$74,306 from the law enforcement officers.

The County also elected to contribute an amount equal to one percent of each general employee's salary; however, if the employee contributes one percent, the County will contribute an amount equal to two percent of each general employee's salary. All amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$646,160 which consisted of \$304,292 from the County and \$341,868 from the general employees.

d. Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,005 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$54,091 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension asset was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was .4085%, which was an increase of .0304% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$12,034. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 417	\$ 980
Changes of assumptions	2,864	-
Net difference between projected and actual earnings on pension plan	22,482	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	1,785	4,164
County contributions subsequent to the measurement date	4,005	-
Total	<u>\$ 31,553</u>	<u>\$ 5,144</u>

\$4,005 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$	6,366
2025		2,898
2026		7,484
2027		5,654
2028		-
Thereafter		-
Total	\$	<u>22,402</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.5 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease <u>(2.00%)</u>	Discount Rate <u>(3.00%)</u>	1% Increase <u>(4.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ (62,347)	\$ 54,091	\$ (92,060)

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

e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021.

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset)	\$ 14,008,230	\$ (54,091)	\$ -	\$ 13,954,139
Proportionate of the Net Pension Liability (Asset)	0.2483%	0.4085%	n/a	
Total Pension Liability	-	-	1,988,388	1,988,388
Pension Expense	3,804,079	12,034	154,296	3,970,409
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	603,602	417	300,581	904,600
Changes of assumptions	1,397,707	2,864	331,384	1,731,955
Net difference between project and actual earnings on plan investments	4,629,867	22,482	-	4,652,349
Changes in proportion and differences between contributions and proportionate share of contributions	9,432	1,785	-	11,217
Benefit payments and administrative costs paid subsequent to the measurement date	2,404,908	4,005	31,758	2,440,671
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	59,180	980	355,070	415,230
Changes of assumptions	-	-	319,790	319,790
Net difference between projected and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	283,327	4,164	-	287,491

e. Other Postemployment Benefits

Healthcare Benefits

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

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

Membership of the HCB Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	12
Active Plan members	<u>396</u>
Total	<u><u>408</u></u>

Total OPEB Liability

The County's total OPEB liability of \$4,896,841 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Law enforcement officers	3.25% - 7.90%
Municipal bond index	3.54%
Healthcare trends (Pre-Medicare)	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	\$ 4,636,294
Changes for the year	
Service Cost	332,376
Interest	106,032
Difference between expected and actual experience	559,805
Changes in assumptions or other inputs	(617,450)
Benefit payments and implicit subsidy credit	<u>(120,216)</u>
Net changes	<u>260,547</u>
Balance at June 30, 2022	<u><u>\$ 4,896,841</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (2.16%)	1% Increase (4.54%)
Total OPEB Liability	\$ 5,489,711	\$ 4,896,841	\$ 4,375,344

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 4,235,512	\$ 4,896,841	\$ 5,696,165

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$577,838. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 893,274	\$ 218,540
Changes of assumptions	478,560	581,055
Benefit payments and administrative costs made subsequent to the measurement date	143,446	-
Total	<u>\$ 1,515,280</u>	<u>\$ 799,595</u>

\$143,446 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 150,544
2025	150,544
2026	162,580
2027	79,141
2028	29,962
Thereafter	(532)
Total	<u>\$ 572,239</u>

f. Other Employment Benefits

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

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

State and Federal laws regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$14,563 reported as landfill post-closure liability at June 30, 2023, represents a cumulative amount reported to that date. These amounts are based on what it would cost to perform all post-closure care in 1994. Beaufort County closed the facility in the year 1994. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 603,602	\$ 59,180
Register of Deeds	417	980
LEOSSA	300,581	355,070
OPEB	893,274	218,540
Changes of Assumptions		
LGERS	1,397,707	-
LEOSSA	331,384	319,790
OPEB	478,560	581,055
Pensions - difference between projected and actual investment		
LGERS	4,629,867	-
Register of Deeds	22,482	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	9,432	283,326
Register of Deeds	1,785	4,164
Contributions to pension plan in current fiscal year		
LGERS	2,404,908	-
Register of Deeds	4,005	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	31,758	-
OPEB	143,446	-
Deferred Charges on Refunding	371,866	-

	Deferred Outflows of Resources	Deferred Inflows of Resources
Prepaid taxes (General)	-	27,433
Leases (General)	-	482,294
Note Receivable (Special Grant Fund)	-	450,000
Total Government-wide statements	11,627,938	2,781,832
Prepaid taxes (General)	-	27,433
Leases (General)	-	482,294
Note Receivable (Special Grant Fund)	-	450,000
Taxes receivable, net (General)	-	1,047,766
Taxes receivable, net (Special Revenue)	-	169,202
Total Fund Statements	\$ -	\$ 2,176,695

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing governmental risk pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$106,888,050 for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pool also provides \$1,000,000 in cyber event coverage per loss occurrence. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$750,000, up to a \$2 million limit for liability coverage and limits above the \$2,000,000 are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and a private reinsurer. Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$500,000 per occurrence for property including auto physical damage, with additional limits of \$997,500,000 purchased through a group of commercial reinsurers through the multi-state public entity captive. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

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

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

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is bonded for \$1,000,000 and the Tax Collector and the Register of Deeds are each individually bonded for \$50,000 each. The Sheriff is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Beaufort County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 15B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety. Also, in accordance with G.S. 15B-803(b), each store manager is bonded in the amount of \$50,000 secured by a corporate surety.

6. Contingent Liabilities

At June 30, 2023, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Lease Liabilities

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

General Fund

On 07/01/2021, the County entered into a 39 month lease as Lessee for the use of Equipments - Cameras. An initial lease liability was recorded in the amount of \$177,191. As of 06/30/2023, the value of the lease liability is \$59,170. The County is required to make annual fixed payments of \$59,600. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 of \$177,191 with accumulated amortization of \$109,040 is included with Leased Equipment on the Capital Asset Schedule above.

On 07/01/2021 the County entered into a 27 month lease as Lessee for the use of Digital Meter - Social Service Dept. An initial lease liability was recorded in the amount of \$10,588. As of 06/30/2023, the value of the lease liability is \$1,181. The County is required to make quarterly fixed payments of \$1,183. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2023 of \$10,588 with accumulated amortization of \$9,229 is included with Leased Equipment on the Capital Asset Schedule above.

On 07/01/2021, the County entered into a 20 month lease as Lessee for the use of Digital Meter - Administrative Dept. An initial lease liability was recorded in the amount of \$5,507. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make quarterly fixed payments of \$922. The lease has an interest rate of 0.5140%. The value of the right to use Leased Equipment was disposed at the end of the term.

On 07/01/2021, the County entered into a 25 month lease as Lessee for the use of Physio LifePak - EMS. An initial lease liability was recorded in the amount of \$158,256. As of 06/30/2023, the value of the lease liability is \$52,759. The County is required to make annual fixed payments of \$53,030. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2023 of \$158,256 with accumulated amortization of \$105,248 is included with Leased Equipment on the Capital Asset Schedule above.

On 07/01/2021, the County entered into a 15 month lease as Lessee for the use of Xerox Copier - Cooperative Extension Dept. An initial lease liability was recorded in the amount of \$3,600. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$241. The lease has an interest rate of 0.3870%. The value of the right to use asset and accumulated amortization was disposed at the end of the term.

On 01/15/2023, the County entered into a 60 month lease as Lessee for the use of COPYPRO. An initial lease liability was recorded in the amount of \$218,671. As of 06/30/2023, the value of the lease liability is \$196,804. The County is required to make monthly fixed payments of \$3,645. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 of \$218,671 with accumulated amortization of \$20,497 is included with Leased Equipment on the Capital Asset Schedule above.

On 04/01/2023, the County entered into a 39 month lease as Lessee for the use of QUADIENT-IX-5 AUTO FEED-POSTAGE METER-ADMIN DEPT. An initial lease liability was recorded in the amount of \$3,302. As of 06/30/2023, the value of the lease liability is \$3,048. The County is required to make quarterly fixed payments of \$254. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 of \$3,302 with accumulated amortization of \$254 is included with Leased Equipment on the Capital Asset Schedule above.

On 04/01/2023, the County entered into a 36 month lease as Lessee for the use of 108 UNION DRIVE. An initial lease liability was recorded in the amount of \$72,000. As of 06/30/2023, the value of the lease liability is \$66,000. The County is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 of \$72,000 with accumulated amortization of \$6,000 is included with Leased Buildings on the Capital Asset Schedule above.

On 07/01/2022, the County entered into a 24 month lease as Lessee for the use of BC EMS-BATH'S TOWN HALL. An initial lease liability was recorded in the amount of \$19,200. As of 06/30/2023, the value of the lease liability is \$9,600. The County is required to make monthly fixed payments of \$800. The lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 of \$19,200 with accumulated amortization of \$9,600 is included with Leased Buildings on the Capital Asset Schedule above.

Enterprise Funds

On 07/01/2021, the County entered into a 30 month lease as Lessee for the use of State Road 1921. An initial lease liability was recorded in the amount of \$16,357. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make annual fixed payments of \$8,240. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 of \$16,357 with accumulated amortization of \$13,086 is included with Leased Buildings on the Capital Asset Schedule above.

On 07/01/2021, the County entered into a 34 month lease as Lessee for the use of Road No. 1114. An initial lease liability was recorded in the amount of \$3,367. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make annual fixed payments of \$1,700. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 of \$3,367 with accumulated amortization of \$2,377 is included with Leased Land on the Capital Asset Schedule above. Beaufort County has 1 extension option(s), each for 36 months. The Lessor had a termination period of 1 month as of the lease commencement.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 191,460	\$ 703	\$ -	\$ -
2025	68,750	-	-	-
2026	62,750	-	-	-
2027	43,734	-	-	-
2028	21,867	-	-	-
Total	\$ 388,561	\$ 703	\$ -	\$ -

b. Installment Purchases

Serviced by the General Fund:

On June 10, 2021, the County refinanced the Allied Health Building loan of \$2,669,249 through a direct placement agreement. The note is secured with collateral of the building. The payments will be made in monthly payments for 144 payments of \$21,011 including interest at 2.13% monthly. The note contains provisions that in an event of default the lender (a) may declare all unpaid principal components of the installment payments and the accrued interest thereon, immediately due and payable; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of this contract or the Deed of Trust to recover for the breach thereof; and (c) avail itself of all available remedies under the Deed of Trust, including foreclosure on the mortgaged property and recovery of legal fees and other expenses, and of all other remedies available at law or in equity. \$ 2,269,089

On March 18, 2016, the County refinanced their loan on the purchase of energy and HVAC upgrades, in the amount of \$1,929,000 through a direct placement agreement. The note is secured with collateral of the system. The payments will be made in monthly payments for 129 payments including interest at 2.132% annually. The note contains provisions that in an event of default the lender (a) may declare all installment payments payable by the County pursuant to the agreement and other amounts payable by the County to the end of the term to be due (b) the lender may enter the premises where the equipment is located and take possession of the equipment and sell or lease the equipment for the account of the County to the extent permitted by applicable law (c) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the contract breach (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under the agreement, and, thereafter, shall pay any remaining proceeds to County (e) require the County to deliver the equipment, at the County's sole expense, to any location within the State of North Carolina designated by the lender, and take possession of any proceeds of the equipment (f) take whatever action at law or in equity that is necessary or desirable to enforce its rights under the agreement or as a secured party in any or all of the equipment subject to the agreement. 675,000

On October 10, 2014, the County entered into a direct placement installment purchase agreement for the purchase of the building located at 117 West Third Street. The note is secured by a Deed of Trust. The payments will be made in monthly payments of \$1,670.57 for 180 payments including interest at 4.00% annually. The note contains provisions that an event of default could (a) allow holder without further notice, declare the remainder of the principal sum, together with all interest accrued and the prepayment premium, if any, at once, due and payable and (b) the holder may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor, and endorsers of the note agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to 15% of the outstanding balance owing on the note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's right and remedies upon default. 111,805

Total serviced by the General Fund \$ 3,055,894

Installment Purchases (continued)

Serviced by the Water Districts:

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

	3,050,000
Total serviced by the enterprise funds	\$ 3,050,000

For Beaufort County, the future minimum payments of these installment purchases as of June 30, 2023, including \$817,086 of interest, are:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 426,607	\$ 62,949	\$ 300,000	\$ 97,988
2025	441,686	53,502	300,000	87,895
2026	456,888	43,618	300,000	77,802
2027	267,218	35,045	300,000	67,709
2028	242,670	29,508	300,000	57,615
2029-2033	1,220,824	66,566	1,500,000	136,679
2034-2038	-	-	45,444	210
Total	\$ 3,055,893	\$ 291,188	\$ 3,045,444	\$ 525,898

c. Water Bonds

In August 2012, the Water Districts (blended component units of the County) issued general obligation debt totaling \$36,005,000. The County then issued Limited Obligation Bonds in an amount sufficient to purchase all of the Districts' GO debt. The Districts and the County assign their rights to a third-party trustee what receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds. These bonds were refunded and are now recorded as LOBS Refunding Bonds, Series 2021.

In June 2021, the Water Districts (blended component units of the County) refunded previously issued general obligation debt totaling \$31,410,000. The Districts and the County assign their rights to a third-party trustee that receives the debt payments from the Districts and uses those funds to make debt service payments on the Limited Obligation Bonds. The balance of these bonds at June 30, 2023 was \$27,740,000.

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

d. Limited Obligation Bonds

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

The minimum payments for the limited obligation bonds as of June 30, 2023, in the business-type activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2024	\$ 1,845,000	\$ 588,691
2025	1,825,000	575,960
2026	1,820,000	556,433
2027	1,795,000	533,319
2028	1,795,000	504,958
2028-2033	9,115,000	1,978,153
2034-2038	7,620,000	910,545
2039-2045	1,925,000	111,886
Total	<u>\$ 27,740,000</u>	<u>\$ 5,759,945</u>

e. General Obligation Indebtedness

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

The County’s general obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

\$7,067,000 Refunding Series 2021A (Taxable), dated June 1, 2021, principal payments due annually, and interest payments due in semiannual installments; principal payments ranging from \$67,000 to \$1,252,000 beginning in 2022, interest at 1.48%. In conjunction with the issuance of the Taxable General Obligation Refunding Bond, Series 2021A (“2021A Taxable GO Bond”) on June 1, 2021, the County entered into a Bond Purchase Agreement Concerning Rate Adjustment and Bond Exchange (the “Agreement”). The Agreement provides the County with an option to exchange the 2021A Taxable GO Bond for a General Obligation Tax Exempt Refunding Bond, Series 2022 (“2022 Tax Exempt GO Bond”). The 2022 Tax Exempt GO Bond will have a rate of 1.170%. The County has the option to exercise the Agreement on any date on or after January 1, 2022.	\$ 5,748,000
\$2,740,000 Refunding Series 2021B (Tax-Exempt), dated June 1, 2021; principal payments due annually, and interest payments due in semiannual installments; principal payments ranging from \$427,000 to \$487,000 beginning in 2022, interest at 1.23%.	<u>1,779,000</u>
Total General Obligation Bonds	<u>\$ 7,527,000</u>

General Obligation Indebtedness (continued)

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

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 1,681,000	\$ 79,161
2025	1,638,000	59,471
2026	1,589,000	40,326
2027	1,541,000	21,756
2028	1,078,000	6,306
Total	<u>\$ 7,527,000</u>	<u>\$ 207,020</u>

f. Direct Borrowing- State Revolving Loans

Serviced by the Water District:

Beaufort County Water District I has entered into a direct borrowing agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$1,100,000. The agreement requires equal annual installments of \$55,000 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. \$ 660,000

Beaufort County Water District VI has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$1,100,000. The agreement requires equal annual installments of \$55,000 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. 660,000

Beaufort County Water District IV has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$137,753. The agreement requires equal annual installments of \$6,888 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 134,617

Beaufort County Water District I has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$80,580. The agreement requires equal annual installments of \$4,029 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 77,362

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$82,814. The agreement requires equal annual installments of \$4,121 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 78,693

Direct Borrowing- State Revolving Loans (continued)

Beaufort County Water District I has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$138,856. The agreement requires equal annual installments of \$37,500 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 101,356

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$448,661. The agreement requires equal annual installments of \$24,225 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 424,436

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$38,404. The agreement requires equal annual installments of \$33,666 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 4,738

Beaufort County Water District V has entered into a direct borrowing loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements. The total amount financed is \$6,901. The agreement requires equal annual installments of \$5,097 for 20 years. The interest rate is 0%. The loan is secured with collateral of the system. The note contains provisions that an event of default could require the County to repay the note in whole and have further commitment of funds withdrawn. This is a drawdown loan, so more will be requested in future loans. 1,804

Total serviced by enterprise funds \$ 2,143,006

For Beaufort County, the future minimum payments of the State Revolving Loans as of June 30, 2023 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2024	\$ 193,305	\$ -
2025	186,763	-
2026	175,619	-
2027	149,263	-
2028	149,263	-
2029-2033	746,313	-
2034-2038	416,313	-
2039-2043	126,167	-
Total	<u>\$ 2,143,006</u>	<u>\$ -</u>

At June 30, 2023, Beaufort County had a legal debt margin of \$495,284,139.

g. Refunding

On May 6, 2021, the County issued \$31,410,000 of taxable limited obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$31,215,000 of water limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$195,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$3,185,192, and resulted in an economic gain of \$2,530,470.

On June 1, 2021, the County issued \$7,067,000 of general obligation refunding bonds (taxable) and \$2,740,000 general obligation refunding bonds (tax-exempt) to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$4,680,000 for Refunded 2012 bonds, \$2,712,000 for Refunded 2015 bonds, and \$2,122,000 of Refunded 2017 bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$293,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 7 years by \$360,825, and resulted in an economic gain of \$316,223.

h. Subscriptions

For the year ended June 30, 2023 the County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in affect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022.

On 07/01/2022, the County entered into a 35 month subscription for the use of Bodyworn Technical Support Software. An initial subscription liability was recorded in the amount of \$34,000. As of 06/30/2023, the value of the subscription liability is \$17,156. The County is required to make annual fixed payments of \$24,421. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$34,000 with accumulated amortization of \$11,624 is included with IT Subscriptions on the Capital Asset Schedule above.

On 09/01/2022, the County entered into a 24 month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$19,307. As of 06/30/2023, the value of the subscription liability is \$9,557. The County is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$19,307 with accumulated amortization of \$8,044 is included with IT Subscriptions on the Capital Asset Schedule above.

On 01/09/2023, the County entered into a 36 month subscription for the use of Locator LOGIX. An initial subscription liability was recorded in the amount of \$3,867. As of 06/30/2023, the value of the subscription liability is \$2,544. The County is required to make annual fixed payments of \$1,323. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 of \$3,967 with accumulated amortization of \$632 is included with IT Subscriptions on the Capital Asset Schedule above.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 27,613	\$ 568	\$ 1,255	\$ 68
2025	-	-	1,289	34
Total	\$ 27,613	\$ 568	\$ 2,544	\$ 102

i. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion
					of Balance
Governmental Activities:					
General Obligation Bonds	\$ 9,253,000	\$ -	\$ 1,726,000	\$ 7,527,000	\$ 1,681,000
Direct Placement Installment Purchase	3,467,540	-	411,646	3,055,894	426,607
Lease Liabilities	231,613	313,172	156,224	388,561	191,460
IT Subscription Liabilities	-	53,307	26,594	26,713	27,613
Compensated Absences	1,649,640	131,115	-	1,780,755	445,189
Net Pension Liability (LGERS)	3,675,907	9,549,478	-	13,225,385	-
Total Pension Liability (LEOSSA)	2,246,511	-	616,899	1,629,612	-
Total OPEB Liability	3,272,680	183,915	-	3,456,595	-
Landfill post-closure care	29,128	-	14,565	14,563	14,563
Total	\$ 23,826,019	\$ 10,230,987	\$ 2,951,928	\$ 31,105,078	\$ 2,786,432
Business-type Activities:					
Limited Obligation Bonds	\$ 29,585,000	\$ -	\$ 1,845,000	\$ 27,740,000	\$ 1,845,000
Direct Placement Installment Purchase	3,345,444	-	295,444	3,050,000	300,000
Direct Borrowing - Revolving Loan	2,364,403	4,128	225,526	2,143,005	193,305
Lease Liabilities	9,869	-	9,869	-	-
IT Subscription Liabilities	-	3,867	1,323	2,544	1,255
Compensated Absences	118,034	24,487	-	142,521	35,630
Net Pension Liability (LGERS)	217,587	565,258	-	782,845	-
Total OPEB Liability	1,363,614	76,632	-	1,440,246	-
Total	\$ 37,003,951	\$ 674,372	\$ 2,377,162	\$ 35,301,161	\$ 2,375,190

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

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2023 consist of the following:

Due to the Healthcare Reserve Fund from the General Fund for capital project funding. On May 1, 2018, the Healthcare Reserve Fund advanced the General Fund \$3,500,000 to be used for capital improvements to County buildings. The funds will be repaid in monthly payments of \$30,961.65 for 120 payments including interest at 1.197% annually.	\$ 1,743,971
Due to the General Fund from the Stream Debris Removal Fund for the advancement of grant expenditures.	23,518
Due to the General Fund from the NC Public Safety Project Fund for the advancement of grant expenditures.	1,219
Total Interfund balances	\$ 1,768,708

Transfers to/from other funds at June 30, 2023, consist of the following:

Transfer from the General Fund to the Revaluation Fund for the Octennial revaluation savings contribution.	\$ 162,050
Transfer from the General Fund to the Economic Development Fund for grant matches and Committee of 100 Payment.	45,000
Transfer from the General Fund to the Capital Reserve Fund for future capital expenses.	30,000
Transfer from the General Fund to the E-911 Fund to cover ineligible expenses.	18,743
Transfer from the General Fund to the Facility Improvements Capital Project Fund to provide funds for facility improvements.	6,227,560
Transfer from the General Fund to the Workers Comp Fund to cover self-insured claims.	746,000
Transfer from the General Fund to the Beaufort Promise Fund to provide resources for the project.	1,000,000
Transfer from the General Fund to the Wright's Creek PARTF Grant Fund to provide the local match for the project funded per the grant agreement.	307,582
Transfer from the ARPA Fund to the Capital Project Fund to transfer funds that were budgeted from the ARPA Funds received by the County.	<u>22,500</u>
Total Transfers	<u><u>\$ 8,559,435</u></u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 25,000,247	\$ 58,212,859
add: deferred charges (capital related)	96,638	-
Total capital assets and related deferred charges	<u>25,096,885</u>	<u>58,212,859</u>
Total debt, gross	10,998,168	32,935,549
less: debt related to assets not owned by the County	(8,202,000)	-
less: capital related unspent debt issuances	-	-
Total capital debt	<u>2,796,168</u>	<u>32,935,549</u>
Net investment in capital assets	<u><u>\$ 22,300,717</u></u>	<u><u>\$ 25,277,310</u></u>

E. Fund Balance

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

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

Total Fund Balance - General Fund	<u>\$ 39,965,545</u>
Less:	
Nonspendable (Prepays, Leases)	3,279
Stabilization by State Statute	6,469,708
Restricted - Other	413,654
Tax Revaluation	162,104
Broadband project	500,000
Other Commitments	-
Appropriated fund balance (subsequent year's budget)	-
Remaining Fund Balance	<u>\$ 32,416,800</u>

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

Total Fund Balance - General Fund	\$ 39,965,545
Less:	
Nonspendable (Prepays, Leases)	3,279
Stabilization by State Statute	6,469,708
Restricted - Other	413,654
Tax Revaluation	162,104
Broadband project	500,000
Other Commitments	-
Appropriated fund balance (subsequent year's budget)	-
Working Capital / Fund Balance Policy	27,071,854
Remaining Fund Balance	<u>\$ 5,344,946</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

General Fund	\$ 400,911
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NOTE IV: Joint Ventures

The County participates in a joint venture to operate BHM Regional Library (“the Library”) with three other local governments. Beaufort County appoints three members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments has any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$324,352 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at 158 North Market Street, Washington, North Carolina 27889.

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

The County has an ongoing responsibility for the Community College because of the statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,917,912 and \$279,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2023. 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, 2023. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 5337 US Hwy 264 East, Washington, NC 27889.

The County, in conjunction with nine other counties, participates in the Trillium Local Management Entity for local mental health services. The County Commissioners appoint two members to the 20-member Board of Trillium. Trillium, a multi-County LME, is a separate and distinct subdivision charged by the State law with the responsibility of providing for drug and mental health prevention, treatment, and rehabilitation services. The County contributed \$157,000 to Trillium during the fiscal year ended June 30, 2023. Complete financial statements for Trillium can be obtained from the administrative offices at P.O. Box 1636, New Bern, North Carolina 28563.

NOTE V: Jointly Governed Organization

The County, in conjunction with four other counties and 39 municipalities, established the Mid-East Commission (the "Commission"). The participating governments established the Commission to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$14,655 to the Council during the fiscal year ended June 30, 2023.

NOTE VI: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE VII: Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2023 of \$6,772.135. The payment represents 17.26% of the County's total assessed property valuation.

NOTE VIII: Subsequent Events

In preparing the financial statements, the County has evaluated subsequent events and transactions for potential recognition or disclosure through November 17, 2023 the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

Local Government Employees' Retirement System					
	2023	2022	2021	2020	2019
County's proportion of the net pension liability (asset) (%)	0.24831%	0.25388%	0.25049%	0.26228%	0.26328%
County's proportion of the net pension liability (asset) (\$)	\$ 14,008,230	\$ 3,893,494	\$ 8,951,075	\$ 7,162,662	\$ 6,245,902
County's covered payroll	\$ 17,947,004	\$ 17,794,545	\$ 16,341,089	\$ 16,359,660	\$ 15,948,696
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	78.05%	21.88%	54.78%	43.78%	39.16%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%
	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.26581%	0.23587%	0.23326%	0.22809%	0.21770%
County's proportion of the net pension liability (asset) (\$)	\$ 4,060,841	\$ 5,005,953	\$ 1,046,857	\$ (1,345,151)	\$ 2,624,121
County's covered payroll	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791	\$ 12,497,637	\$ 12,497,637
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.15%	36.87%	8.11%	-10.76%	21.00%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

Local Government Employees' Retirement System					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,404,908	\$ 2,063,756	\$ 1,834,378	\$ 1,491,379	\$ 1,295,704
Contributions in relation to the contractually required contribution	2,404,908	2,063,756	1,834,378	1,491,379	1,295,704
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,580,657	\$ 17,947,004	\$ 17,794,545	\$ 16,341,089	\$ 16,359,660
Contributions as a percentage of covered payroll	12.28%	11.50%	10.31%	9.13%	7.92%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,210,872	\$ 1,125,797	\$ 922,308	\$ 891,406	\$ 864,942
Contributions in relation to the contractually required contribution	1,210,872	1,125,797	922,308	891,406	864,942
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791	\$ 12,497,637
Contributions as a percentage of covered payroll	7.59%	7.25%	6.79%	6.91%	6.92%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportionate share of the net pension liability (asset) %	0.40854%	0.37811%	0.40425%	0.40493%	0.45899%
County's proportionate share of the net pension liability (asset) \$	\$ (54,091)	\$ (72,646)	\$ (92,646)	\$ (79,941)	\$ (76,023)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.45220%	0.44989%	0.42409%	0.45133%	0.45909%
County's proportionate share of the net pension liability (asset) \$	\$ (72,140)	\$ (77,843)	\$ (104,661)	\$ (102,287)	\$ (98,062)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's required contribution	\$ 4,005	\$ 4,683	\$ 4,538	\$ 3,871	\$ 5,623
Contributions in relation to contractually required contribution	<u>4,005</u>	<u>4,683</u>	<u>4,538</u>	<u>3,871</u>	<u>5,623</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,928	\$ 3,955	\$ 3,675	\$ 3,054	\$ 3,685
Contributions in relation to contractually required contribution	<u>3,928</u>	<u>3,955</u>	<u>3,675</u>	<u>3,054</u>	<u>3,685</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAFORT COUNTY
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	2023	2022	2021	2020
Beginning Balance	\$ 2,246,511	\$ 1,988,388	\$ 1,094,799	\$ 1,063,302
Service Cost	102,751	136,310	78,440	65,548
Interest on the total pension liability	49,914	37,738	34,594	37,333
Differences between expected and actuarial experience in the measurement of the total pension liability	(400,073)	218,951	270,541	(34,230)
Changes of assumptions and other inputs	(313,308)	(68,754)	577,287	38,179
Benefit payments	(56,183)	(66,122)	(67,273)	(75,333)
Ending balance of total pension liability	<u>\$ 1,629,612</u>	<u>\$ 2,246,511</u>	<u>\$ 1,988,388</u>	<u>\$ 1,094,799</u>
	2019	2018	2017	
Beginning Balance	\$ 1,118,105	\$ 1,039,037	\$ 1,053,938	
Service Cost	69,370	64,512	70,240	
Interest on the total pension liability	34,142	38,653	35,963	
Differences between expected and actuarial experience in the measurement of the total pension liability	(35,476)	(26,200)	-	
Changes of assumptions and other inputs	(47,506)	77,436	(27,968)	
Benefit payments	(75,333)	(75,333)	(93,136)	
Ending balance of total pension liability	<u>\$ 1,063,302</u>	<u>\$ 1,118,105</u>	<u>\$ 1,039,037</u>	

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

BEAUFORT COUNTY
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,629,612	\$ 2,246,511	\$ 1,988,388	\$ 1,094,799
Covered-employee payroll	2,820,322	3,367,536	3,046,316	2,784,246
Total pension liability as a percentage of covered-employee payroll	57.78%	66.71%	65.27%	39.32%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Total pension liability	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	
Covered-employee payroll	2,680,824	2,765,059	2,750,952	
Total pension liability as a percentage of covered-employee payroll	39.66%	40.44%	37.77%	

Notes to the schedules:

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

BEAUFORT COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Years

	2023	2022	2021
Total OPEB Liability			
Service Cost	\$ 332,376	\$ 344,959	\$ 261,795
Interest on the total OPEB liability	106,032	101,001	139,446
Change in benefit terms	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	559,805	(2,693)	(337,169)
Changes of assumptions and other inputs	(617,450)	34,296	569,573
Benefit payments	(120,216)	(132,254)	(128,969)
Net change in total OPEB liability	260,547	345,309	504,676
Total OPEB liability - beginning	4,636,294	4,290,985	3,786,309
Total OPEB liability - ending	\$ 4,896,841	\$ 4,636,294	\$ 4,290,985
Covered-employee payroll	\$ 19,816,177	\$ 15,829,569	\$ 15,829,569
Total OPEB liability as a percentage of covered-employee payroll	24.71%	29.29%	27.11%
	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 242,634	\$ 170,916	\$ 185,026
Interest on the total OPEB liability	129,368	77,264	64,960
Change in benefit terms	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	(976)	1,007,887	16,801
Changes of assumptions and other inputs	156,060	18,405	(153,229)
Benefit payments	(131,624)	(107,011)	(95,881)
Net change in total OPEB liability	395,462	1,167,461	17,677
Total OPEB liability - beginning	3,390,847	2,223,386	2,205,709
Total OPEB liability - ending	\$ 3,786,309	\$ 3,390,847	\$ 2,223,386
Covered-employee payroll	\$ 14,536,223	\$ 13,520,354	\$ 13,520,354
Total OPEB liability as a percentage of covered-employee payroll	26.05%	25.08%	16.44%

Notes to Schedule

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

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%

GENERAL FUND

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

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

Exhibit B-1

	2023 Budget	2023 Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes:			
Current year	\$ 38,950,000	\$ 39,520,024	
Penalties and interest	237,630	251,747	
Total	<u>39,187,630</u>	<u>39,771,771</u>	<u>584,141</u>
Local Option Sales Taxes:			
Local option sales tax	12,586,519	13,749,072	
Total	<u>12,586,519</u>	<u>13,749,072</u>	<u>1,162,553</u>
Other Taxes and Licenses:			
Documentary stamps	300,000	308,308	
Beer and wine licenses	2,280	2,501	
Rental vehicles receipt tax	39,290	29,505	
Total	<u>341,570</u>	<u>340,314</u>	<u>(1,256)</u>
Unrestricted Intergovernmental Revenues			
Beer and wine tax	148,000	142,261	
Medicaid hold harmless	-	202,688	
Other	334,187	51,725	
Total	<u>482,187</u>	<u>396,674</u>	<u>(85,513)</u>
Restricted Intergovernmental Revenues			
State and Federal grants	12,066,356	11,584,993	
ABC distributions/tax	217,000	160,673	
Total	<u>12,283,356</u>	<u>11,745,666</u>	<u>(537,690)</u>
Permits and Fees			
Building permits and inspection fees	138,270	148,379	
Register of Deeds	230,000	198,190	
Other permits and fees	86,600	82,070	
Total	<u>454,870</u>	<u>428,639</u>	<u>(26,231)</u>
Sales and Services			
Attorney fees/tax administration	43,010	32,975	
Animal control fees	26,025	28,322	
Tax collection fees	118,000	125,795	
Sheriff fees	70,000	63,749	
Gun storage fees	2,500	597	
State prisoner's reimbursement	25,000	13,959	
Environmental health	80,000	116,110	
Vending and phones	25,700	26,573	
Health and immunizations	424,934	273,009	
Emergency medical transport fees	500,000	981,171	
Rescue fees	904,562	924,647	
Share of service fee	10,000	15,172	
Rent	256,645	256,733	
Cable franchise fee	95,000	91,429	
NC Health Choice	10,000	-	
Administrative Charges	366,576	366,576	
Total	<u>2,957,952</u>	<u>3,316,817</u>	<u>358,865</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

Exhibit B-1
(continued)

	2023 Budget	2023 Actual	Variance Positive (Negative)
Investment Earnings	50,000	2,233,360	
Total	<u>50,000</u>	<u>2,233,360</u>	<u>2,183,360</u>
Miscellaneous			
Proceeds from sales of assets/insurance claims	100,000	110,790	
Donations	30,500	29,176	
Miscellaneous	30,500	56,901	
Total	<u>161,000</u>	<u>196,867</u>	<u>35,867</u>
Total Revenues	<u>68,505,084</u>	<u>72,179,180</u>	<u>3,674,096</u>
Expenditures			
General Government:			
Governing Body	403,446	396,486	
County Manager	595,958	556,823	
Finance	731,536	713,666	
Human Resources	267,608	260,032	
Nondepartmental	915,234	1,068,213	
Tax Administration	1,335,172	1,295,250	
Tax Collector	679,173	625,552	
Register of Deeds	476,902	431,762	
Elections	401,250	354,450	
Public Buildings	1,763,847	1,605,041	
Court Facilities	371,083	341,876	
Total General Government	<u>7,941,209</u>	<u>7,649,151</u>	<u>292,058</u>
Public safety:			
Sheriff	6,688,237	6,246,261	
Jail	2,657,022	2,254,376	
Emergency Communications	1,498,394	1,341,478	
Emergency Management	509,716	496,384	
Fire Protection	166,405	166,170	
Ambulance/rescue services	17,500	17,500	
Animal Control	505,616	484,726	
Emergency Medical Services	3,400,510	3,147,133	
Medical Examiner	42,446	31,850	
Total Public Safety	<u>15,485,846</u>	<u>14,185,878</u>	<u>1,299,968</u>
Economic and Physical Development:			
Planning	353,033	330,628	
Economic Development	354,833	411,590	
Cooperative Extension	429,221	423,480	
Soil/Water Conservation	177,196	168,863	
Total Economic and Physical Develop	<u>1,314,283</u>	<u>1,334,561</u>	<u>(20,278)</u>

(continued)

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

Exhibit B-1
(continued)

	2023 Budget	2023 Actual	Variance Positive (Negative)
Human services:			
Administration - general	494,015	275,999	
AIDS control / STD	268,879	249,512	
TB Program	66,321	64,413	
Immunization	912,879	590,705	
Health Promotion	826,059	702,019	
Child Health	826,323	771,555	
Maternal Health	418,518	420,416	
WIC - administration	346,263	346,623	
Environmental Health	789,015	811,699	
Family Planning	400,951	368,262	
Jail Health	284,392	287,192	
Healthy Living	244,209	255,421	
Other Health Programs	408,862	388,488	
Total	6,286,686	5,532,304	754,382
Mental Health and Transportation:			
General Appropriation	157,000	157,000	
Alcohol Rehabilitation	20,000	27,495	
Beaufort County Development Center	55,000	55,000	
NC Elderly Handicapped Transportation/Other	81,868	101,976	
Passages Counseling Services	50,000	31,594	
Total	363,868	373,065	(9,197)
Social Services			
Administration	8,605,572	7,628,770	
State In-Home Aging Services	643,264	537,095	
Medical Assistance	110,000	82,300	
Energy Assistance	630,524	279,881	
County Provided Assistance	670,000	276,741	
Transportation	302,570	292,962	
Child Support Enforcement	857,012	848,277	
Aid to the Blind Program	11,468	3,552	
Foster Care	1,369,507	1,101,896	
Work First Program	88,400	64,944	
Total	13,288,317	11,116,418	2,171,899
Other Human Services			
Veterans Services	76,043	74,916	
Youth Services	247,706	243,449	
Total	323,749	318,365	5,384
Total Human Services	20,262,620	17,340,152	2,922,468

(continued)

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

Exhibit B-1
(continued)

	2023 Budget	2023 Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation	75,070	75,070	
Library and Museum	233,352	233,352	
Special Appropriation	185,500	159,650	
Total Cultural and Recreational	<u>493,922</u>	<u>468,072</u>	<u>25,850</u>
Education:			
Public School			
Current Expense	14,587,140	14,587,140	
Capital Outlay	2,223,702	2,223,702	
SRO Funding	603,600	603,600	
Community College			
Current Expense	2,917,912	2,917,912	
Capital Outlay	279,000	279,000	
Total Education	<u>20,611,354</u>	<u>20,611,354</u>	<u>-</u>
Debt service:			
Principal	2,486,048	2,137,646	
Interest and fees	194,699	194,697	
Total debt service	<u>2,680,747</u>	<u>2,332,343</u>	<u>348,404</u>
Total Expenditures	<u>68,789,981</u>	<u>63,921,511</u>	<u>4,868,470</u>
Revenue over (under) expenditures	<u>(284,897)</u>	<u>8,257,669</u>	<u>8,542,566</u>
Other financing sources (uses):			
Lease / IT Subscription liabilities issued	-	366,479	366,479
Transfers (to) from other funds:			
Revaluation Fund	(162,050)	(162,050)	-
Capital Project - Capital Reserve	(30,000)	(30,000)	-
Wright's Creek PARTF Grant Fund	(307,582)	(307,582)	-
Beaufort Promise Fund	(1,000,000)	(1,000,000)	-
Capital Project - Facility Improvements Project Fund	(6,227,560)	(6,227,560)	-
Workers Comp Fund	(746,000)	(746,000)	-
Special Revenue - Economic Development Fund	(45,000)	(45,000)	-
Special Revenue - Emergency Telephone	(18,743)	(18,743)	-
Appropriated Fund Balance	8,843,071	-	(8,843,071)
Total other financing sources (uses)	<u>284,897</u>	<u>(8,170,456)</u>	<u>(8,455,353)</u>
Net change in fund balance	<u>\$ -</u>	87,213	<u>\$ 87,213</u>
Fund balance, beginning of year		<u>39,716,228</u>	
Fund balance, end of year		<u>\$ 39,803,441</u>	

Beaufort County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023 Budget	2023 Actual	Variance Positive (Negative)
Revenue			
Investment Earnings	\$ -	\$ 54	\$ 54
Total Revenue	<u>-</u>	<u>54</u>	<u>54</u>
Other financing sources (uses):			
Transfer in - General Fund	162,050	162,050	-
To fund balance for future reval	(162,050)	-	162,050
Total other financing sources (uses)	<u>-</u>	<u>162,050</u>	<u>162,050</u>
Net change in fund balance	<u>\$ -</u>	162,104	<u>\$ 162,104</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 162,104</u>	

NON-MAJOR GOVERNMENTAL FUNDS

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

Beaufort County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and investments	\$ 6,560,941	\$ 13,153,882	\$ 19,714,823
Restricted cash	2,250,053	-	2,250,053
Taxes receivable (net)	169,202	-	169,202
Accounts receivable (net)	536,388	34,079	570,467
Due from other funds	1,743,971	-	1,743,971
Total assets	<u>\$ 11,260,555</u>	<u>\$ 13,187,961</u>	<u>\$ 24,448,516</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 712,126	\$ 200,528	\$ 912,654
Due to other funds	1,219	23,518	24,737
Unearned revenues	2,247,028	-	2,247,028
Total liabilities	<u>2,960,373</u>	<u>224,046</u>	<u>3,184,419</u>
DEFERRED INFLOWS OF RESOURCES	<u>619,202</u>	<u>-</u>	<u>619,202</u>
Fund balances:			
Nonspendable			
Advance to General Fund	1,743,971	-	1,743,971
Restricted:			
Stabilization by State Statute	34,105	34,079	68,184
Economic Development	979,892	-	979,892
Human Services	3,167,938	-	3,167,938
Public Safety	1,129,797	-	1,129,797
Cultural and Recreational	-	541,121	541,121
Committed	625,277	12,421,333	13,046,610
Unassigned	-	(32,618)	(32,618)
Total fund balances	<u>7,680,980</u>	<u>12,963,915</u>	<u>20,644,895</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,260,555</u>	<u>\$ 13,187,961</u>	<u>\$ 24,448,516</u>

Beaufort County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 4,115,369	\$ -	\$ 4,115,369
Restricted intergovernmental	2,000,614	366,308	2,366,922
Sales and services	1,292,623	-	1,292,623
Other	40,365	-	40,365
Investment Earnings	13,746	3,206	16,952
Total revenues	<u>7,462,717</u>	<u>369,514</u>	<u>7,832,231</u>
Expenditures:			
Current:			
General government	415,739	-	415,739
Public safety	5,771,477	22,500	5,793,977
Health and human services	723,467	-	723,467
Economic and physical development	1,258,011	707,562	1,965,573
Cultural and recreational	-	16,058	16,058
Total Expenditures	<u>8,168,694</u>	<u>746,120</u>	<u>8,914,814</u>
Revenues over (under) expenditures	<u>(705,977)</u>	<u>(376,606)</u>	<u>(1,082,583)</u>
Other financing sources (uses):			
Transfers in (out)	<u>1,041,243</u>	<u>6,587,642</u>	<u>7,628,885</u>
Total other financing sources (uses)	<u>1,041,243</u>	<u>6,587,642</u>	<u>7,628,885</u>
Net change in fund balance	335,266	6,211,036	6,546,302
Fund balances, beginning	<u>7,345,714</u>	<u>6,752,879</u>	<u>14,098,593</u>
Fund balances, ending	<u>\$ 7,680,980</u>	<u>\$ 12,963,915</u>	<u>\$ 20,644,895</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for governmental activities that are not part of the General Fund and are not capital projects.

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2023

Exhibit C-3

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant	NC Housing Finance Grant
ASSETS								
Cash and investments	\$ 30,123	\$ 149,632	\$ 413,225	\$ 408,071	\$ 46,059	\$ 3,030,508	\$ 4,283	\$ -
Restricted Cash	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	169,202	-	-	-	-	-
Accounts receivable (net)	40	-	-	28,076	3,486	-	-	-
Due from other funds	-	-	-	-	-	1,743,971	-	-
Total assets	<u>\$ 30,163</u>	<u>\$ 149,632</u>	<u>\$ 582,427</u>	<u>\$ 436,147</u>	<u>\$ 49,545</u>	<u>\$ 4,774,479</u>	<u>\$ 4,283</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 413,225	\$ 82,072	\$ 72	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>413,225</u>	<u>82,072</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>169,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable:								
Advance to General Fund	-	-	-	-	-	1,743,971	-	-
Restricted:								
Stabilization by State Statute	40	-	-	28,076	3,486	-	-	-
Economic Development	-	149,632	-	-	-	-	4,283	-
Human Services	30,123	-	-	-	-	3,030,508	-	-
Public Safety	-	-	-	325,999	45,987	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>30,163</u>	<u>149,632</u>	<u>-</u>	<u>354,075</u>	<u>49,473</u>	<u>4,774,479</u>	<u>4,283</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,163</u>	<u>\$ 149,632</u>	<u>\$ 582,427</u>	<u>\$ 436,147</u>	<u>\$ 49,545</u>	<u>\$ 4,774,479</u>	<u>\$ 4,283</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2023

Exhibit C-3
(continued)

	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund	ADFPTF - Grant Fund	Revaluation Project Fund
ASSETS									
Cash and investments	\$ 13,775	\$ 107,307	\$ 35,761	\$ 28,062	\$ 880,790	\$ -	\$ -	\$ -	\$ 662,650
Restricted Cash	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	450,000	-	-	-	50,877	-	-	-	2,503
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 463,775</u>	<u>\$ 107,307</u>	<u>\$ 35,761</u>	<u>\$ 28,062</u>	<u>\$ 931,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,153</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 2,944	\$ 173,856	\$ -	\$ -	\$ -	\$ 37,373
Due to other funds	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,944</u>	<u>173,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,373</u>
DEFERRED INFLOWS OF RESOURCES	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable:									
Advance to General Fund	-	-	-	-	-	-	-	-	-
Restricted:									
Stabilization by State Statute	-	-	-	-	-	-	-	-	2,503
Economic Development	13,775	-	35,761	25,118	-	-	-	-	-
Human Services	-	107,307	-	-	-	-	-	-	-
Public Safety	-	-	-	-	757,811	-	-	-	-
Committed	-	-	-	-	-	-	-	-	625,277
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>13,775</u>	<u>107,307</u>	<u>35,761</u>	<u>25,118</u>	<u>757,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,780</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 463,775</u>	<u>\$ 107,307</u>	<u>\$ 35,761</u>	<u>\$ 28,062</u>	<u>\$ 931,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,153</u>

(continued)

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2023

Exhibit C-3
(continued)

	NC Housing Finance Urgent Repair Grant	NC Public Safety Grant	Opioid Settlement Fund	Beaufort Promise Fund	ARP Grant Funding	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ 750,695	\$ -	\$ 6,560,941
Restricted Cash	-	-	379,891	-	1,870,162	2,250,053
Taxes receivable (net)	-	-	-	-	-	169,202
Accounts receivable (net)	-	1,271	135	-	-	536,388
Due from other funds	-	-	-	-	-	1,743,971
Total assets	<u>\$ -</u>	<u>\$ 1,271</u>	<u>\$ 380,026</u>	<u>\$ 750,695</u>	<u>\$ 1,870,162</u>	<u>\$ 11,260,555</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 52	\$ 2,532	\$ -	\$ -	\$ 712,126
Due to other funds	-	1,219	-	-	-	1,219
Unearned revenues	-	-	377,494	-	1,869,534	2,247,028
Total liabilities	<u>-</u>	<u>1,271</u>	<u>380,026</u>	<u>-</u>	<u>1,869,534</u>	<u>2,960,373</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,202</u>
Fund Balances:						
Nonspendable:						
Advance to General Fund	-	-	-	-	-	1,743,971
Restricted:						
Stabilization by State Statute	-	-	-	-	-	34,105
Economic Development	-	-	-	750,695	628	979,892
Human Services	-	-	-	-	-	3,167,938
Public Safety	-	-	-	-	-	1,129,797
Committed	-	-	-	-	-	625,277
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,695</u>	<u>628</u>	<u>7,680,980</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 1,271</u>	<u>\$ 380,026</u>	<u>\$ 750,695</u>	<u>\$ 1,870,162</u>	<u>\$ 8,639,698</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ 4,115,369	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	115,136	22,312	-	-
Sales and Services	-	-	-	-	-	-	-
Other	1,628	3,000	-	-	4,550	23,139	-
Investment Earnings	97	-	-	1,802	207	10,370	-
Total revenues	<u>1,725</u>	<u>3,000</u>	<u>4,115,369</u>	<u>116,938</u>	<u>27,069</u>	<u>33,509</u>	<u>-</u>
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	-	-	4,115,369	334,909	54,059	-	-
Health and human services	825	-	-	-	-	-	-
Economic and physical development	-	19,033	-	-	-	-	-
Total expenditures	<u>825</u>	<u>19,033</u>	<u>4,115,369</u>	<u>334,909</u>	<u>54,059</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	900	(16,033)	-	(217,971)	(26,990)	33,509	-
Other financing sources (uses):							
Transfers in (out)	-	45,000	-	18,743	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>18,743</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	900	28,967	-	(199,228)	(26,990)	33,509	-
Fund balances, beginning	<u>29,263</u>	<u>120,665</u>	<u>-</u>	<u>553,303</u>	<u>76,463</u>	<u>4,740,970</u>	<u>4,283</u>
Fund balances, ending	<u>\$ 30,163</u>	<u>\$ 149,632</u>	<u>\$ -</u>	<u>\$ 354,075</u>	<u>\$ 49,473</u>	<u>\$ 4,774,479</u>	<u>\$ 4,283</u>

(continued)

**Beaufort County, North Carolina
Non-Major Special Revenue Funds**

Exhibit C-4
(continued)

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023**

	NC Housing Finance Grant	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	220,952	-	655,650	-	-	792,554	-	-
Sales and Services	-	-	-	67,136	44,008	1,181,479	-	-
Other	-	-	-	-	3,048	-	5,000	-
Investment Earnings	-	-	-	-	12	-	-	-
Total revenues	<u>220,952</u>	<u>-</u>	<u>655,650</u>	<u>67,136</u>	<u>47,068</u>	<u>1,974,033</u>	<u>5,000</u>	<u>-</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,216,222	-	-
Health and human services	-	-	701,001	-	-	-	-	-
Economic and physical development	220,952	450,000	-	63,397	60,290	-	5,000	-
Total expenditures	<u>220,952</u>	<u>450,000</u>	<u>701,001</u>	<u>63,397</u>	<u>60,290</u>	<u>1,216,222</u>	<u>5,000</u>	<u>-</u>
Revenues over (under) expenditures	-	(450,000)	(45,351)	3,739	(13,222)	757,811	-	-
Other financing sources (uses):								
Transfers in (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(450,000)	(45,351)	3,739	(13,222)	757,811	-	-
Fund balances, beginning	-	463,775	152,658	32,022	38,340	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ 13,775</u>	<u>\$ 107,307</u>	<u>\$ 35,761</u>	<u>\$ 25,118</u>	<u>\$ 757,811</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Beaufort County, North Carolina
Non-Major Special Revenue Funds**

Exhibit C-4
(continued)

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023**

	ADFPTF - Grant Fund	Revaluation Project Fund	NC Housing Finance Urgent Repair Grant	NC Public Safety Grant	Opioid Settlement Fund	Beaufort Promise Fund	ARP Grant Funding	Total Nonmajor Special Revenue Funds
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,115,369
Restricted intergovernmental	-	-	50,000	-	21,510	-	122,500	2,000,614
Sales and Services	-	-	-	-	-	-	-	1,292,623
Other	-	-	-	-	-	-	-	40,365
Investment Earnings	-	246	-	-	131	253	628	13,746
Total revenues	<u>-</u>	<u>246</u>	<u>50,000</u>	<u>-</u>	<u>21,641</u>	<u>253</u>	<u>123,128</u>	<u>7,462,717</u>
Expenditures:								
General government	-	415,739	-	-	-	-	-	415,739
Public safety	-	-	-	50,918	-	-	-	5,771,477
Health and human services	-	-	-	-	21,641	-	-	723,467
Economic and physical development	-	-	89,781	-	-	249,558	100,000	1,258,011
Total expenditures	<u>-</u>	<u>415,739</u>	<u>89,781</u>	<u>50,918</u>	<u>21,641</u>	<u>249,558</u>	<u>100,000</u>	<u>8,168,694</u>
Revenues over (under) expenditures	-	(415,493)	(39,781)	(50,918)	-	(249,305)	23,128	(705,977)
Other financing sources (uses):								
Transfers in (out)	-	-	-	-	-	1,000,000	(22,500)	1,041,243
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>(22,500)</u>	<u>1,041,243</u>
Net change in fund balances	-	(415,493)	(39,781)	(50,918)	-	750,695	628	335,266
Fund balances, beginning	-	1,043,273	39,781	50,918	-	-	-	7,345,714
Fund balances, ending	<u>\$ -</u>	<u>\$ 627,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,695</u>	<u>\$ 628</u>	<u>\$ 7,680,980</u>

Beaufort County, North Carolina
HCCBG Aging Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Income	\$ 3,250	\$ 1,628	\$ (1,622)
Investment Earnings	-	97	97
Total revenues	<u>3,250</u>	<u>1,725</u>	<u>(1,525)</u>
Expenditures:			
Health and Human Services	<u>15,917</u>	<u>825</u>	<u>15,092</u>
Total expenditures	<u>15,917</u>	<u>825</u>	<u>15,092</u>
Revenues over (under) expenditures	<u>(12,667)</u>	<u>900</u>	<u>13,567</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	-	-	-
Fund Balance Appropriated	<u>12,667</u>	-	<u>(12,667)</u>
Total other financing sources (uses)	<u>12,667</u>	<u>-</u>	<u>(12,667)</u>
Net change in fund balance	<u>\$ -</u>	<u>900</u>	<u>\$ 900</u>
Fund balance, beginning		<u>29,263</u>	
Fund balance, ending		<u>\$ 30,163</u>	

Beaufort County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Duke Energy	\$ -	\$ 3,000	\$ 3,000
Total revenues	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Expenditures:			
Economic and physical development	45,000	19,033	25,967
Total expenditures	<u>45,000</u>	<u>19,033</u>	<u>25,967</u>
Revenues over (under) expenditures	<u>(45,000)</u>	<u>(16,033)</u>	<u>28,967</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	45,000	45,000	-
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	28,967	<u>\$ 28,967</u>
Fund balance, beginning		<u>120,665</u>	
Fund balance, ending		<u>\$ 149,632</u>	

Beaufort County, North Carolina
Fire and Rescue Tax District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem tax	\$ 3,907,990	\$ 4,115,369	\$ 207,379
Total revenues	<u>3,907,990</u>	<u>4,115,369</u>	<u>207,379</u>
Expenditures:			
Public safety expenditures	3,907,990	4,115,369	(207,379)
Total expenditures	<u>3,907,990</u>	<u>4,115,369</u>	<u>(207,379)</u>
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

Beaufort County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 116,817	\$ 115,136	\$ (1,681)
Investment Earnings	-	1,802	1,802
Total revenues	<u>116,817</u>	<u>116,938</u>	<u>121</u>
Expenditures:			
Public Safety :			
Implemental functions	104,678	104,678	-
Telephone	66,005	53,266	12,739
Software maintenance	21,875	21,781	94
Hardware maintenance	18,032	12,714	5,318
Training	22,722	2,255	20,467
Capital outlay	149,440	140,215	9,225
Total expenditures	<u>382,752</u>	<u>334,909</u>	<u>47,843</u>
Revenues over (under) expenditures	<u>(265,935)</u>	<u>(217,971)</u>	<u>47,964</u>
Other financing sources (uses):			
Transfers In	-	18,743	18,743
Total other financing sources (uses)	<u>265,935</u>	<u>18,743</u>	<u>(247,192)</u>
Net change in fund balance	<u>\$ -</u>	<u>(199,228)</u>	<u>\$ (199,228)</u>
Fund balance, beginning		<u>553,303</u>	
Fund balance, ending		<u>\$ 354,075</u>	

Beaufort County, North Carolina
State and Federal Seizures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 35,000	\$ 22,312	\$ (12,688)
Miscellaneous	5,000	4,550	(450)
Investment Earnings	-	207	207
Total revenues	<u>40,000</u>	<u>27,069</u>	<u>(12,931)</u>
Expenditures:			
Public safety expenditures	<u>65,000</u>	<u>54,059</u>	<u>10,941</u>
Total expenditures	<u>65,000</u>	<u>54,059</u>	<u>10,941</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>(26,990)</u>	<u>(1,990)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>25,000</u>	-	<u>(25,000)</u>
Total other financing sources (uses)	<u>25,000</u>	-	<u>(25,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(26,990)</u>	<u>\$ (26,990)</u>
Fund balance, beginning		<u>76,463</u>	
Fund balance, ending		<u>\$ 49,473</u>	

Beaufort County, North Carolina
Healthcare Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Principal payments received	\$ 344,258	\$ 348,401	\$ 4,143
Interest payment received	27,282	23,139	(4,143)
Investment Earnings	-	10,370	10,370
Total Revenues	<u>371,540</u>	<u>381,910</u>	<u>10,370</u>
Expenditures:			
Economic and physical development	<u>371,540</u>	-	<u>371,540</u>
Total Expenditures	<u>371,540</u>	<u>-</u>	<u>371,540</u>
Revenues over (under) expenditures	<u>-</u>	<u>381,910</u>	<u>381,910</u>
Other financing sources (uses):			
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>381,910</u>	<u>\$ 381,910</u>
Reconciling Item			
Principal paid on intergovernment loan		(348,401)	
Fund balance, beginning		<u>4,740,970</u>	
Fund balance, ending		<u>\$ 4,774,479</u>	

Beaufort County, North Carolina
One NC Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

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

Beaufort County, North Carolina
NC Housing Finance Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Housing Finance Agency Grant	\$ 702,945	\$ 384,798	\$ 220,952	\$ 605,750	\$ (97,195)
Total revenues	<u>702,945</u>	<u>384,798</u>	<u>220,952</u>	<u>605,750</u>	<u>(97,195)</u>
Expenditures					
Economic and physical development	702,945	384,798	220,952	605,750	97,195
Total expenditures	<u>702,945</u>	<u>384,798</u>	<u>220,952</u>	<u>605,750</u>	<u>97,195</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Economic Development Initiatives
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental	\$ 16,275	\$ 16,275	\$ -	\$ 16,275	\$ -
Total revenues	<u>16,275</u>	<u>16,275</u>	<u>-</u>	<u>16,275</u>	<u>-</u>
Expenditures					
Economic and physical development Initiatives	16,275	2,500	-	2,500	13,775
Town of Aurora Loan	450,000	-	450,000	450,000	-
Total expenditures	<u>466,275</u>	<u>2,500</u>	<u>450,000</u>	<u>452,500</u>	<u>13,775</u>
Revenue over (under) expenditures	(450,000)	13,775	(450,000)	(436,225)	13,775
Other Financing Sources (Uses)					
Transfer from General Fund	450,000	450,000	-	450,000	-
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 463,775</u>	(450,000)	<u>\$ 13,775</u>	<u>\$ 13,775</u>
Fund balance, beginning			<u>463,775</u>		
Fund balance, end			<u>\$ 13,775</u>		

**Beaufort County, North Carolina
 Representative Payee Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	<u>\$ 165,000</u>	<u>\$ 655,650</u>	<u>\$ 490,650</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>165,000</u>	<u>701,001</u>	<u>(536,001)</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(45,351)</u>	<u>\$ (45,351)</u>
Fund balance, beginning, as previously reported		<u>152,658</u>	
Fund balance, ending		<u><u>\$ 107,307</u></u>	

Beaufort County, North Carolina
4H Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Livestock Show and Sale	\$ 21,000	\$ 58,234	\$ 37,234
Summer Camping	5,500	5,287	(213)
4H Clubs	4,000	3,615	(385)
4H Programming	5,500	-	(5,500)
Total Revenues	<u>36,000</u>	<u>67,136</u>	<u>31,136</u>
Expenditures:			
Economic and Physical Development			
Livestock Show and Sale	21,000	56,833	(35,833)
Summer Campting	5,500	4,854	646
4H Clubs	4,000	1,710	2,290
4H Programming	5,500	-	5,500
Total Expenditures	<u>36,000</u>	<u>63,397</u>	<u>(27,397)</u>
Net change in fund balance	<u>\$ -</u>	3,739	<u>\$ 3,739</u>
Fund balance, beginning		<u>32,022</u>	
Fund balance, ending		<u>\$ 35,761</u>	

Beaufort County, North Carolina
Cooperative Extension Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Agriculture Programming	\$ 26,000	\$ 31,704	\$ 5,704
Horticulture Programming	5,000	-	(5,000)
Master Gardeners	4,000	7,174	3,174
Family & Consumer Science Programs	5,000	5,130	130
Investment Earnings	-	12	12
Miscellaneous Income	-	3,048	3,048
Total Revenues	<u>40,000</u>	<u>47,068</u>	<u>7,068</u>
Expenditures:			
Economic and Physical Development			
Agriculture Programming	26,000	36,766	(10,766)
Horticulture Programming	5,000	-	5,000
Master Gardeners	4,000	6,122	(2,122)
Family & Consumer Science Programs	5,000	4,299	701
Miscellaneous Funds Expense	-	3,103	(3,103)
Grant Expenses	-	10,000	(10,000)
Total Expenditures	<u>40,000</u>	<u>60,290</u>	<u>(20,290)</u>
Net change in fund balance	<u>\$ -</u>	(13,222)	<u>\$ (13,222)</u>
Fund balance, beginning		<u>38,340</u>	
Fund balance, ending		<u>\$ 25,118</u>	

Beaufort County, North Carolina
EMS Billing and Collections Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Sales and Services:			
EMS Revenues	\$ 1,822,000	\$ 1,181,479	\$ (640,521)
Restricted Intergovernmental:			
Medicaid Cost Settlement	500,000	792,554	292,554
Total Revenues	<u>2,322,000</u>	<u>1,974,033</u>	<u>(347,967)</u>
Expenditures:			
Public Safety			
Emergency Medical Service	2,322,000	1,216,222	1,105,778
Total Expenditures	<u>2,322,000</u>	<u>1,216,222</u>	<u>1,105,778</u>
Net change in fund balance	<u>\$ -</u>	757,811	<u>\$ 757,811</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 757,811</u>	

Beaufort County, North Carolina
CDBG - River Breeze Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CDBG Grant	\$ 400,000	\$ -	\$ -	\$ -	\$(400,000)
Local Contributions	30,000	-	5,000	5,000	(25,000)
Total revenues	<u>430,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>(425,000)</u>
Expenditures:					
Economic and physical development					
Grant Administration	25,000	-	-	-	25,000
Building Improvements	5,000	-	5,000	5,000	-
Grant Preparation	400,000	-	-	-	400,000
Total expenditures	<u>430,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>425,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
ADFPTF - USDA Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFPTF Grant	\$ 22,750	\$ -	\$ -	\$ -	\$ (22,750)
USDA Revenue	15,340	-	-	-	(15,340)
Land Owner Contributions	11,870	-	-	-	(11,870)
Total revenues	<u>49,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,960)</u>
Expenditures:					
Economic and physical development					
Easement Purchase	30,620	-	-	-	30,620
Professional services	19,340	-	-	-	19,340
Total expenditures	<u>49,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,960</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Agricultural Development Farmland Preservation Trust Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFPTF Grant	\$ 133,601	\$ -	\$ -	\$ -	\$(133,601)
Total revenues	<u>133,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,601)</u>
Expenditures:					
Economic and physical development					
ADFPTF Expenses	133,601	-	-	-	133,601
Total expenditures	<u>133,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,601</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Revaluation Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ -	\$ 246	\$ 246	\$ 246
Total revenues	<u>-</u>	<u>-</u>	<u>246</u>	<u>246</u>	<u>246</u>
Expenditures:					
General Government					
Contract - Revaluation	1,241,082	-	375,687	375,687	865,395
Other Operating Expenses	101,000	-	21,255	21,255	79,745
Equipment Purchase	<u>25,000</u>	<u>-</u>	<u>18,797</u>	<u>18,797</u>	<u>6,203</u>
Total expenditures	<u>1,367,082</u>	<u>-</u>	<u>415,739</u>	<u>415,739</u>	<u>951,343</u>
Revenues over (under) expenditures	<u>(1,367,082)</u>	<u>-</u>	<u>(415,493)</u>	<u>(415,493)</u>	<u>951,589</u>
Other financing sources:					
Transfer from General Fund	218,415	218,415	-	218,415	-
Transfer from Revaluation Fund	<u>1,148,667</u>	<u>824,858</u>	<u>-</u>	<u>824,858</u>	<u>(323,809)</u>
Total other financing sources	<u>1,367,082</u>	<u>1,043,273</u>	<u>-</u>	<u>1,043,273</u>	<u>(323,809)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,043,273</u>	<u>(415,493)</u>	<u>\$ 627,780</u>	<u>\$ 627,780</u>
Fund balance, beginning			<u>1,043,273</u>		
Fund balance, end			<u>\$ 627,780</u>		

Beaufort County, North Carolina
NC Housing Finance Agency Urgent Repair Program Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCHFA Urgent Repair Grant	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ -
Total revenues	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:					
Economic and Physical Development					
NCHFA Urgent Repair Expenses	110,000	20,219	89,781	110,000	-
Total expenditures	<u>110,000</u>	<u>20,219</u>	<u>89,781</u>	<u>110,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>29,781</u>	<u>(39,781)</u>	<u>(10,000)</u>	<u>-</u>
Other financing sources:					
Transfer from General Fund	10,000	10,000	-	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 39,781</u>	<u>(39,781)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>39,781</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
NC Department of Public Safety (Beaufort Co 2021-2023)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NCDPS Grant	\$ 84,270	\$ 84,270	\$ -	\$ 84,270	\$ -
Total revenues	<u>84,270</u>	<u>84,270</u>	<u>-</u>	<u>84,270</u>	<u>-</u>
Expenditures:					
Public Safety					
Capital outlay	84,270	33,352	50,918	84,270	-
Total expenditures	<u>84,270</u>	<u>33,352</u>	<u>50,918</u>	<u>84,270</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>50,918</u>	<u>(50,918)</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer from General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,918</u>	<u>(50,918)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>50,918</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Opioid Settlement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Opioid Settlement Funds	\$ 3,077,680	\$ -	\$ 1,310	\$ 1,310	\$ (3,076,370)
NOAT II Abatement Revenue	20,201	-	20,200	20,200	(1)
Investment Earnings	-	-	131	131	131
Total revenues	<u>3,097,881</u>	<u>-</u>	<u>21,641</u>	<u>21,641</u>	<u>(3,076,240)</u>
Expenditures:					
Human Services					
Opioid Peer Support	317,772	-	-	-	317,772
Opioid Health Educator	197,347	-	9,640	9,640	187,707
Opioid Project Support	30,000	-	10,000	10,000	20,000
Opioid BHTF Coordinator	69,458	-	-	-	69,458
Opioid Operational Supplies	8,000	-	2,001	2,001	5,999
Future Opioid Expenditures	2,475,304	-	-	-	2,475,304
Total expenditures	<u>3,097,881</u>	<u>-</u>	<u>21,641</u>	<u>21,641</u>	<u>3,076,240</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina
 State Centric Model Grant Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
HMGP Federal/State Revenue	\$ 255,242	\$ -	\$ -	\$ -	\$ (255,242)
Total revenues	<u>255,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,242)</u>
Expenditures:					
Economic Development					
Management Cost	255,242	-	-	-	255,242
Total expenditures	<u>255,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,242</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Housing Finance Agency Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Housing Finance	\$ 162,000	\$ -	\$ -	\$ -	\$ (162,000)
Total revenues	<u>162,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(162,000)</u>
Expenditures:					
Economic Development					
Housing Rehab	162,000	-	-	-	162,000
Total expenditures	<u>162,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Transfer (to) from other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Beaufort Promise Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ -	\$ 253	\$ 253	\$ 253
Total revenues	<u>-</u>	<u>-</u>	<u>253</u>	<u>253</u>	<u>253</u>
Expenditures:					
Economic Development					
Scholarship - Beaufort Promise	1,000,000	-	249,558	249,558	750,442
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>249,558</u>	<u>249,558</u>	<u>750,442</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>-</u>	<u>(249,305)</u>	<u>(249,305)</u>	<u>750,695</u>
Other financing sources:					
Transfer (to) from other funds	1,000,000	-	1,000,000	1,000,000	-
Total other financing sources	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>750,695</u>	<u>\$ 750,695</u>	<u>\$ 750,695</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 750,695</u>		

Beaufort County, North Carolina
Coronavirus State Local Fiscal Recover Funds CFR 21.027 (ARPA Funds)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
American Rescue Plan	\$ 9,128,034	\$ 7,136,000	\$ 122,500	\$ 7,258,500	\$ (1,869,534)
Investment Earnings	-	-	628	628	628
Total revenues	<u>9,128,034</u>	<u>7,136,000</u>	<u>123,128</u>	<u>7,259,128</u>	<u>(1,868,906)</u>
Expenditures:					
Public Safety					
Salaries and Benefits	5,128,034	5,128,034	-	5,128,034	-
American Rescue Plan Expense	1,969,534	-	100,000	100,000	1,869,534
Total expenditures	<u>7,097,568</u>	<u>5,128,034</u>	<u>100,000</u>	<u>5,228,034</u>	<u>1,869,534</u>
Revenues over (under) expenditures	<u>2,030,466</u>	<u>2,007,966</u>	<u>23,128</u>	<u>2,031,094</u>	<u>628</u>
Other financing sources:					
Transfer to Capital Project Fund	(421,466)	(398,966)	(22,500)	(421,466)	-
Transfer to Water Capital Project Fund	(1,609,000)	(1,609,000)	-	(1,609,000)	-
Total other financing sources	<u>(2,030,466)</u>	<u>(2,007,966)</u>	<u>(22,500)</u>	<u>(2,030,466)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	628	<u>\$ 628</u>	<u>\$ 628</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ 628</u>		

CAPITAL PROJECTS FUND

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

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2023

Exhibit D-1

	Capital Improvements	Stream Debris Removal	Voting Machine Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek PARTF Project Fund	Harbor District Market Fund	Total Nonmajor Capital Projects Funds
ASSETS									
Cash and Investments	\$ 2,477	\$ -	\$ 86,432	\$ 5,625,381	\$ 1,380,682	\$ 5,510,350	\$ 548,560	\$ -	\$ 13,153,882
Accounts receivable (net)	-	32,246	-	-	1,833	-	-	-	34,079
Total assets	<u>\$ 2,477</u>	<u>\$ 32,246</u>	<u>\$ 86,432</u>	<u>\$ 5,625,381</u>	<u>\$ 1,382,515</u>	<u>\$ 5,510,350</u>	<u>\$ 548,560</u>	<u>\$ -</u>	<u>\$ 13,187,961</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ 9,100	\$ -	\$ -	\$ 183,989	\$ -	\$ 7,439	\$ -	\$ 200,528
Due to other funds	-	23,518	-	-	-	-	-	-	23,518
Total liabilities	<u>-</u>	<u>32,618</u>	<u>-</u>	<u>-</u>	<u>183,989</u>	<u>-</u>	<u>7,439</u>	<u>-</u>	<u>224,046</u>
Fund balances:									
Restricted:									
Stabilization by State Statute Cultural and Recreational	-	32,246	-	-	1,833	-	-	-	34,079
Committed	2,477	-	86,432	5,625,381	1,196,693	5,510,350	541,121	-	12,421,333
Unassigned	-	(32,618)	-	-	-	-	-	-	(32,618)
Total fund balances	<u>2,477</u>	<u>(372)</u>	<u>86,432</u>	<u>5,625,381</u>	<u>1,198,526</u>	<u>5,510,350</u>	<u>541,121</u>	<u>-</u>	<u>12,963,915</u>
Total liabilities and fund balances	<u>\$ 2,477</u>	<u>\$ 32,246</u>	<u>\$ 86,432</u>	<u>\$ 5,625,381</u>	<u>\$ 1,382,515</u>	<u>\$ 5,510,350</u>	<u>\$ 548,560</u>	<u>\$ -</u>	<u>\$ 13,187,961</u>

Non-Major Capital Projects Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2023

	Capital Improvements	Stream Debris Removal	Voting Machine Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek PARTF Project Fund	Harbor District Market Fund	Total Nonmajor Capital Projects Funds
Revenues:									
Restricted intergovernmental	\$ -	\$ 316,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 366,308
Investment earnings	-	-	260	1,096	-	1,850	-	-	3,206
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>316,308</u>	<u>260</u>	<u>1,096</u>	<u>-</u>	<u>1,850</u>	<u>-</u>	<u>50,000</u>	<u>369,514</u>
Expenditures:									
Public Safety	-	-	-	-	-	22,500	-	-	22,500
Economic and physical	-	316,898	-	-	340,664	-	-	50,000	707,562
Cultural and Recreational	-	-	-	-	-	-	16,058	-	16,058
Total expenditures	<u>-</u>	<u>316,898</u>	<u>-</u>	<u>-</u>	<u>340,664</u>	<u>22,500</u>	<u>16,058</u>	<u>50,000</u>	<u>746,120</u>
Revenues over (under) expenditures	-	(590)	260	1,096	(340,664)	(20,650)	(16,058)	-	(376,606)
Other financing sources (uses):									
Transfers in (out)	-	-	30,000	5,624,285	603,275	22,500	307,582	-	6,587,642
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>5,624,285</u>	<u>603,275</u>	<u>22,500</u>	<u>307,582</u>	<u>-</u>	<u>6,587,642</u>
Net change in fund balances	-	(590)	30,260	5,625,381	262,611	1,850	291,524	-	6,211,036
Fund balances, beginning	<u>2,477</u>	<u>218</u>	<u>56,172</u>	<u>-</u>	<u>935,915</u>	<u>5,508,500</u>	<u>249,597</u>	<u>-</u>	<u>6,752,879</u>
Fund balances, ending	<u>\$ 2,477</u>	<u>\$ (372)</u>	<u>\$ 86,432</u>	<u>\$ 5,625,381</u>	<u>\$ 1,198,526</u>	<u>\$ 5,510,350</u>	<u>\$ 541,121</u>	<u>\$ -</u>	<u>\$ 12,963,915</u>

Beaufort County, North Carolina
Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Project expenses	\$ -	\$ 1,654	\$ -	\$ 1,654	\$ (1,654)
Total expenditures	<u>-</u>	<u>1,654</u>	<u>-</u>	<u>1,654</u>	<u>(1,654)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,654)</u>	<u>-</u>	<u>(1,654)</u>	<u>(1,654)</u>
Other financing sources (uses):					
Transfers (to)/from other funds	-	4,131	-	4,131	4,131
Total other financing sources (uses)	<u>-</u>	<u>4,131</u>	<u>-</u>	<u>4,131</u>	<u>4,131</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,477</u>	<u>-</u>	<u>\$ 2,477</u>	<u>\$ 2,477</u>
Fund balance, beginning			<u>2,477</u>		
Fund balance, end			<u>\$ 2,477</u>		

Beaufort County, North Carolina
Stream Debris Removal Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
NC Department of					
Agriculture	\$ 311,909	\$ 300,837	\$ -	\$ 300,837	\$ (11,072)
Stream Debris Removal	334,554	328,137	-	328,137	(6,417)
Streamflow Rehabilitation					
Program (StRAP)	334,931	-	173,683	173,683	(161,248)
Watershed Restoration					
Project	282,720	-	142,625	142,625	(140,095)
Total revenues	<u>1,264,114</u>	<u>628,974</u>	<u>316,308</u>	<u>945,282</u>	<u>(318,832)</u>
Expenditures					
Economic and physical					
development					
NC Department of					
Agriculture	311,909	300,837	-	300,837	11,072
Stream Debris Removal	334,554	327,919	218	328,137	6,417
Streamflow Rehabilitation					
Program (StRAP)	334,931	-	173,683	173,683	161,248
Watershed Restoration					
Project	282,720	-	142,997	142,997	139,723
Total expenditures	<u>1,264,114</u>	<u>628,756</u>	<u>316,898</u>	<u>945,654</u>	<u>318,460</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 218</u>	(590)	<u>\$ (372)</u>	<u>\$ (372)</u>
Fund balance, beginning			<u>218</u>		
Fund balance, end			<u>\$ (372)</u>		

Beaufort County, North Carolina
Voting Machine Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 260	\$ 260
Total revenues	<u>-</u>	<u>260</u>	<u>260</u>
Expenditures			
Economic and physical development			
Capital outlay	30,000	-	30,000
Total expenditures	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>260</u>	<u>30,260</u>
Other Financing Source (Uses)			
Transfer from General Fund	30,000	30,000	-
Total other financing source (uses)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	30,260	<u>\$ 30,260</u>
Fund balance, beginning		<u>56,172</u>	
Fund balance, end		<u>\$ 86,432</u>	

Beaufort County, North Carolina
Facility Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 1,096	\$ 1,096
Total revenues	<u>-</u>	<u>1,096</u>	<u>1,096</u>
Expenditures			
Economic and physical development			
Capital outlay	5,624,285	-	5,624,285
Total expenditures	<u>5,624,285</u>	<u>-</u>	<u>5,624,285</u>
Revenues over (under) expenditures	<u>(5,624,285)</u>	<u>1,096</u>	<u>5,625,381</u>
Other Financing Source (Uses)			
Transfer from General Fund	6,227,560	6,227,560	-
Transfer to Capital Improvement	(603,275)	(603,275)	-
Total other financing source (uses)	<u>5,624,285</u>	<u>5,624,285</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	5,625,381	<u>\$ 5,625,381</u>
Fund balance, beginning		<u>-</u>	
Fund balance, end		<u>\$ 5,625,381</u>	

Beaufort County, North Carolina
Facility Improvements Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Economic and Physical Development					
Courthouse Capital Improvement	663,650	646,131	(235)	645,896	17,754
ADA Improvements	86,878	4,965	-	4,965	81,913
Courthouse	-	4,222	-	4,222	(4,222)
CH Annex / BHM	-	-	4,320	4,320	(4,320)
Immediate Repairs and Int Upfit	70,122	45,457	-	45,457	24,665
Farm Services Building	-	4,656	-	4,656	(4,656)
Tideland Building Improvements	46,987	-	-	-	46,987
Financial Services Center Improvements	102,300	5,500	-	5,500	96,800
Card Access	150,000	19,645	-	19,645	130,355
Courthouse Improvement	180,063	4,402	-	4,402	175,661
CH Annex Window Replacement	134,000	50	117,695	117,745	16,255
Tideland - Outpatient Roof	189,500	-	4,091	4,091	185,409
BCSO - Interior Improvements	150,000	-	-	-	150,000
Maintenance Shop - Exterior	11,500	-	-	-	11,500
Francisco Window Replacement	35,000	-	18,039	18,039	16,961
BHM Exterior	55,000	-	-	-	55,000
Space Study	75,000	-	-	-	75,000
Tideland Roof - Phase II	350,000	-	196,754	196,754	153,246
Contingency	28,275	-	-	-	28,275
Total expenditures	<u>2,328,275</u>	<u>735,028</u>	<u>340,664</u>	<u>1,075,692</u>	<u>1,252,583</u>
Revenues over (under) expenditures	<u>(2,328,275)</u>	<u>(735,028)</u>	<u>(340,664)</u>	<u>(1,075,692)</u>	<u>1,252,583</u>
Other Financing Source (Uses)					
Transfer from General Fund	245,650	245,650	-	245,650	-
Transfer from Facility Capital Reserve Func	2,082,625	1,479,350	603,275	2,082,625	-
Total other financing source (uses)	<u>2,328,275</u>	<u>1,725,000</u>	<u>603,275</u>	<u>2,328,275</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 989,972</u>	262,611	<u>\$ 1,252,583</u>	<u>\$ 1,252,583</u>
Fund balance, beginning			<u>935,915</u>		
Fund balance, end			<u>\$ 1,198,526</u>		

Beaufort County, North Carolina
Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment Earnings	\$ -	\$ -	\$ 1,850	\$ 1,850	\$ 1,850
Total revenues	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>
Expenditures					
Capital Outlay					
Jail Improvements	\$ 49,500	\$ 18,500	\$ 22,500	\$ 41,000	\$ 8,500
Contracted Services - Broadband	4,000,000	-	-	-	4,000,000
Capital Outlay - Multi-Purpose Building	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Total expenditures	<u>5,549,500</u>	<u>18,500</u>	<u>22,500</u>	<u>41,000</u>	<u>5,508,500</u>
Other Financing Sources (Uses)					
Transfer from General Fund	5,128,034	5,128,034	-	5,128,034	-
Transfer from ARP Fund	421,466	398,966	22,500	421,466	-
Total Other Financing Sources (Uses)	<u>5,549,500</u>	<u>5,527,000</u>	<u>22,500</u>	<u>5,549,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,508,500</u>	1,850	<u>\$ 5,510,350</u>	<u>\$ 5,510,350</u>
Fund balance, beginning			<u>5,508,500</u>		
Fund balance, end			<u>\$ 5,510,350</u>		

Beaufort County, North Carolina
Wrights Creek PARTF Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Division of Coastal Management	\$ 405,000	\$ -	\$ -	\$ -	\$ (405,000)
PARTF - Wrights Creek Phase II	249,895	-	-	-	(249,895)
Total revenues	<u>654,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(654,895)</u>
Expenditures					
Cultural and Recreational					
Phase III:					
Planning and Design	62,270	-	16,058	16,058	46,212
Administrative Costs	25,711	-	-	-	25,711
Supplies and Maateriraals	374,761	-	-	-	374,761
Labor - Contract Servicies	249,840	-	-	-	249,840
Phase II:					
Rip Rap Erosion	280,000	-	-	-	280,000
Canoe / Kayak Launch	28,000	-	-	-	28,000
Walking Path	65,000	-	-	-	65,000
Fishing Pier	22,300	-	-	-	22,300
Picnic Shelters	20,000	-	-	-	20,000
Site Amenities	4,300	-	-	-	4,300
Parking / Access	15,000	-	-	-	15,000
Planning and Design	43,460	298	-	298	43,162
Contingency	21,730	-	-	-	21,730
Total expenditures	<u>1,212,372</u>	<u>298</u>	<u>16,058</u>	<u>16,356</u>	<u>1,196,016</u>
Other Financing Sources (Uses)					
Transfer from General Fund	557,477	249,895	307,582	557,477	-
Total Other Financing Sources (Uses)	<u>557,477</u>	<u>249,895</u>	<u>307,582</u>	<u>557,477</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 249,597</u>	291,524	<u>\$ 541,121</u>	<u>\$ 541,121</u>
Fund balance, beginning			<u>249,597</u>		
Fund balance, end			<u>\$ 541,121</u>		

Beaufort County, North Carolina
Harbor District Market Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFP Trust Fund	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ (50,000)
Total revenues	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>
Expenditures					
Economic and Physical Development					
Capital Outlay	100,000	-	50,000	50,000	50,000
Total expenditures	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Other Financing Sources (Uses)					
Transfer from (to) Capital Reserve	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

ENTERPRISE FUNDS

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

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Year Ended June 30, 2023

	2022 <u>Budget</u>	2022 <u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Solid waste fees	\$ 4,040,405	\$ 4,053,696	\$
Scrap tire disposal fees	79,000	98,623	
White goods disposal fees	24,000	22,053	
Solid waste disposal fees	32,500	33,820	
Interest/tax collections	45,000	57,381	
Miscellaneous	-	20	
Total operating revenues	<u>4,220,905</u>	<u>4,265,593</u>	<u>44,688</u>
Nonoperating Revenues:			
Investment Earnings	<u>2,000</u>	<u>40,650</u>	
Total nonoperating revenues	<u>2,000</u>	<u>40,650</u>	<u>38,650</u>
Expenditures:			
Administration:			
Salaries and Employee Benefits	55,177	52,926	
Computer Support	4,000	2,000	
Contract Services	35,560	28,160	
Insurance and Bonds	1,500	124	
Other Expenses	10,265	558	
Telephone	9,200	8,798	
Administrative Cost to General Fund	<u>111,716</u>	<u>111,716</u>	
Total	<u>227,418</u>	<u>204,282</u>	<u>23,136</u>
Solid waste fees and expenses			
Landfill	1,420,500	1,410,525	
Transfer station	1,575,000	1,561,316	
Convenience	461,060	428,018	
Disposal fees	233,355	236,260	
Maintenance	123,545	92,005	
Utilities	3,000	2,862	
Professional services	40,000	7,235	
Recycling - Electronics	<u>135,000</u>	<u>132,391</u>	
Total	<u>3,991,460</u>	<u>3,870,612</u>	<u>120,848</u>
Budgetary appropriations:			
Debt Service	<u>9,940</u>	<u>9,941</u>	<u>(1)</u>
Total Expenditures	<u>4,228,818</u>	<u>4,084,835</u>	<u>143,983</u>
Revenues over (under) Expenditures	<u>(5,913)</u>	<u>221,408</u>	<u>227,321</u>

(continued)

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Year Ended June 30, 2023

	<u>2022</u> Budget	<u>2022</u> Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfer out - Solid Waste project	(47,647)	(28,025)	19,622
Appropriated Fund Balance	<u>81,585</u>	<u>-</u>	<u>(81,585)</u>
Total Other Financing Sources (Uses)	<u>33,938</u>	<u>(28,025)</u>	<u>(61,963)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>28,025</u>	\$ 193,383	\$ <u>165,358</u>
Reconciliation form budgetary basis (modified)			
accrual to full accrual:			
Depreciation		(827)	
Principal Payments - Lease Liability		9,869	
Amortization - Right to Use Assets		(7,731)	
Transfers from other funds (E-1a)		<u>28,025</u>	
Total Reconciling Items		<u>29,336</u>	
Change in net position		\$ <u>222,719</u>	

Beaufort County, North Carolina
Solid Waste Convenience Sites Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures					
Convenience Site Rehab / Repair	\$ 195,701	\$ -	\$ 83,630	\$ 83,630	\$ 112,071
Total expenditures	<u>195,701</u>	<u>-</u>	<u>83,630</u>	<u>83,630</u>	<u>112,071</u>
Revenues over (under) expenditures	<u>(195,701)</u>	<u>-</u>	<u>(83,630)</u>	<u>(83,630)</u>	<u>112,071</u>
Other Financing Source (Uses)					
Transfer from Solid Waste Fund	195,701	167,676	28,025	195,701	-
Total other financing source (uses)	<u>195,701</u>	<u>167,676</u>	<u>28,025</u>	<u>195,701</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$167,676</u>	<u>\$ (55,605)</u>	<u>\$ 112,071</u>	<u>\$ 112,071</u>

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Year Ended June 30, 2023

Exhibit E-2

	2023 Budget	2023 Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 7,950,000	\$ 8,162,953	\$
Tap on fees	220,000	270,310	
Miscellaneous	188,632	247,337	
Total operating revenues	<u>8,358,632</u>	<u>8,680,600</u>	<u>321,968</u>
Nonoperating revenues:			
Interest Earned on Investments	10,000	170,764	
Total Nonoperating Revenues	<u>10,000</u>	<u>170,764</u>	<u>160,764</u>
Total Revenues	<u>8,368,632</u>	<u>8,851,364</u>	<u>482,732</u>
Expenditures:			
Administration:			
Supplies	6,500	5,689	
Telephone	47,000	44,726	
Travel	100,000	101,950	
Utilities	219,000	184,320	
Computer support	139,000	97,464	
Other administration expenses	176,668	180,274	
Total	<u>688,168</u>	<u>614,423</u>	<u>73,745</u>
Water treatment and distribution			
Salaries and employee benefits	1,730,899	1,643,634	
Water purchase	924,000	931,715	
Supplies	510,603	461,538	
Maintenance	387,558	345,214	
Other expenses	510,875	472,524	
Administrative Cost to General Fund	254,860	254,860	
Total	<u>4,318,795</u>	<u>4,109,485</u>	<u>209,310</u>
Budgetary appropriations:			
Capital outlay	348,569	282,048	
Principal payment on long term debt	2,370,527	2,365,970	
Interest, fees, and amortization	704,337	705,103	
Total	<u>3,423,433</u>	<u>3,353,121</u>	<u>70,312</u>
Total Expenditures	<u>8,430,396</u>	<u>8,077,029</u>	<u>353,367</u>
Revenues over (under) Expenditures	<u>(61,764)</u>	<u>774,335</u>	<u>836,099</u>

(continued)

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Year Ended June 30, 2023

Exhibit E-2
(continued)

	2023 Budget	2023 Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	(74,400)	(30,000)	44,400
IT Subscription Agreement	-	3,867	3,867
Total Other Financing Sources (Uses)	(74,400)	(26,133)	48,267
Fund Balance Appropriated	136,164	-	(136,164)
Revenues and other financing sources (uses) over expenditures	\$ -	\$ 748,202	\$ 748,202

Reconciliation from budgetary basis (modified) accrual to full accrual:

Revenues over Expenditures and other financing sources		\$ 748,202	
Depreciation		(2,262,176)	
Amortization		(15,926)	
Debt principal		2,365,970	
Capital outlay		250,903	
IT Subscription Agreement		(3,867)	
Right to Use Assets		3,867	
Principal Payment - IT Subscription Agreement		1,323	
Increase (decrease) in deferred outflows of resources - pension		183,461	
(Increase) decrease in net pension liability		(565,258)	
(Increase) decrease in deferred inflows of resources - pension		303,606	
Increase (decrease) in deferred outflows of resources - OPEB		73,426	
(Increase) decrease in total OPEB liability		(76,632)	
(Increase) decrease in deferred inflows of resources - OPEB		(141,066)	
(Increase) decrease in accrued vacation payable		(24,487)	
Capital contributions (Project Funds)		91,776	
Investment Earnings (Project Funds)		512	
Misc Revenue (Project Funds)		259	
Total reconciling items		185,691	
Change in net position		\$ 933,893	

Beaufort County, North Carolina
CL2 Conversion Project - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0090	\$ 401,100	\$115,190	\$ -	\$ 115,190	\$ (285,910)
Total revenues	<u>401,100</u>	<u>115,190</u>	<u>-</u>	<u>115,190</u>	<u>(285,910)</u>
Expenditures					
Construction - Contract No. 1	350,000	136,552	-	136,552	213,448
Planning and engineering prior to construction	42,300	12,960	-	12,960	29,340
Technical services during construction	92,700	35,009	-	35,009	57,691
Administration	14,000	10,954	-	10,954	3,046
Land purchase	1,000	-	-	-	1,000
Contingency	26,110	-	-	-	26,110
Other	8,690	5,135	-	5,135	3,555
Total expenditures	<u>534,800</u>	<u>200,610</u>	<u>-</u>	<u>200,610</u>	<u>334,190</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(85,420)</u>	<u>-</u>	<u>(85,420)</u>	<u>48,280</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	85,420	-	85,420	(48,280)
Total other financing source (uses)	<u>133,700</u>	<u>85,420</u>	<u>-</u>	<u>85,420</u>	<u>(48,280)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Gaylord Booster Pump Station 53 - Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0010	\$ 1,453,500	\$ 1,345,983	\$ -	\$ 1,345,983	\$ (107,517)
Sales tax refunds	15,000	-	-	-	(15,000)
Total revenues	<u>1,468,500</u>	<u>1,345,983</u>	<u>-</u>	<u>1,345,983</u>	<u>(122,517)</u>
Expenditures					
Construction - Contract No. 1	1,704,000	1,660,437	-	1,660,437	43,563
Planning and engineering prior to construction	136,700	116,235	-	116,235	20,465
Technical services during construction	138,582	105,729	28,470	134,199	4,383
Administration	7,405	1,239	-	1,239	6,166
Closing fees	31,493	31,493	-	31,493	-
Contingency	41,313	-	-	-	41,313
Total expenditures	<u>2,059,493</u>	<u>1,915,133</u>	<u>28,470</u>	<u>1,943,603</u>	<u>115,890</u>
Revenues over (under) expenditures	<u>(590,993)</u>	<u>(569,150)</u>	<u>(28,470)</u>	<u>(597,620)</u>	<u>(6,627)</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	484,500	448,661	-	448,661	(35,839)
Transfers In	106,493	106,493	-	106,493	-
Total other financing source (uses)	<u>590,993</u>	<u>555,154</u>	<u>-</u>	<u>555,154</u>	<u>(35,839)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (13,996)</u>	<u>\$ (28,470)</u>	<u>\$ (42,466)</u>	<u>\$ (42,466)</u>

Beaufort County, North Carolina
Southside Water Treatment Plant Expansion - Water District I
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0019	\$ 2,250,000	\$ 416,599	\$ -	\$416,599	\$ (1,833,401)
Sales tax refund	30,000	-	-	-	(30,000)
Total revenues	<u>2,280,000</u>	<u>416,599</u>	<u>-</u>	<u>416,599</u>	<u>(1,863,401)</u>
Expenditures					
Construction - Contract No. 1	1,108,191	224,601	-	224,601	883,590
Construction - Contract No. 2	1,346,205	74,637	-	74,637	1,271,568
Planning and engineering prior to construction	212,840	208,465	-	208,465	4,375
Technical services during construction	302,140	69,165	-	69,165	232,975
Administration	6,000	974	-	974	5,026
Closing fees	48,750	48,750	-	48,750	-
Contingency	54,624	-	-	-	54,624
Total expenditures	<u>3,078,750</u>	<u>626,592</u>	<u>-</u>	<u>626,592</u>	<u>2,452,158</u>
Revenues over (under) expenditures	<u>(798,750)</u>	<u>(209,993)</u>	<u>-</u>	<u>(209,993)</u>	<u>588,757</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	750,000	138,856	-	138,856	(611,144)
Transfers from Other Funds	48,750	48,750	-	48,750	-
Total other financing source (uses)	<u>798,750</u>	<u>187,606</u>	<u>-</u>	<u>187,606</u>	<u>(611,144)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (22,387)</u>	<u>\$ -</u>	<u>\$ (22,387)</u>	<u>\$ (22,387)</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0091	\$ 733,500	\$ 203,104	\$ 12,385	\$ 215,489	\$ (518,011)
Total revenues	<u>733,500</u>	<u>203,104</u>	<u>12,385</u>	<u>215,489</u>	<u>(518,011)</u>
Expenditures					
Construction - Contract No. 1	700,000	260,978	16,513	277,491	422,509
Planning and engineering prior to construction	76,600	29,226	-	29,226	47,374
Technical services during construction	116,600	37,392	-	37,392	79,208
Administration	14,000	10,960	-	10,960	3,040
Land purchase	1,000	-	-	-	1,000
Contingency	53,818	-	-	-	53,818
Other	15,982	8,812	-	8,812	7,170
Total expenditures	<u>978,000</u>	<u>347,368</u>	<u>16,513</u>	<u>363,881</u>	<u>614,119</u>
Revenues over (under) expenditures	<u>(244,500)</u>	<u>(144,264)</u>	<u>(4,128)</u>	<u>(148,392)</u>	<u>96,108</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	244,500	144,264	4,128	148,392	(96,108)
Total other financing source (uses)	<u>244,500</u>	<u>144,264</u>	<u>4,128</u>	<u>148,392</u>	<u>(96,108)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
CL2 Conversion Project- Water District V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant -					
H-SRP-D-17-0085	\$ 401,100	\$ 112,422	\$ -	\$ 112,422	\$ (288,678)
Total revenues	<u>401,100</u>	<u>112,422</u>	<u>-</u>	<u>112,422</u>	<u>(288,678)</u>
Expenditures					
Construction - Contract No. 1	350,000	138,102	-	138,102	211,898
Planning and engineering prior to					
construction	42,300	13,608	-	13,608	28,692
Technical services during construction	93,700	31,419	-	31,419	62,281
Administration	13,000	10,955	-	10,955	2,045
Land purchase	1,000	-	-	-	1,000
Contingency	26,110	-	-	-	26,110
Other	8,690	5,273	-	5,273	3,417
Total expenditures	<u>534,800</u>	<u>199,357</u>	<u>-</u>	<u>199,357</u>	<u>335,443</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(86,935)</u>	<u>-</u>	<u>(86,935)</u>	<u>46,765</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	86,935	-	86,935	(46,765)
Total other financing source (uses)	<u>133,700</u>	<u>86,935</u>	<u>-</u>	<u>86,935</u>	<u>(46,765)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District VI
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0093	\$ 1,115,000	\$ 38,404	\$ -	\$ 38,404	\$ (1,076,596)
Total revenues	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Expenditures					
Construction - Contract No. 1	1,650,000	-	-	-	1,650,000
Planning and engineering prior to construction	159,200	66,112	-	66,112	93,088
Technical services during construction	242,800	-	-	-	242,800
Administration	13,100	10,695	-	10,695	2,405
Land purchase	1,000	-	-	-	1,000
Contingency	124,875	-	-	-	124,875
Other	39,025	23,161	-	23,161	15,864
Total expenditures	<u>2,230,000</u>	<u>99,968</u>	<u>-</u>	<u>99,968</u>	<u>2,130,032</u>
Revenues over (under) expenditures	<u>(1,115,000)</u>	<u>(61,564)</u>	<u>-</u>	<u>(61,564)</u>	<u>1,053,436</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Total other financing source (uses)	<u>1,115,000</u>	<u>38,404</u>	<u>-</u>	<u>38,404</u>	<u>(1,076,596)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (23,160)</u>	<u>\$ -</u>	<u>\$ (23,160)</u>	<u>\$ (23,160)</u>

Beaufort County, North Carolina
CL2 Conversion Project - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0089	\$ 504,000	\$ 20,704	\$ -	\$ 20,704	\$ (483,296)
Total revenues	<u>504,000</u>	<u>20,704</u>	<u>-</u>	<u>20,704</u>	<u>(483,296)</u>
Expenditures					
Construction - Contract No. 1	450,000	-	-	-	450,000
Planning and engineering prior to construction	52,500	16,905	-	16,905	35,595
Technical services during construction	110,600	-	-	-	110,600
Administration	13,000	10,700	-	10,700	2,300
Land purchase	1,000	-	-	-	1,000
Contingency	33,980	-	-	-	33,980
Other	10,920	6,520	-	6,520	4,400
Total expenditures	<u>672,000</u>	<u>34,125</u>	<u>-</u>	<u>34,125</u>	<u>637,875</u>
Revenues over (under) expenditures	<u>(168,000)</u>	<u>(13,421)</u>	<u>-</u>	<u>(13,421)</u>	<u>154,579</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	168,000	6,901	-	6,901	\$ (161,099)
Total other financing source (uses)	<u>168,000</u>	<u>6,901</u>	<u>-</u>	<u>6,901</u>	<u>(161,099)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (6,520)</u>	<u>\$ -</u>	<u>\$ (6,520)</u>	<u>\$ (6,520)</u>

Beaufort County, North Carolina
Advanced Metering Infrastructure Fund - All Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Sales tax refunds	\$ 212,558	\$ 152,372	\$ -	\$ 152,372	\$ (60,186)
Investment Earnings	-	86,971	-	86,971	86,971
Miscellaneous Revenue	-	16,519	259	16,778	16,778
Total revenues	<u>212,558</u>	<u>255,862</u>	<u>259</u>	<u>256,121</u>	<u>43,563</u>
Expenditures					
System improvements	4,403,698	4,367,515	18,750	4,386,265	17,433
Program management	237,985	221,991	-	221,991	15,994
Other fees/charges	5,000	1,250	-	1,250	3,750
Contingency	65,875	-	-	-	65,875
Total expenditures	<u>4,712,558</u>	<u>4,590,756</u>	<u>18,750</u>	<u>4,609,506</u>	<u>103,052</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>(4,334,894)</u>	<u>(18,491)</u>	<u>(4,353,385)</u>	<u>146,615</u>
Other Financing Source (Uses)					
Installment proceeds	4,500,000	4,500,000	-	4,500,000	-
Total other financing source (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 165,106</u>	<u>\$ (18,491)</u>	<u>\$ 146,615</u>	<u>\$ 146,615</u>

Beaufort County, North Carolina
Northside Generator Fund - Phase II - Water Districts I, II, III, IV, and V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Project		
Revenues:						
Golden Leaf Foundation Grant	\$ 366,465	\$ 357,096	\$ (122)	\$ (356,974)	\$ -	\$ (9,491)
Total Revenues	<u>366,465</u>	<u>357,096</u>	<u>(122)</u>	<u>(356,974)</u>	<u>-</u>	<u>(9,491)</u>
Expenditures						
Engineering	52,532	43,386	-	(43,386)	-	9,146
Construction	313,933	313,588	-	(313,588)	-	345
Total expenditures	<u>366,465</u>	<u>356,974</u>	<u>-</u>	<u>(356,974)</u>	<u>-</u>	<u>9,491</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ (122)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Swan Point Mobile Home Park - Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures					
Engineering	\$ 23,030	\$ -	\$ 5,823	\$ 5,823	\$ 17,207
Total expenditures	<u>23,030</u>	<u>-</u>	<u>5,823</u>	<u>5,823</u>	<u>17,207</u>
Revenues over (under) expenditures	<u>(23,030)</u>	<u>-</u>	<u>(5,823)</u>	<u>(5,823)</u>	<u>17,207</u>
Other Financing Source (Uses)					
Transfer from Water Districts	23,030	23,030	-	23,030	-
Total other financing source (uses)	<u>23,030</u>	<u>23,030</u>	<u>-</u>	<u>23,030</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 23,030</u>	<u>\$ (5,823)</u>	<u>\$ 17,207</u>	<u>\$ 17,207</u>

Beaufort County, North Carolina
American Rescue Plan Act - Water Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Owners Contribution	\$ 79,513	\$ -	\$ 79,513	\$ 79,513	\$ -
Investment earnings	-	-	512	512	512
Total revenues	<u>79,513</u>	<u>-</u>	<u>80,025</u>	<u>80,025</u>	<u>512</u>
Expenditures:					
Economic and physical development					
Capital Outlay - SCADA	700,000	-	-	-	700,000
Capital Outlay - Swan Point	266,513	732	205,359	206,091	60,422
Capital Outlay - Tank Mixers	112,000	-	-	-	112,000
Capital Outlay - Directional Drill	285,000	-	-	-	285,000
Capital Outlay - Line Upgrades	325,000	-	-	-	325,000
Total expenditures	<u>1,688,513</u>	<u>732</u>	<u>205,359</u>	<u>206,091</u>	<u>1,482,422</u>
Revenues over (under) expenditures	<u>(1,609,000)</u>	<u>(732)</u>	<u>(125,334)</u>	<u>(126,066)</u>	<u>1,482,934</u>
Other financing sources:					
Transfer (to) from other funds	<u>1,609,000</u>	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>-</u>
Total other financing sources	<u>1,609,000</u>	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,608,268</u>	<u>\$ (125,334)</u>	<u>\$ 1,482,934</u>	<u>\$ 1,482,934</u>

Beaufort County, North Carolina
NCDOT NC 33 Water Line Relocation - Water Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
NCDOT Reimbursement	\$ 966,448	\$ -	\$ -	\$ -	\$ (966,448)
Total revenues	<u>966,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(966,448)</u>
Expenditures:					
Construction Relocation	845,640	-	-	-	845,640
Planning Design	57,848	-	57,847	57,847	1
Construction Administration	27,660	-	-	-	27,660
Construction Observation	28,800	-	-	-	28,800
NCDOT Reimbursable	2,500	-	-	-	2,500
Legal Expenses	2,500	-	-	-	2,500
Advertisement Fee	1,500	-	-	-	1,500
Total expenditures	<u>966,448</u>	<u>-</u>	<u>57,847</u>	<u>57,847</u>	<u>908,601</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,847)</u>	<u>\$ (57,847)</u>	<u>\$ (57,847)</u>

INTERNAL SERVICE FUND

This fund is used to account for the financing of goods and services to other County funds and departments on a cost-reimbursement basis. The County maintains one Internal Service Fund - Workers Comp Fund.

Beaufort County, North Carolina
Internal Service Fund
Workers Compensation Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2023

	Financial Plan	Actual	Variance Positive (Negative)
Operating Expenses:			
Workers Comp Claims	\$ 60,000	\$ 52,680	\$ 7,320
Total operating expenses	<u>60,000</u>	<u>52,680</u>	<u>7,320</u>
Operating income (loss)	<u>(60,000)</u>	<u>(52,680)</u>	<u>7,320</u>
Nonoperating Revenues:			
Investment Earnings	-	247	247
Total nonoperating revenues	<u>-</u>	<u>247</u>	<u>247</u>
Other Financing Sources (Uses):			
Transfer in - General Fund	746,000	746,000	-
Transfer in - Water Fund	30,000	30,000	-
Reserve for future claims	<u>(716,000)</u>	<u>-</u>	<u>716,000</u>
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>776,000</u>	<u>716,000</u>
Change in net position	<u>\$ -</u>	<u>723,567</u>	<u>\$ 723,567</u>
Net Position:			
Beginning of Year - July 1		<u>-</u>	
End of Year - June 30		<u>\$ 723,567</u>	

CUSTODIAL FUNDS

Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria

Beaufort County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

Exhibit G-1

	Municipal Tax Fund	Drainage Assessment Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 84,932	\$ 100	\$ 17,668	\$ 102,700
Taxes receivable for other governments, net	316,603	7,912	-	324,515
Total assets	<u>401,535</u>	<u>8,012</u>	<u>17,668</u>	<u>427,215</u>
LIABILITIES				
Due to other governments	90,382	100	-	90,482
Total liabilities	<u>90,382</u>	<u>100</u>	<u>-</u>	<u>90,482</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other	311,153	7,912	17,668	336,733
Total net position	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 17,668</u>	<u>\$ 336,733</u>

Beaufort County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

Exhibit G-2

	<u>Municipal Tax Fund</u>	<u>Drainage Assessment Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Ad valorem taxes for other governments	\$ 7,012,842	\$ -	\$ -	\$ 7,012,842
Collections on behalf of inmates	-	-	172,019	172,019
Drainage assessments	-	367,369	-	367,369
Total additions	<u>7,012,842</u>	<u>367,369</u>	<u>172,019</u>	<u>7,552,230</u>
DEDUCTIONS				
Tax distributions to other governments	7,019,618	364,973	-	7,384,591
Payments on behalf of inmates	-	-	168,212	168,212
Total deductions	<u>7,019,618</u>	<u>364,973</u>	<u>168,212</u>	<u>7,552,803</u>
Net increase (decrease) in fiduciary net position	(6,776)	2,396	3,807	(573)
Net position, beginning	<u>317,929</u>	<u>5,516</u>	<u>13,861</u>	<u>337,306</u>
Net position, ending	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 17,668</u>	<u>\$ 336,733</u>

OTHER SCHEDULES

This section includes additional information on property taxes.

Beaufort County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Exhibit H-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 39,553,305	\$ 39,058,822	\$ 494,483
2021-2022	485,467	-	235,278	250,189
2020-2021	316,559	-	106,628	209,931
2019-2020	217,307	-	59,647	157,660
2018-2019	160,601	-	29,892	130,709
2017-2018	114,497	-	17,659	96,838
2016-2017	97,924	-	11,821	86,103
2015-2016	80,894	-	8,236	72,658
2014-2015	63,197	-	5,394	57,803
2013-2014	95,124	-	6,177	88,947
2012-2013	110,957	-	110,957	-
Totals	<u>\$ 1,742,527</u>	<u>\$ 39,553,305</u>	<u>\$ 39,650,511</u>	<u>\$ 1,645,321</u>
				<u>597,556</u>
				<u>\$ 1,047,765</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund			\$	39,771,771
Reconciling items:				
Interest collected				(251,747)
Taxes written off				110,957
Refunds				19,525
Miscellaneous				5
Total Collections and Credits			\$	<u>39,650,511</u>

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Year Ended June 30, 2023

Exhibit H-2

	County - wide		Total Levy		
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate	\$ 6,307,553,320	0.625	\$ 39,422,208	\$ 35,400,844	\$ 4,021,364
Total	6,307,553,320		39,422,208	35,400,844	4,021,364
Discoveries	20,975,520	0.625	131,097	131,097	-
Totals	<u>\$ 6,328,528,840</u>				
Net levy			39,553,305	35,531,941	4,021,364
Current year's taxes collected			39,058,822	35,037,458	4,021,364
Uncollected taxes at June 30, 2023			\$ 494,483	\$ 494,483	\$ -
Current levy collection percentage			<u>98.75%</u>	<u>98.61%</u>	<u>100.00%</u>

Beaufort County, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2023

Taxpayer	Type of Business	Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company Inc.	Phosphate Mining/Acid Production	\$ 1,092,279,822	17.26%
Weyerhaeuser Co.	Tree Farm Operation	110,883,165	1.75%
Purified Acid Partnership	Acid Production	54,285,664	0.86%
Wilkinson Solar LLC	Solar Farm	38,660,010	0.61%
Caterpillar Financial Services Corp.	Equipment Leasing	20,516,306	0.32%
Gregory Poole Leasing LLC	Equipment Leasing	14,960,365	0.24%
FPI Carolinas LLC	Agriculture	14,084,413	0.22%
Victory Square LLC	Real Estate	12,796,804	0.20%
Flanders Filters	Air Filtration Designer/Manufacturer	11,557,473	0.18%
Iconic Marine Group	Boat Manufacturer	10,581,847	0.17%

COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises Beaufort County's basic financial statements, and have issued our report thereon dated November 17, 2023. Our report includes reference to other auditors who audited the financial statements of the Beaufort County ABC Board, as described in our report on Beaufort County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported by those auditors. The financial statements of the Beaufort County ABC Board were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

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material weaknesses. We did identify certain deficiencies in internal control, described in the accompany schedule of findings and questioned costs as item 2023-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Beaufort County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's responses to the findings identified in our audit which are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2023



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

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Beaufort County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Beaufort County's major federal programs for the year ended June 30, 2023. Beaufort County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Beaufort County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Beaufort County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beaufort County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beaufort County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beaufort County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Beaufort County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, and 2023-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Beaufort County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Beaufort County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

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Whiteville, NC
November 17, 2023



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

Independent Auditors' Report

To the Board of County Commissioners
Beaufort County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Beaufort County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Beaufort County's major State programs for the year ended June 30, 2023. Beaufort County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Beaufort County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Beaufort County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Beaufort County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beaufort County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beaufort County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beaufort County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Beaufort County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, and 2023-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Beaufort County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Beaufort County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Beaufort County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2023

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted ___yes _X_no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
10.557	Special Supplemental Nutrition Program for Women, Infants, & Children
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? _X_yes ___no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ___yes _X_no

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I. Summary of Auditors' Results (continued)

• Significant Deficiency(s) identified X yes none reported

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

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

Identification of major State programs:

Program Name
Medical Assistance Program
Public School Building Capital Fund - Lottery Proceeds
School Nurse Funding Initiative

Dollar threshold used to determine a State major program \$ 500,000

Auditee qualified as State low-risk auditee? X yes no

Section II. Financial Statement Findings

Finding: 2023-001 Crosscutting Requirements (DSS-1571, Part II - Charging of Costs)

SIGNIFICANT DEFICENCY

*Note - Low Income Energy Assistance (AL #93.568) was not identified as a Major Program to test for the current year. However, as part of Cross-cutting requirements, we identified the following error, so we are disclosing it as an internal control error as opposed to a Federal compliance error.

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with the Division of Social Services Energy Programs Manual, all case information used to determine eligibility, ineligibility and the benefit level must be clearly documented, and maintained for three years or until the fiscal audit and/or program audit is complete.

Condition: There were 5 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Context: In response to the suggested audit procedures to verify that costs charged to a given program were allowable costs for that program (as indicated in the individual compliance supplement for the program), we examined 25 cases from of a total of 1589 approved energy assistance applications from the Processed Apps Detail report provided by NC Department of Health and Human Services to re-determine eligibility.

Effect: For those approved applications, there was a chance that information was not properly documented and reconciled to NC FAST, and an applicant could have been approved for benefits for which they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

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

Finding: 2023-002 Inaccurate Information Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 7 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

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

Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 553,427 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-001.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

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

Finding: 2023-003 Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or noncountable resources and explained within the documentation.
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**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

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

Condition:	There were 2 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 553,427 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-002.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

AL # 93.778

Finding: 2023-004 Inadequate Request for Information

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 4 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 553,427 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-004.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section IV. State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICIENCY: Finding 2023-002, 2023-003, and 2023-004 also apply to State requirements and State Awards.

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David Francisco, County Attorney

**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings

Finding 2023-001

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisor will be reviewing records internally to ensure accuracy of cases. Applications will be reviewed and monitored on a rotation basis. Findings from second party reviews will be reviewed with the worker to monitor a pattern for errors and will review policy guidelines to ensure worker is knowledgeable of policy requirements. Training will also be provided to ensure all files include online verifications. Supervisors will provide training to ensure workers are aware of proper documentation required to support eligibility decisions. Checklists have been established to include errors cited during the audit. Checklists are to be completed at all applications.

Two applications cited in error were processed by temporary staff hired to assist with the volume of Crisis Intervention applications as well as the Low-Income Energy Assistance applications. Two applications cited in error were processed by an employee who has retired. Training will be provided to all temporary staff when hired to ensure applications are processed accurately and all necessary information is requested.

Proposed Completion Date: Training will be provided the week of September 5, 2023 to review findings of corrective action items. Trainings will continue every week to review policy changes, NCFAS updates, as well as common errors that may be found during second party reviews.

Section III - Federal Award Findings and Question Costs

Finding 2023-002

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAS. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2023**

Section III - Federal Award Findings and Question Costs (continued)

For FY 2023-2024- Beaufort County DSS requested a new Income Maintenance Caseworker III- Quality Assurance Specialist, to assist with Quality Control, and this position was approved by the Beaufort County Board of Commissioners in June 2023. We requested this Quality Assurance position to review and monitor records to determine common error trends and to assist with training Income Maintenance Caseworkers on Medicaid Policy. As of November 2023, this position has been posted three times with no success to fill the position. We are hopeful with the current applicants that this position will be filled as soon as possible.

Proposed completion date: Training will be provided the week of November 20, 2023 to review findings and corrective action items. Trainings will continue every week, to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews. There were five technical errors cited with a review date from a prior fiscal year. One out of the five of these errors is for a review period in 2020.

Finding 2023-003

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAST. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

For FY 2023-2024- Beaufort County DSS requested a new Income Maintenance Caseworker III- Quality Assurance Specialist, to assist with Quality Control, and this position was approved by the Beaufort County Board of Commissioners in June 2023. We requested this Quality Assurance position to review and monitor records to determine common error trends and to assist with training Income Maintenance Caseworkers on Medicaid Policy. As of November 2023, this position has been posted three times with no success to fill the position. We are hopeful with the current applicants that this position will be filled as soon as possible.

BEAUFORT COUNTY ADMINISTRATION BUILDING
121 West 3rd Street * Washington, North Carolina 27889 * Phone (252) 946-0079 * Fax (252)-946-7722

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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2023**

Section III - Federal Award Findings and Question Costs (continued)

Audit findings were listed as previous findings from previous audit. We will continue to face challenges for errors cited when cases continue to be pulled from previous fiscal years. Continuous training is provided for errors cited but cases continue to be selected for years prior to when training is provided. Errors are listed as Significant Deficiency but shows a decrease of 21 errors from the previous Single County Audit to 13 errors for the current findings.

Proposed completion date: Training will be provided the week of November 20, 2023 to review findings and corrective action items. Trainings will continue every week to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews. The two errors cited had a review date from a prior fiscal year dating back to 2021.

Finding 2023-004

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors, will ensure staff complete all required trainings provided by the Division of Health Benefits. Supervisors will provide additional training, when needed to ensure staff have a good understanding of all current and new policy as policy continuously changes. Records will be reviewed internally to ensure cases provide proper documentation. Workers will be trained on the importance of ensuring files include, online verifications, documentation of resources and ensuring, documented resources and income match information entered in NCFAST. Documentation in files should provide clear steps taken by caseworkers to determine eligibility. Checklists have been established to include errors cited during audit. Checklists are to be completed at applications and recertifications, As policy changes and new recommendations are provided by the state, checklists are updated to ensure staff are aware of the most recent policy and procedures.

For FY 2023-2024- Beaufort County DSS requested a new Income Maintenance Caseworker III- Quality Assurance Specialist, to assist with Quality Control, and this position was approved by the Beaufort County Board of Commissioners in June 2023. We requested this Quality Assurance position to review and monitor records to determine common error trends and to assist with training Income Maintenance Caseworkers on Medicaid Policy. As of November 2023, this position has been posted three times with no success to fill the position. We are hopeful with the current applicants that this position will be filled as soon as possible.

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**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2023**

Section III - Federal Award Findings and Question Costs (continued)

Audit findings were listed as previous findings from previous audit. We will continue to face challenges for errors cited when cases continue to be pulled from previous fiscal years. Continuous training is provided for errors cited but cases continue to be selected for years prior to when training is provided. Errors are listed as Significant Deficiency but shows a decrease of 21 errors from the previous Single County Audit to 13 errors for the current findings.

Proposed completion date: Training will be provided the week of November 20, 2023 to review findings and corrective action items. Trainings will continue every week to review policy changes, NCFAST updates as well as common errors that may be found during second party reviews. One error cited had a review date from a prior fiscal year datingback to 2021.

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2023-002, 2023-003, and 2023-004 also apply to State Award Findings.

Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Finding: 2022-001

Status: This finding is not corrected, repeated as 2023-002.

Finding: 2022-002

Status: This finding is not corrected, repeated as 2023-003.

Finding: 2022-003

Status: Corrected.

Finding: 2022-004

Status: This finding is not corrected, repeated as 2023-004.

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>FEDERAL AWARDS</u>						
<u>U.S. Department of Agriculture</u>						
Passed through N. C. Department of Health and Human Services Division of Public Health Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		\$ 316,863	\$ -	\$ -	\$ -
Passed through N.C. Department of Health and Human Services Division of Social Services Administration: State Administrative Matching Grants for Supplemental Nutrition Assist. Program	10.561		623,816	-	-	623,816
FNS - ARPA	10.561		106,395	-	-	-
Total Supplemental Nutrition Assist. Program			<u>730,211</u>	-	-	623,816
Total U.S. Department of Agriculture			<u>1,047,074</u>	-	-	623,816
<u>U.S. Department of Defense</u>						
Passed-through N.C. Department of Public Safety National Guard Military Operations and Maintenance (O&M) Projects	12.401		90	90		
Total U.S. Department of Defense			<u>90</u>	<u>90</u>	-	-
<u>U.S. Department of Treasury</u>						
Coronavirus State and Local Fiscal Recovery Funds	21.027		308,768	-	-	-
Local Assistance & Tribal Consistency Fund	21.032		50,000			
Total U.S. Department of Treasury			<u>358,768</u>	-	-	-
<u>U. S. Department of Housing and Urban Development</u>						
Passed-through NC Housing Finance Agency Essential Single Family Rehabilitation Loan Pool	14.239		205,359	-	-	-
Total U. S. Department of Housing and Urban Development			<u>205,359</u>	-	-	-
<u>U.S. Department of Health and Human Services</u>						
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health:						
Public Health Emergency Preparedness	93.069		34,719	-	-	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		119,009	-	-	-
Maternal and Child Health Federal Consolidated Programs	93.110		30,000			
Project Grants and Cooperative Agreements for	93.116		2,260	-	-	-
Family Planning Services	93.217		42,975	-	-	-
Immunization Cooperation Agreements	93.268		14,202	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		63,850	-	-	-
Total Immunization Cooperation Agreements			<u>78,052</u>	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		95,409	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		95,352	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		19,000	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		97,359	16,119	-	-
Temporary Assistance for Needy Families (TANF) Cluster						
Division of Social Services						
TANF - Work First	93.558		1,156,834	-	-	579,448
Division of Public Health						
TANF - Work First	93.558		8,195	-	-	-
Total TANF Cluster			1,165,029	-	-	579,448
Family Preservation	93.556		32,502	-	-	-
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		677,580	127,435	-	423,575
Adoption Assistance	93.659		5,862	-	-	5,862
Foster Care	N/A		46,088	-	-	-
Total Foster Care and Adoption Cluster			729,530	127,435	-	429,437
Child Support Enforcement	93.563		627,803	(391)	-	323,805
Low-Income Home Energy Assistance						
Administration	93.568		40,020	-	-	-
Energy Assistance Payments	93.568		117,959	-	-	-
Crisis Intervention Program	93.568		113,771	-	-	-
LIEAP ARPA	93.568		-	-	-	-
LIEAP ARPA ADM	93.568		-	-	-	-
LIHWAP ADM	93.568		9,057	-	-	-
LIHWAP ARPA	93.568		11,888	-	-	-
LIHWAP ARPA ADM	93.568		13,682	-	-	-
LIHWAP CAA	93.568		44,164	-	-	-
Total Low-Income Home Energy Assistance			350,541	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		12,859	(1,054)	-	3,583
Total Stephanie Tubbs Jones Child Welfare Services Program						
Chafee Foster Care Independence Program	93.674		24,780	3,858	-	-
SSBG - Other Service and Training	93.667		328,593	-	-	109,531
Division of Aging and Adult Services:						
Division of Social Services						
SSBG - Adult	93.667		11,650	-	-	-
SSBG - In Home Service	93.667		10,809	-	-	1,544
CPS TANF to SSBG	93.667		39,048	-	-	-
Total Social Service Block Grant			390,100	-	-	111,075
Division of Child Development and Early Education						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services						
Childcare Development Mandatory and						
Match Fund - Administration	93.596		144,987	-	-	-
Total Subsidized Child Care			144,987	-	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed through Mid-East Commission						
Division of Aging and Adult Services						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		131,122	7,713	-	-
Expanding Access to Covid Vaccine	93.044		44,446	-	-	-
ARPA - Supportive Services	93.044		62,278	10,990	-	-
Special Programs for the Aging - Title III C						
HCCBG - Home Delivered and Congregate Meals	93.045		141,729	8,337	-	-
ARPA - Congregate Meals	93.045		5,782	1,020	-	-
Nutrition Services	93.045		-	-	-	-
Total Aging Cluster			385,357	28,060	-	-
Nutrition Services Incentive Program	93.053		18,513	-	-	-
SSBG	93.667		19,206	549	-	-
Medical Assistance Program	93.778		1,403,848	157,613	-	556,712
State Children's Insurance Program - N.C. Health Choice	93.767		21,344	2,118	-	2,838
Total U.S. Department of Health and Human Services			5,971,241	334,307	-	2,006,898
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Department of Public Safety						
Division of Emergency Management:						
COVID-19 Disaster Grants - Public Assistance	97.036		72,741	24,247	-	-
Emergency Management Performance Grant	97.042		39,032	-	-	-
Total U.S. Department of Homeland Security			111,773	24,247	-	-
Total Federal Awards			\$ 7,694,305	\$ 358,644	\$ -	\$ 2,630,714
STATE AWARDS						
<u>N.C. Department of Health and Human Services</u>						
Division of Public Health						
Food and Lodging Fees			\$ -	\$ 19,066	\$ -	\$ -
PH Capacity Building			-	84,054	-	-
General Communicable Disease Control			-	2,684	-	-
Healthy Community Activities			-	3,747	-	-
Child Health			-	844	-	-
HIV/STD State			-	54,029	-	-
Breast and Cervical Cancer Program			-	13,825	-	-
School Nurse Funding Initiative			-	250,000	-	-
Healthy Beginnings			-	79,767	-	-
Family Planning - State			-	41,440	-	-
Maternal Health (HMHC)			-	22,304	-	-
Women's Health Service Fund			-	7,681	-	-
TB Control			-	25,721	-	-
Total Division of Public Health			-	605,162	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	23,936	-	-
County Funded Programs			-	-	-	1,426,481
Non-Allocating County Cost			-	-	-	403,258
Extended FC/MAX NON IV-E			-	8,748	-	-
F/C at Risk Mazximization			-	12,037	-	4,422

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
SFHF Maximization			-	42,519	-	41,277
State Foster Home			-	83,518	-	75,127
Total Division of Social Services			-	170,758	-	1,950,565
Passed-Through the Mid-East Commission						
Division of Aging and Adult Services:						
State Appropriation - Access			-	13,455	-	-
State Appropriation - In-Home Services			-	135,865	-	-
State Appropriation - Home Delivered Meals			-	-	-	-
Total Division of Aging			-	149,320	-	-
Total N.C. Department of Health and Human Services			-	925,240	-	1,950,565
<u>N.C. Department of Public Safety</u>						
Juvenile Crime Prevention Programs			-	187,594	-	-
Division of Emergency Management						
Criminal Justice Partnership Program			-	33,947	-	-
Sheriff Assistance Fund			-	50,918	-	-
Total Agency N.C. Department of Public Safety			-	272,459	-	-
<u>N.C. Department of Transportation</u>						
ROAP Cluster						
ROAP - RGP		DPT-16CL 36228.22.11.1		99,212		
ROAP - EDTAP		DPT-16CL 36220.10.11.1		86,376		
ROAP - EMPLOYMENT		DPT-16CL 36236.11.10.1		15,600		
Total ROAP Cluster			-	201,188	-	-
Total N.C. Department of Transportation			-	201,188	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Spay Neuter Program			-	24,601	-	-
Soil and Water Grant			-	30,110	-	-
Farmland Preservation - Harbor District Market				50,000		
Stream Debris Removal		190914057	-	218	-	-
Streamflow Rehabilitation Program (StRAP)		220804008	-	173,683	-	-
Watershed Restoration Project		17-175-4087	-	142,997	-	-
Total N.C. Department of Agriculture and Consumer Services			-	421,609	-	-
<u>N.C. Department of Environment Quality</u>						
Division of Waste Management						
Scrap Tire Fund - SWMGT			-	14,542	-	-
Division of Water Infrastructure						
Connect NC Bond H-SRP-D-17-0090 Grant		DEQ-30	-	-	-	-
Connect NC Bond H-SRP-D-17-0010 Grant		DEQ-30	-	-	-	-
Connect NC Bond H-SRP-D-17-0019 Grant		DEQ-30	-	-	-	-
Connect NC Bond H-SRP-D-17-0091 Grant		DEQ-30	-	12,385	-	-
Connect NC Bond H-SRP-D-17-0085 Grant		DEQ-30	-	-	-	-
Connect NC Bond H-SRP-D-17-0093 Grant		DEQ-30	-	-	-	-
Connect NC Bond H-SRP-D-17-0089 Grant		DEQ-30	-	-	-	-
Total Connect NC Bond Grant			-	12,385	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal	State/ Pass-through	Federal	State	Provided	Local
	Assistance Listing No.	Grantor's Number	Expenditures	Expenditures	to Subrecipients	Expenditures
Connect NC Bond H-SRP-D-17-0090 Loan		DEQ-30	-	77,362	-	-
Connect NC Bond H-SRP-D-17-0010 Loan		DEQ-30	-	424,436	-	-
Connect NC Bond H-SRP-D-17-0019 Loan		DEQ-30	-	101,356	-	-
Connect NC Bond H-SRP-D-17-0091 Loan		DEQ-30	-	134,617	-	-
Connect NC Bond H-SRP-D-17-0085 Loan		DEQ-30	-	78,693	-	-
Connect NC Bond H-SRP-D-17-0093 Loan		DEQ-30	-	4,738	-	-
Connect NC Bond H-SRP-D-17-0089 Loan		DEQ-30	-	1,804	-	-
Total Connect NC Bond Loan			-	823,006	-	-
Total Connect NC Bond			-	835,391	-	-
Total N.C Department of Enviroment Quality			-	849,933	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	474,000	-	-
Total N.C Department of Public Instruction			-	474,000	-	-
<u>N.C. Department of Administration</u>						
Veteran Services			-	2,083	-	-
Total N.C Department of Public Instruction			-	2,083	-	-
<u>N.C. Housing Finance Agency</u>						
Urgent Repair Program			-	79,781	-	-
Total N.C Housing Finance Agency			-	79,781	-	-
Total State Assistance			\$ -	\$ 3,226,293	\$ -	\$ 1,950,565
Other Financial Assistance:						
NC Dept of Justice						
Opioid Settlement Fund (Note 7)			\$ -	\$ 1,310	\$ -	\$ -
Total Assistance Federal and State Assistance			\$ 7,694,305	\$ 3,586,247	\$ -	\$ 4,581,279

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Beaufort County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Beaufort County, it is not intended to and does not present the financial position, changes in net position or cash flows of Beaufort County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Loans Outstanding

Beaufort County had the following loan balances outstanding at June 30, 2023 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Current year grant expenditures, loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2023 consist of:

<u>Progrm Title</u>	<u>AL#</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Connect NC Bond H-SRP-D-17-0090	N/A	H-SRP-D-17-0090	77,362
Connect NC Bond H-SRP-D-17-0010	N/A	H-SRP-D-17-0010	424,436
Connect NC Bond H-SRP-D-17-0019	N/A	H-SRP-D-17-0019	101,356
Connect NC Bond H-SRP-D-17-0091	N/A	H-SRP-D-17-0091	134,617
Connect NC Bond H-SRP-D-17-0085	N/A	H-SRP-D-17-0085	78,693
Connect NC Bond H-SRP-D-17-0093	N/A	H-SRP-D-17-0093	4,738
Connect NC Bond H-SRP-D-17-0089	N/A	H-SRP-D-17-0089	1,804

Note 5: Cluster of Programs

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

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
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Note 6: Benefit Payments Issued by the State

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

Program Title	AL No.	Federal	State
Food and Nutrition Services	10.551	\$ 26,949,622	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,056,489	-
IV-E Adopt & Vendor	93.659	1,012,501	184,338
TANF Payments & Penalties	93.558	153,329	-
Children's Health Insurance Program	93.767	285,562	63,857
Medical Assistance Program	93.778	87,256,970	34,343,652
CWS Adopt, Vendor, Guard	N/A	-	202,786
SC/SA Domiciliary Care	N/A	-	421,561

Note 7: Opioid Settlement

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.