

BEAUFORT COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2025

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<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		26-66

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<u>Exhibit</u>	<u>Page</u>
<b>Required Supplemental Financial Data:</b>		
Schedule of County's Proportionate Share of Net Pension Liability (LGERS)	A-1	67
Schedule of County Contributions (LGERS)	A-2	68
Schedule of County's Proportionate Share of Net Pension Asset (ROD)	A-3	69
Schedule of County Contributions (ROD)	A-4	70
Schedule of Changes in Total Pension Liability (LEOSSA)	A-5	71
Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)	A-6	72
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-7	73
 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	74-77
Revaluation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-1a	78
Opioid Settlement Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	B-2	79
Eastern Elementary School Construction Fund - Schedule of Revenues Expenditures, and Changes in Fund Balances - Budget and Actual	B-3	80
Non-Major Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	82

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<u>Exhibit</u>	<u>Page</u>
Special Revenue Funds:		
Combining Balance Sheets – Non-Major Special Revenue Funds	C-3	83-86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	C-4	87-90
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
HCCBG - Aging Fund	C-5	91
Economic Development Fund	C-6	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Fire and Rescue Tax Districts Fund	C-7	93
Emergency Telephone System Fund	C-8	94
State and Federal Seizures Fund	C-9	95
Healthcare Reserve Fund	C-10	96
One NC Grant Fund	C-11	97
Economic Development Initiatives	C-12	98
Representative Payee Fund	C-13	99
4H Fund	C-14	100
Cooperative Extension Fund	C-15	101
EMS Billing and Collections Fund	C-16	102
ADFPTF 19-035-4028 Grant Fund	C-17	103
ADFPTF 24-038-4030 Grant Fund	C-18	104
Revaluation Project Fund	C-19	105
NC Housing Financing Agency Single Family Housing Loan Pool	C-20	106
Beaufort County Sherriff's Office Boat Grant Fund	C-21	107
State Centric Model Grant Fund	C-22	108
Beaufort Promise Fund	C-23	109
Coronavirus Local Fiscal Recovery Funds CFR 21.027 (ARPA Funds)	C-24	110

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<u>Exhibit</u>	<u>Page</u>
ADFPTF 21-003-4005 Grant Fund	C-25	111
IT Grant Project Fund	C-26	112
BRIC Grant Fund	C-27	113
Beaufort County EM Communications Grant Fund	C-28	114
NC Emergency Management Grant (#NCEM-LESCG2311)	C-29	115
NC Department of Commerce - Building Reuse Program - Agape Health Clinic	C-30	116
NC Department of Commerce - Building Reuse Program - Hometown Hall	C-31	117
 Capital Project Funds:		
Combining Balance Sheets – Non-Major Capital Projects Fund	D-1	118-119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Projects Fund	D-2	120-121
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Stream Debris Removal Fund	D-3	122
Voting Machine Capital Reserve Fund	D-4	123
Facility Capital Reserve Fund	D-5	124
Facility Improvements Capital Project Fund	D-6	125
Capital Project Fund	D-7	126
Wrights Creek PARTF Grant Fund	D-8	127
Soil and Water Storage Building Fund	D-9	128
EMS Storage Building Fund	D-10	129
NC Railroad Prep Grant Fund	D-11	130
NC Resilient Coastal Communities Program Fund	D-12	131
FEMA Flood Mitigation Assistance Grant #EMA-2020-FM-110-0005	D-13	132
State Capital Infrastructure Grant - WHS Athletic Facilities Grant (#20941)	D-14	133

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<u>Exhibit</u>	<u>Page</u>
Enterprise Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Solid Waste Fund	E-1	134-135
Solid Waste Convenience Sites Improvements	E-1a	136
Solid Waste Mega Sites Capital Project Fund	E-1b	137
Water District Fund - Consolidated	E-2	138-139
CL2 Conversion Project - Water District I	E-2a	140
Gaylord Booster Pump Station 53 - Water District V	E-2b	141
Southside Water Treatment Plant Expansion - Water District I	E-2c	142
CL2 Conversion Project - Water District IV	E-2d	143
CL2 Conversion Project - Water District V	E-2e	144
CL2 Conversion Project - Water District VI	E-2f	145
CL2 Conversion Project - Water District VII	E-2g	146
Advanced Metering Infrastructure Fund - All Water Districts	E-2h	147
American Rescue Plan Act - Water Projects	E-2i	148
NCDOT NC 33 Water Line Relocation - Water Projects	E-2j	149
BRIC Grant Water Fund	E-2k	150
Internal Service Fund:		
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP) - Internal Service Fund	F-1	151
Custodial Funds:		
Combining Statement of Fiduciary Net Position	G-1	152
Combining Statement of Changes in Fiduciary Net Position	G-2	153
Other Schedules:		
Schedule of Ad Valorem Taxes Receivable	H-1	154
Analysis of Current Tax Levy	H-2	155
Ten Largest Taxpayers	H-3	156

BEAUFORT COUNTY, NORTH CAROLINA  
TABLE OF CONTENTS  
June 30, 2025

	<u>Exhibit</u>	<u>Page</u>
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>		157-158
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		159-161
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		162-164
Schedule of Findings and Questioned Costs		165-168
Corrective Action Plan		169-170
Summary Schedule of Prior Year Audit Findings		171
Schedule of Expenditures of Federal and State Awards		172-177

## FINANCIAL SECTION



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

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

---

## 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, 2025, 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, 2025, 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, 2025, 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's Private Companies Practice Section

## ***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 responsive 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 67 and 68, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 69 and 70, 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 71 and 72, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 73 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 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  
December 23, 2025

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, 2025. 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.

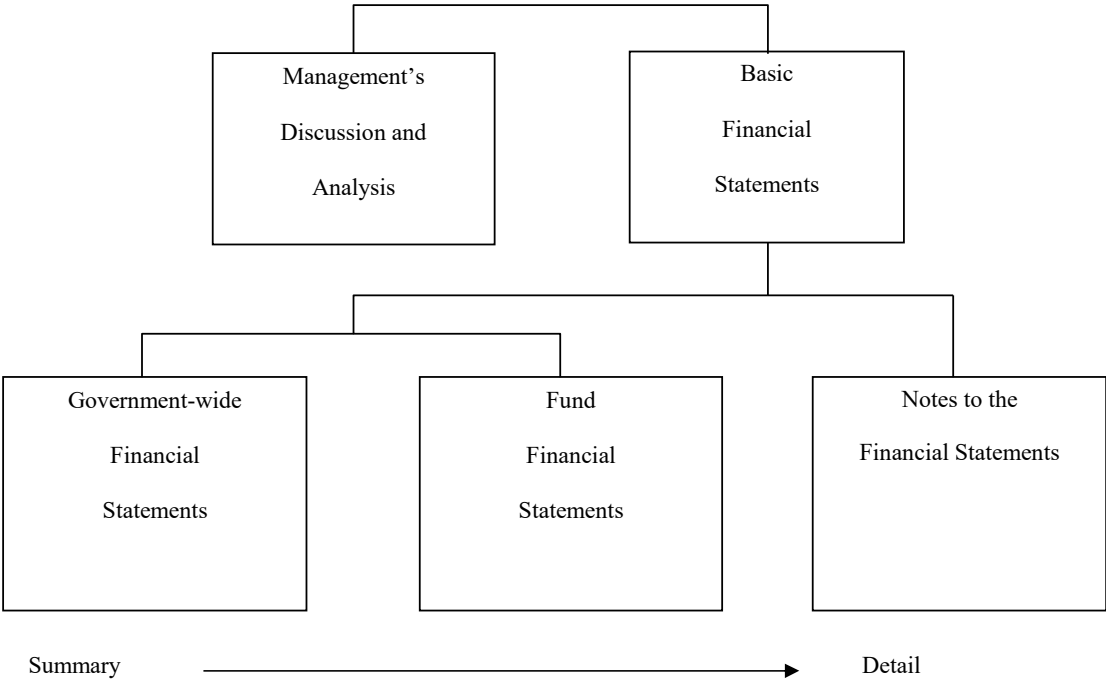
**Financial Highlights**

- 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 \$112,368,409 (net position).
- Beaufort County's total net position increased by \$1,964,570, mainly due to a significant increase in net position in the business-type activities. Additionally, the County recorded a restatement of net position associated with a change in accounting principle for the adoption of GASB 101 which resulted in a decrease in net position of governmental activities of \$3,106,220 and a decrease in business-type activities of \$289,630. The County also reported a correction in business-type activities that resulted in an increase in net position of \$109,789.
- As of June 30, 2025, Beaufort County's governmental funds reported combined ending fund balances of \$63,689,598, a decrease of \$541,351 in comparison with the prior year. Approximately 39.36% of this total amount or \$25,069,944 is restricted or nonspendable.
- Also at June 30, 2025, unassigned fund balance for the General Fund was \$28,133,806, or 33.56% of total general fund expenditures (including transfers to other funds less lease and IT purchase proceeds) of \$83,826,827 for the fiscal year.
- Beaufort County's total debt decreased by \$4,217,905 or 10.77% 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). This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. 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**



## 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, in a manner similar to 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 *statement of net position* presents information on all of Beaufort County's assets, liabilities, and deferred onflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how Beaufort County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, human services, culture and recreation, and education. The business-type activities of the County include water and sewer, and a landfill operation.

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 67 of this report.

**Government-Wide Financial Analysis**

**BEAUFORT COUNTY'S NET POSITION**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 77,707,144	\$ 77,962,564	\$ 18,368,513	\$ 16,176,808	\$ 96,075,657	\$ 94,139,372
Capital assets	25,879,588	25,308,785	55,163,437	56,256,162	81,043,025	81,564,947
Total assets	103,586,732	103,271,349	73,531,950	72,432,970	177,118,682	175,704,319
Total deferred outflows of resources	8,752,308	10,306,278	940,634	1,121,992	9,692,942	11,428,270
Current and other liabilities	10,221,865	9,321,098	4,947,793	3,445,720	15,169,658	12,766,818
Long-term liabilities outstanding	27,922,862	27,503,494	28,425,433	30,701,610	56,348,295	58,205,104
Total liabilities	38,144,727	36,824,592	33,373,226	34,147,330	71,517,953	70,971,922
Total deferred inflows of resources	2,551,410	2,382,054	373,852	268,554	2,925,262	2,650,608
Net position:						
Net investment in capital assets	23,646,501	22,994,045	26,972,135	25,694,121	50,618,636	48,688,166
Restricted	22,597,164	13,424,648	-	-	22,597,164	13,424,648
Unrestricted	25,399,238	37,952,288	13,753,371	13,444,957	39,152,609	51,397,245
Total net position	\$ 71,642,903	\$ 74,370,981	\$ 40,725,506	\$ 39,139,078	\$ 112,368,409	\$ 113,510,059

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 \$112,368,409 as of June 30, 2025. The County's net position increased by \$1,964,570 for the fiscal year ended June 30, 2025. One of the largest portions \$50,618,636 (45.05%) 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 \$22,597,164 (20.11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$39,152,609 is unrestricted.

The government's net investment in capital assets increased by \$1,930,470 or (3.96%). 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			
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,853,182	\$ 5,172,299	\$ 13,761,530	\$ 13,195,533	\$ 19,614,712	\$ 18,367,832
Operating grants and contributions	16,805,155	13,283,682	-	-	16,805,155	13,283,682
Capital grants and contributions	6,996,157	462,000	1,209,245	12,097	8,205,402	474,097
General revenues:						
Property taxes	46,413,735	45,091,069	-	-	46,413,735	45,091,069
Other taxes	14,442,286	14,283,594	-	-	14,442,286	14,283,594
Investment earnings	3,117,884	3,613,829	241,796	117,656	3,359,680	3,731,485
Miscellaneous	660,068	915,175	-	-	660,068	915,175
Total revenues	94,288,467	82,821,648	15,212,571	13,325,286	109,501,038	96,146,934
<b>Expenses:</b>						
General government	9,119,630	8,563,273	-	-	9,119,630	8,563,273
Public safety	26,236,244	23,193,540	-	-	26,236,244	23,193,540
Economic and physical development	6,020,386	2,119,409	-	-	6,020,386	2,119,409
Human services	20,499,931	20,520,708	-	-	20,499,931	20,520,708
Cultural and recreation	533,339	528,578	-	-	533,339	528,578
Education	30,608,240	21,811,402	-	-	30,608,240	21,811,402
Interest and fees on long-term debt	143,202	178,997	-	-	143,202	178,997
Water and Solid Waste	-	-	14,375,496	12,936,158	14,375,496	12,936,158
Total expenses	93,160,972	76,915,907	14,375,496	12,936,158	107,536,468	89,852,065
Increase in net position before transfers	1,127,495	5,905,741	837,075	389,128	1,964,570	6,294,869
Transfers	(929,194)	30,000	929,194	(30,000)	-	-
Increase in net position after transfers	198,301	5,935,741	1,766,269	359,128	1,964,570	6,294,869
Net position, beginning, restated	71,444,602	68,435,240	38,959,237	38,779,950	110,403,839	107,215,190
Net position, ending	\$ 71,642,903	\$ 74,370,981	\$ 40,725,506	\$ 39,139,078	\$ 112,368,409	\$ 113,510,059

**Governmental activities.** Governmental activities increased the County’s net position by \$198,301 during the fiscal year. Key elements of this increase include:

- Operating grants and contributions totaling \$16,805,155.
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 5.61% less than budgeted in FY 2024-2025.

**Business-type activities.** Business-type activities increased Beaufort County’s net position by \$1,766,269. Key elements of this increase include:

- Capital grants and contributions totaling \$1,209,245.
- Increase in water sales revenue.

## Financial Analysis of the County's Funds

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

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

The General fund is the chief operating fund of Beaufort County. At the end of the current fiscal year, Beaufort County's fund balance available in the General Fund was \$28,830,663, while total fund balance reached \$36,514,745. 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 34.39% of general fund expenditures, while total fund balance represents 43.56% of that same amount.

At June 30, 2025, the governmental funds of Beaufort County reported a combined fund balance of \$63,689,598, a 0.84% decrease from last year.

Opioid Settlement Fund revenues represent opioid settlement proceeds received to combat the opioid pandemic. The County received \$472,347 in FY 2025, and reflects a restricted receivable amount (net of an allowance of 10%) of \$3,648,558 for future payments that are anticipated.

Fund balance for the Eastern Elementary School Project Fund increased by \$8,507,920 reflecting a transfer of \$10 million from the General Fund which was the match provided to the construction project that will be funded by a Needs Based Grant.

**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 \$1,202,297 increase and are summarized as follows:

- \$1,029,268 increase in restricted governmental revenues
- \$654,473 increase in local option sales tax
- \$122,916 in miscellaneous revenues

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$1,899,180 increase and are summarized as follows:

- \$202,936 increase in general government activity
- \$815,181 increase in public safety
- \$549,547 increase in human services
- \$250,000 increase in education
- \$81,516 increase in debt service

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

- Fund balance appropriated totaled \$11,449,959
- Additional transfers to other funds \$10,758,176

During the year, General Fund revenue came in 0.07% lower than budgetary estimates and actual expenditures came in 5.61% lower than appropriations. The original budget did not include an appropriation of fund balance for the \$10 million transfer to the school project fund.

**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 \$13,753,371 at June 30, 2025. There was an increase in net position of \$1,766,269. The water districts reported a net increase of \$622,782 as a result of an increase in water sales.

Net position in the Solid Waste Fund increased by \$1,143,487 as a result of operations during the fiscal year. Solid waste revenues increased by \$176,589. Operating expenses increased by 5.11%, or \$214,435, from the previous fiscal year due to processing and hauling costs of waste and increased costs associated with the contract management of 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, 2025, totals \$81,043,025 (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 \$521,923 a 2.26% increase for governmental activities and a 1.94% decrease for business-type activities.

Major capital asset transactions during the year include:

- Multiple HVAC Unit replacements occurred in various buildings throughout the County
- Roof replacements at various County facilities were completed
- Storage buildings were constructed for EMS and Soil and Water
- Multiple portable radios were purchased for Public Safety
- An electronic sign was installed at the Emergency Services building
- Vehicles were replaced in various departments
- BHM restorations were completed during the fiscal year
- The NC 33 water line relocation project was completed
- Various water construction projects and solid waste improvement projects continued in the enterprise funds
- Land was purchased for the two Solid Waste Mega Convenience Sites and the design work for the facilities
- The County began construction on a new K-3 Elementary School

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

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 6,826,245	\$ 6,828,604	\$ 108,157	\$ 108,157	\$ 6,934,402	\$ 6,936,761
Building and system	10,711,912	9,675,167	48,664,918	50,733,226	59,376,830	60,408,393
Machinery and equipment	7,079,172	6,117,410	1,185,846	1,244,913	8,265,018	7,362,323
Construction in progress	801,091	2,431,035	5,190,272	4,143,965	5,991,363	6,575,000
Right to use assets	461,168	256,569	14,244	25,902	475,412	282,471
<b>Total</b>	<b>\$ 25,879,588</b>	<b>\$ 25,308,785</b>	<b>\$ 55,163,437</b>	<b>\$ 56,256,163</b>	<b>\$ 81,043,025</b>	<b>\$ 81,564,948</b>

Additional information on the County’s capital assets can be found beginning on page 41 of this audited financial report.

**Long-term Debt**

As of June 30, 2025, Beaufort County had total debt outstanding of \$34,939,424, of which \$28,278,000 is backed by the full faith and credit of the County. Of this amount, \$4,208,000 is owed in general obligation school bonds and \$24,070,000 is outstanding for the Water District limited obligation bonds. \$6,221,314 is obligated for installment contracts that is collateralized with County assets, and \$440,110 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	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 4,208,000	\$ 5,846,000	\$ -	\$ -	\$ 4,208,000	\$ 5,846,000
Limited Obligation Bonds	-	-	24,070,000	25,895,000	24,070,000	25,895,000
Installment Purchases	2,108,058	2,629,287	4,113,256	4,537,695	6,221,314	7,166,982
Lease Liabilities	280,538	229,790	8,045	18,268	288,583	248,058
Subscription Liabilities	151,527	-	-	1,289	151,527	1,289
<b>Total</b>	<b>\$ 6,748,123</b>	<b>\$ 8,705,077</b>	<b>\$ 28,191,301</b>	<b>\$ 30,452,252</b>	<b>\$ 34,939,424</b>	<b>\$ 39,157,329</b>

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Beaufort County is \$525,386,475.

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 2025-2026 totals \$77,006,186 a \$1,560,541 increase when compared to the FY 2024-2025 original budget of \$75,445,645. The reason for the increase is rising operational costs due to inflation and a cost of living adjustment for County employees. When compared to the prior year's budget, original appropriations increased in general government and administration operations by \$445,010, human services increased by \$676,231, mainly in Department of Social Services and the Health Department, community services increased by \$220,731, education decreased by \$128,039, public safety increased by \$671,458 debt payments decreased by \$454,413, while transfers to other funds and contingency increased by \$129,563.

There is \$1,409 in General Fund contingency budgeted for FY 2025-2026 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 2025-2026 operational budget increased by \$454,140 when compared to the fiscal year 2024-2025 original budget. This is due to a overall increased operational costs.

The annual fee for Solid Waste increased by \$8, from \$188 to \$196 in the FY 25/26 budget. This increase was necessary to cover the cost of processing the County’s waste due to inflation and the volume of solid waste tonnage. 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, 2026**

The following factors were also considered when preparing the County's budget for fiscal year 2025-2026:

- The County completed a septennial property revaluation and the County adopted a revenue neutral tax rate of .485 per \$100 assessed valuation for the 2025 levy.
- Sales tax revenues flattened in FY 23/24 after several years of unprecedented growth following the pandemic.
- The unemployment rate for Beaufort County increased slightly from 3.5% in June 2024, to 3.6% in June 2025. This compares similarly to a State unemployment rate of 3.7% and compares favorable to the national unemployment rate of 4.1% in June 2025.
- Overall budgeted expenditures increased in the general fund by \$1,560,641, compared to the prior year.

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. Because the County received less than \$10 million dollars in total, the County is allowed to report ARPA funds as revenue replacement funds. The County has reported the full \$9,128,034 as revenue replacement and shown \$5,128,034 of the replacement revenue covering public safety salary and benefits. The remaining \$4,000,000 replacement revenue is intended to be used as grant matching funds to expand broadband throughout Beaufort County.

Since \$5,128,034 of ARPA funding was used to cover public safety salaries and benefits in previous fiscal years, that created a \$5,128,034 surplus in General Fund dollars to spent on other priorities. The Board has tentatively designated those funds to be spent as follows: \$1,500,000 for a multi-purpose distribution building, \$49,500 on jail architect fees, \$153,900 to digitize records at the Register of Deeds office, \$100,000 of funding to BHM Library, \$1,609,000 on various water system improvements, and \$959,194 for the purchase of land and design/engineering work for two new solid waste mega sites. The Board is currently prioritizing projects for the remaining \$756,440.

### **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, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Beaufort County ABC Board
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash investments	\$ 57,334,199	\$ 14,814,668	\$ 72,148,867	\$ 1,026,678
Taxes receivable (net)	1,794,626	-	1,794,626	-
Accounts receivables (net)	11,201,681	3,139,370	14,341,051	-
Lease and notes receivable	211,687	-	211,687	-
Inventories	-	-	-	1,410,580
Prepaid items	32	-	32	-
Restricted cash and cash equivalents	2,942,238	414,475	3,356,713	-
Restricted opioid receivables, net	461,765	-	461,765	-
Total current assets	<u>73,946,228</u>	<u>18,368,513</u>	<u>92,314,741</u>	<u>2,437,258</u>
<b>Non-current Assets</b>				
Lease and notes receivable	525,884	-	525,884	-
Net pension asset	48,239	-	48,239	-
Restricted opioid receivables, net	3,186,793	-	3,186,793	-
Capital assets:				
Land, improvements, and construction in progress	7,627,336	5,298,429	12,925,765	338,834
Other capital assets, net of depreciation	17,791,084	49,850,763	67,641,847	1,200,651
Right to use assets, net of amortization	461,168	14,245	475,413	-
Total capital assets	<u>25,879,588</u>	<u>55,163,437</u>	<u>81,043,025</u>	<u>1,539,485</u>
Total non-current assets	<u>29,640,504</u>	<u>55,163,437</u>	<u>84,803,941</u>	<u>1,539,485</u>
Total assets	<u>\$ 103,586,732</u>	<u>\$ 73,531,950</u>	<u>\$ 177,118,682</u>	<u>\$ 3,976,743</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 8,752,308</u>	<u>\$ 940,634</u>	<u>\$ 9,692,942</u>	<u>\$ 217,115</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 5,365,562	\$ 2,049,725	\$ 7,415,287	\$ 265,798
Accrued interest payable	10,082	47,267	57,349	-
Customer deposits	-	414,475	414,475	-
Unearned revenues	1,248,169	-	1,248,169	-
Long-term liabilities - less than one year	3,598,052	2,436,326	6,034,378	28,269
Total current liabilities	<u>10,221,865</u>	<u>4,947,793</u>	<u>15,169,658</u>	<u>294,067</u>
Long-term liabilities:				
Due in more than one year	27,922,862	28,425,433	56,348,295	430,828
Total long-term liabilities	<u>27,922,862</u>	<u>28,425,433</u>	<u>56,348,295</u>	<u>430,828</u>
Total liabilities	<u>\$ 38,144,727</u>	<u>\$ 33,373,226</u>	<u>\$ 71,517,953</u>	<u>\$ 724,895</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 2,551,410</u>	<u>\$ 373,852</u>	<u>\$ 2,925,262</u>	<u>\$ 49,773</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 23,646,501	\$ 26,972,135	\$ 50,618,636	\$ 1,539,485
Restricted for:				
State Statute	11,568,376	-	11,568,376	-
General Government	96,206	-	96,206	-
Economic Development	1,236,725	-	1,236,725	-
Human Services	4,047,875	-	4,047,875	-
Public Safety	541,237	-	541,237	-
Education	4,726,269	-	4,726,269	-
Cultural and recreational	332,237	-	332,237	-
Register of deeds pension plan	48,239	-	48,239	-
Working capital	-	-	-	252,103
Unrestricted (deficit)	<u>25,399,238</u>	<u>13,753,371</u>	<u>39,152,609</u>	<u>1,627,602</u>
Total net position	<u>\$ 71,642,903</u>	<u>\$ 40,725,506</u>	<u>\$ 112,368,409</u>	<u>\$ 3,419,190</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, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Beaufort County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 9,119,630	\$ 1,161,250	\$ 25,417	\$ -	\$ (7,932,963)	\$ -	\$ (7,932,963)	\$ -
Public safety	26,236,244	4,075,646	2,121,432	-	(20,039,166)	-	(20,039,166)	-
Economic and physical development	6,020,386	111,728	3,520,666	192,716	(2,195,276)	-	(2,195,276)	-
Human services	20,499,931	504,558	11,108,115	-	(8,887,258)	-	(8,887,258)	-
Environmental Protection	-	-	29,525	-	29,525	-	29,525	-
Cultural and recreation	533,339	-	-	-	(533,339)	-	(533,339)	-
Education	30,608,240	-	-	6,803,441	(23,804,799)	-	(23,804,799)	-
Interest on long-term debt	143,202	-	-	-	(143,202)	-	(143,202)	-
Total governmental activities	93,160,972	5,853,182	16,805,155	6,996,157	(63,506,478)	-	(63,506,478)	-
Business-type activities:								
Solid Waste	4,407,378	4,548,125	-	-	-	140,747	140,747	-
Water Districts	9,968,118	9,213,405	-	1,209,245	-	454,532	454,532	-
Total business-type activities	14,375,496	13,761,530	-	1,209,245	-	595,279	595,279	-
Total primary government	107,536,468	19,614,712	16,805,155	8,205,402	(63,506,478)	595,279	(62,911,199)	-
<b>Component Units:</b>								
Beaufort County ABC Board	6,467,227	6,554,668	-	-	-	-	-	87,441
Total component units	\$ 6,467,227	\$ 6,554,668	\$ -	\$ -	-	-	-	87,441
General revenues:								
Taxes:								
Property taxes, levied for general purpose					46,413,735	-	46,413,735	-
Local option sales tax					14,100,232	-	14,100,232	-
Other taxes and licenses					342,054	-	342,054	-
Investment earnings, unrestricted					3,117,884	241,796	3,359,680	6,280
Miscellaneous, unrestricted					660,068	-	660,068	8,500
Transfers					(929,194)	929,194	-	-
Total general revenues, special items, and transfers					63,704,779	1,170,990	64,875,769	14,780
Change in net position					198,301	1,766,269	1,964,570	102,221
Net position, beginning					74,370,981	39,139,078	113,510,059	3,316,969
Prior period restatement (see Note IX)					(2,926,379)	(179,841)	(3,106,220)	-
Net position, beginning, as restated (see note IX)					71,444,602	38,959,237	110,403,839	3,316,969
Net position-ending					\$ 71,642,903	\$ 40,725,506	\$ 112,368,409	\$ 3,419,190

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

**Beaufort County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	Major			Non-Major	Total Governmental Funds
	General	Opioid Settlement Fund	Eastern Elementary School Construction	Other Governmental Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 32,200,604	\$ -	\$ 7,180,849	\$ 16,833,655	\$ 56,215,108
Taxes Receivable, net	1,326,671	-	-	208,798	1,535,469
Accounts Receivable, net	6,099,155	-	3,798,211	1,304,315	11,201,681
Due from other funds	1,156,332	-	-	1,034,538	2,190,870
Cash and cash equivalents-Restricted	167,162	1,491,418	-	1,283,658	2,942,238
Restricted opioid receivables, net	-	3,648,558	-	-	3,648,558
Lease and notes receivable	281,705	-	-	455,866	737,571
Prepaid Expenses	32	-	-	-	32
Total assets	<u>\$ 41,231,661</u>	<u>\$ 5,139,976</u>	<u>\$ 10,979,060</u>	<u>\$ 21,120,830</u>	<u>\$ 78,471,527</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 2,014,962	\$ 8,289	\$ 2,471,140	\$ 867,875	\$ 5,362,266
Due to other funds	1,034,538	-	-	1,156,332	2,190,870
Unearned Revenues	-	-	-	1,248,169	1,248,169
Total liabilities	<u>3,049,500</u>	<u>8,289</u>	<u>2,471,140</u>	<u>3,272,376</u>	<u>8,801,305</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes Receivable	1,326,671	-	-	208,798	1,535,469
Prepaid Taxes	62,346	-	-	-	62,346
Leases and Notes Receivable	278,399	-	-	455,866	734,265
Opioid Settlement	-	3,648,544	-	-	3,648,544
Total deferred inflows of resources	<u>1,667,416</u>	<u>3,648,544</u>	<u>-</u>	<u>664,664</u>	<u>5,980,624</u>
Fund balances:					
Nonspendable:					
Advance to General Fund	-	-	-	1,034,538	1,034,538
Prepaid Expenses	32	-	-	-	32
Leases	3,306	-	-	-	3,306
Restricted:					
State Statute	7,680,744	-	3,798,211	89,421	11,568,376
General Government	69,622	-	-	26,584	96,206
Economic Development	-	-	-	1,236,725	1,236,725
Human Services	12,482	-	-	4,035,393	4,047,875
Opioid Settlement	-	1,483,143	-	-	1,483,143
Public Safety	170,515	-	-	370,722	541,237
Education	9,956	-	4,709,709	6,604	4,726,269
Cultural and recreational	-	-	-	332,237	332,237
Committed:					
Tax Revaluation	223,040	-	-	-	223,040
Other Purposes	30,000	-	-	10,132,824	10,162,824
Assigned:					
Subsequent year's expenditures	181,242	-	-	-	181,242
Unassigned:	28,133,806	-	-	(81,258)	28,052,548
Total fund balances	<u>36,514,745</u>	<u>1,483,143</u>	<u>8,507,920</u>	<u>17,183,790</u>	<u>63,689,598</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,231,661</u>	<u>\$ 5,139,976</u>	<u>\$ 10,979,060</u>	<u>\$ 21,120,830</u>	<u>\$ 78,471,527</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, 2025**

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

Total Fund Balance - Governmental Funds	\$ 63,689,598
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,879,588
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	259,157
Net Pension Asset	48,239
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	2,925,003
ROD	4,029
Pension related deferrals	
LGERS	4,558,362
ROD	23,226
LEOSSA	410,197
OPEB related deferrals	563,552
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	58,644
Benefit payments for the OPEB plan paid subsequent to the measurement date	157,259
Deferred charges on refunding reported in governmental activities are not required in the funds	52,036
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	
Taxes Receivable	1,535,469
Opioid Settlement	3,648,544
Pension Related Deferrals	
LGERS	(450,526)
ROD	(3,453)
LEOSSA	(467,577)
OPEB related deferrals	(833,243)
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.	1,115,795
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	(6,748,123)
Compensated absences	(5,034,714)
Total OPEB Liability	(3,248,810)
Net Pension Liability	(14,648,290)
Total Pension Liability (LEOSSA)	(1,840,977)
Accrued interest payable	(10,082)
Net position of governmental activities	<u>\$ 71,642,903</u>

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

**Beaufort County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	Major			Non-Major	
	General Fund	Opioid Settlement Fund	Eastern Elementary School Construction	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Ad valorem taxes	\$ 41,625,356	\$ -	\$ -	\$ 4,557,663	\$ 46,183,019
Local option sales tax	14,100,232	-	-	-	14,100,232
Other taxes and licenses	342,054	-	-	-	342,054
Unrestricted intergovernmental	487,713	-	-	-	487,713
Restricted intergovernmental	11,836,925	472,347	6,292,970	5,487,026	24,089,268
Permits and fees	411,395	-	-	-	411,395
Sales and services	4,123,624	-	-	1,164,542	5,288,166
Investment earnings	2,907,778	16,892	-	180,594	3,105,264
Miscellaneous	225,329	-	6,172	54,975	286,476
Total revenues	<u>76,060,406</u>	<u>489,239</u>	<u>6,299,142</u>	<u>11,444,800</u>	<u>94,293,587</u>
<b>EXPENDITURES</b>					
Current:					
General government	7,942,668	-	-	733,582	8,676,250
Public safety	18,543,610	-	-	7,454,253	25,997,863
Economic and physical development	1,176,982	-	-	4,921,961	6,098,943
Human services	18,980,228	129,630	-	688,260	19,798,118
Cultural and recreational	533,339	-	-	60,347	593,686
Education	22,817,018	-	7,791,222	-	30,608,240
Debt service:					
Principal	2,159,229	-	-	-	2,159,229
Interest and other charges	126,288	-	-	-	126,288
Total expenditures	<u>72,279,362</u>	<u>129,630</u>	<u>7,791,222</u>	<u>13,858,403</u>	<u>94,058,617</u>
Excess (deficiency) of revenues over expenditures	<u>3,781,044</u>	<u>359,609</u>	<u>(1,492,080)</u>	<u>(2,413,603)</u>	<u>234,970</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease liabilities issued	382,873	-	-	-	382,873
Transfers in	176,933	-	10,000,000	2,370,338	12,547,271
Transfers (out)	(11,930,338)	-	-	(1,776,127)	(13,706,465)
Total other financing sources and uses	<u>(11,370,532)</u>	<u>-</u>	<u>10,000,000</u>	<u>594,211</u>	<u>(776,321)</u>
Net change in fund balance	(7,589,488)	359,609	8,507,920	(1,819,392)	(541,351)
Fund balances, beginning	<u>44,104,233</u>	<u>1,123,534</u>	<u>-</u>	<u>19,003,182</u>	<u>64,230,949</u>
Fund balances-ending	<u>\$ 36,514,745</u>	<u>\$ 1,483,143</u>	<u>\$ 8,507,920</u>	<u>\$ 17,183,790</u>	<u>\$ 63,689,598</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, 2025**

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

Net changes in fund balances - total governmental funds	\$ (541,351)
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.	
Capital outlay expenditures	2,575,085
Depreciation expense for governmental assets	(2,192,397)
Basis of assets disposed	(32,953)
Right to use assets - leased assets	382,873
Amortization expense for leased assets	(161,805)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,929,032
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	58,644
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	157,259
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.	(382,873)
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.	2,339,827
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	5,387
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(451,054)
County's portion of collective pension expense	(4,328,903)
OPEB Expense	(338,302)
Amortization of deferred charges on refunding	(22,301)
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.	219,873
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred revenue	187,730
Increase (decrease) in accrued taxes receivable	42,986
Increase (decrease) in opioid settlement receivable	(248,456)
Total changes in net position of governmental activities	<u>\$ 198,301</u>

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

**Beaufort County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2025**

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 41,319,080	\$ 41,319,080	\$ 41,625,356	\$ 306,276
Local option sales tax	14,431,816	14,431,816	14,100,232	(331,584)
Other taxes and licenses	288,200	288,200	342,054	53,854
Unrestricted intergovernmental	193,650	193,650	487,713	294,063
Restricted intergovernmental	12,406,506	13,435,774	11,836,925	(1,598,849)
Permits and fees	418,775	418,775	411,395	(7,380)
Sales and services	3,672,230	3,722,343	4,123,624	401,281
Investment earnings	1,886,851	1,886,851	2,903,437	1,016,586
Miscellaneous	183,600	306,516	225,329	(81,187)
Total revenues	<u>74,800,708</u>	<u>76,003,005</u>	<u>76,056,065</u>	<u>53,060</u>
<b>Expenditures</b>				
General government	8,269,709	8,472,645	7,942,668	529,977
Public safety	19,012,786	19,827,967	18,543,610	1,284,357
Economic and physical development	1,266,155	1,266,155	1,176,982	89,173
Human services	20,396,520	20,946,067	18,980,228	1,965,839
Cultural and recreational	596,339	596,339	533,339	63,000
Education	22,567,018	22,817,018	22,817,018	-
<b>Debt service:</b>				
Principal retirement	2,436,524	2,518,040	2,159,229	358,811
Interest and other charges	127,674	127,674	126,288	1,386
Total expenditures	<u>74,672,725</u>	<u>76,571,905</u>	<u>72,279,362</u>	<u>4,292,543</u>
Revenues over (under) expenditures	<u>127,983</u>	<u>(568,900)</u>	<u>3,776,703</u>	<u>4,345,603</u>
<b>Other financing sources (uses):</b>				
Lease liabilities issued	-	-	382,873	382,873
Transfers Out	(1,031,759)	(11,789,935)	(11,768,288)	21,647
Transfer - In	-	-	176,933	176,933
Fund balance appropriated	928,776	12,378,735	-	(12,378,735)
Contingency	(25,000)	(19,900)	-	19,900
Total other financing sources (uses)	<u>(127,983)</u>	<u>568,900</u>	<u>(11,208,482)</u>	<u>(11,777,382)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(7,431,779)</u>	<u>\$ (7,431,779)</u>
<b>Fund balances:</b>				
Beginning of year, July 1			<u>43,779,363</u>	
End of year, June 30			<u>\$ 36,347,584</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			4,341	
Transfer from General Fund			161,759	
Transfer to Revaluation Project Fund			(323,809)	
Fund balance, beginning of year			<u>324,870</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 36,514,745</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, 2025**

	NON-MAJOR Solid Waste	MAJOR Water Districts	Totals	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,742,234	\$ 13,072,434	\$ 14,814,668	\$ 1,119,091
Accounts receivable (net)	734,841	2,404,529	3,139,370	-
Total current assets	2,477,075	15,476,963	17,954,038	1,119,091
Noncurrent assets:				
Restricted - cash and cash equivalents	-	414,475	414,475	-
Capital assets:				
Land and Improvements	2,368	105,789	108,157	-
Construction in process	1,041,359	4,148,913	5,190,272	-
Buildings, Improvements, and Equipment	236,428	86,383,186	86,619,614	-
Less accumulated depreciation	(234,362)	(36,534,489)	(36,768,851)	-
Right to use assets, net of amortization	13,554	691	14,245	-
Total capital assets	1,059,347	54,104,090	55,163,437	-
Total noncurrent assets	1,059,347	54,518,565	55,577,912	-
Total assets	3,536,422	69,995,528	73,531,950	1,119,091
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refundings	-	244,647	244,647	-
Pension deferrals	-	442,960	442,960	-
OPEB deferrals	-	253,027	253,027	-
Total deferred outflows of resources	-	940,634	940,634	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	437,642	1,612,083	2,049,725	3,296
Accrued interest payable	-	47,267	47,267	-
Customer deposits	-	414,475	414,475	-
Compensated absences	-	102,559	102,559	-
Installment purchase	-	505,722	505,722	-
Limited obligation bonds	-	1,820,000	1,820,000	-
Lease and Subscription liability	8,045	-	8,045	-
Total current liabilities	445,687	4,502,106	4,947,793	3,296
Noncurrent liabilities:				
Installment purchase	-	3,607,535	3,607,535	-
Limited Obligation Bonds	-	22,250,000	22,250,000	-
Net pension liability	-	867,071	867,071	-
Total OPEB Liability	-	1,353,669	1,353,669	-
Compensated Absences	-	347,158	347,158	-
Total noncurrent liabilities	-	28,425,433	28,425,433	-
Total liabilities	445,687	32,927,539	33,373,226	3,296
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	-	26,668	26,668	-
OPEB deferrals	-	347,184	347,184	-
Total deferred inflows of resources	-	373,852	373,852	-
<b>NET POSITION</b>				
Net investment in capital assets	1,051,302	25,920,833	26,972,135	-
Unrestricted	2,039,433	11,713,938	13,753,371	1,115,795
Total net position	\$ 3,090,735	\$ 37,634,771	\$ 40,725,506	\$ 1,115,795

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, 2025**

	NON-MAJOR Solid Waste	MAJOR Water Districts	Totals	Internal Service Fund
Revenues:				
Operating Revenues:				
Water sales	\$ -	\$ 8,765,937	\$ 8,765,937	\$ -
Tap on fees	-	240,055	240,055	-
Solid Waste fees	4,548,043	-	4,548,043	-
Miscellaneous Revenue	82	207,413	207,495	-
Total Operating Revenues	<u>4,548,125</u>	<u>9,213,405</u>	<u>13,761,530</u>	<u>-</u>
Expenditures:				
Operating Expenses:				
Salaries and employee benefits	58,922	2,172,576	2,231,498	-
Water purchase	-	1,107,034	1,107,034	-
Water operations and maintenance	-	2,355,540	2,355,540	-
Solid waste operations and maintenance	4,337,476	-	4,337,476	-
Workers comp claims	-	-	-	22,747
Depreciation and Amortization	10,861	2,513,103	2,523,964	-
Total Expenditures	<u>4,407,259</u>	<u>8,148,253</u>	<u>12,555,512</u>	<u>22,747</u>
Operating income (loss)	<u>140,866</u>	<u>1,065,152</u>	<u>1,206,018</u>	<u>(22,747)</u>
Nonoperating Revenues (Expenses)				
Water line Relocation expenses (DOT)	-	(1,139,078)	(1,139,078)	-
Interest Earned on Investments	43,546	198,250	241,796	12,620
Interest Expense	(119)	(680,787)	(680,906)	-
Total Nonoperating Revenues (Expenses)	<u>43,427</u>	<u>(1,621,615)</u>	<u>(1,578,188)</u>	<u>12,620</u>
Income (Loss) before contributions and transfers	184,293	(556,463)	(372,170)	(10,127)
Transfers in (out)	959,194	(30,000)	929,194	230,000
Capital contributions	-	1,209,245	1,209,245	-
Change in net position	1,143,487	622,782	1,766,269	219,873
Total net position, beginning	1,947,248	37,191,830	39,139,078	895,922
Prior Period Restatement (see Note IX)	-	(179,841)	(179,841)	-
Total net position, ending	<u>\$ 3,090,735</u>	<u>\$ 37,634,771</u>	<u>\$ 40,725,506</u>	<u>\$ 1,115,795</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, 2025**

	NON-MAJOR	MAJOR	Totals	Internal
	Solid	Water	June 30,	Service
	Waste	Districts	2025	Fund
Cash flows from operating activities:				
Cash received from customers	\$ 4,531,735	\$ 9,152,285	\$ 13,684,020	\$ -
Cash paid for goods and services	(4,240,282)	(3,489,718)	(7,730,000)	(33,808)
Cash paid to employees for services	(58,922)	(1,983,582)	(2,042,504)	-
Customer deposits received	-	74,075	74,075	-
Net cash provided (used) by operating activities	<u>232,531</u>	<u>3,753,060</u>	<u>3,985,591</u>	<u>(33,808)</u>
Cash flows from noncapital financing activities				
Transfers in (out)	959,194	(30,000)	929,194	230,000
Interest on Investments	43,546	198,250	241,796	12,620
Net cash provided (used) by noncapital financial activities	<u>1,002,740</u>	<u>168,250</u>	<u>1,170,990</u>	<u>242,620</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(640,942)	(541,674)	(1,182,616)	-
Noncapitalized Assets (DOT project)	-	(140,520)	(140,520)	-
Principal paid on bond maturities and equipment contracts	(10,223)	(2,351,815)	(2,362,038)	-
Interest paid on bond maturities and equipment contracts	181	(666,089)	(665,908)	-
Loan proceeds	-	101,087	101,087	-
Capital contributions	-	122,682	122,682	-
Net cash provided (used) by capital and related financing activities	<u>(650,984)</u>	<u>(3,476,329)</u>	<u>(4,127,313)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>584,287</u>	<u>444,981</u>	<u>1,029,268</u>	<u>208,812</u>
Cash and cash equivalents, July 1	<u>1,157,947</u>	<u>13,041,928</u>	<u>14,199,875</u>	<u>910,279</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,742,234</u></u>	<u><u>\$ 13,486,909</u></u>	<u><u>\$ 15,229,143</u></u>	<u><u>\$1,119,091</u></u>

**Beaufort County, North Carolina**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2025**

	NON-MAJOR	MAJOR	Totals	Internal
	Solid	Water	June 30,	Service
	Waste	Districts	2025	Fund
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 140,866	\$ 1,065,152	\$ 1,206,018	\$ (22,747)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and Amortization	10,861	2,513,103	2,523,964	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(16,390)	(61,120)	(77,510)	-
(Increase) decrease in prepaid expenses	-	1,636	1,636	-
(Increase) decrease in deferred outflows of resources for pensions	-	73,335	73,335	-
(Increase) decrease in deferred outflows of resources - OPEB	-	92,733	92,733	-
Increase (decrease) in accounts payable and accrued liabilities	97,194	(28,780)	68,414	(11,061)
Increase (decrease) in deposits	-	74,075	74,075	-
Increase (decrease) in OPEB	-	(114,161)	(114,161)	-
Increase (decrease) in deferred inflows - pensions	-	(2,016)	(2,016)	-
Increase (decrease) in deferred inflows - OPEB	-	107,314	107,314	-
Increase (decrease) in net pension liability	-	2,794	2,794	-
Increase (decrease) in compensated absences	-	28,995	28,995	-
Total adjustments	91,665	2,687,908	2,779,573	(11,061)
Net cash provided (used) by operating activities	\$ 232,531	\$ 3,753,060	\$ 3,985,591	\$ (33,808)

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, 2025**

	Custodial Funds
<b>ASSETS</b>	
Cash and investments	\$ 174,049
Taxes receivable for other governments, net	319,065
Total Assets	493,114
<b>LIABILITIES</b>	
Due to other governments	122,842
Total Liabilities	122,842
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	370,272
Total fiduciary net position	\$ 370,272

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, 2025**

	Custodial Funds
<b>ADDITIONS</b>	
Ad valorem taxes for other governments	\$ 7,825,587
Collections on behalf of inmates	194,520
Drainage assessments	391,917
Total additions	8,412,024
<b>DEDUCTIONS</b>	
Tax distributions to other governments	8,217,504
Payments on behalf of inmates	165,477
Total deductions	8,382,981
Net increase (decrease) in fiduciary net position	29,043
Net position, beginning	341,229
Net position, ending	\$ 370,272

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 or ancillary activities. 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.

*Opioid Settlement Special Revenue Fund* - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

*Eastern Elementary School Construction Fund* - This fund reports revenues and expenses related to the receipt of Needs Based Grant Funding for the construction at Eastern Elementary School.

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 thirty 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, Economic Development Initiative Fund, Representative Payee Fund, 4H Fund, Cooperative Extension Fund, EMS Billing and Collections Fund, ADFPTF-USDA Grant Fund, ADFPTF-Grant Fund, Revaluation Project Fund, NC Housing Finance Grant Fund, BCSO Boat Grant Fund, State Centric Model Grant Fund, Beaufort Promise, ARP Grant Fund, ADFPTF 21-003-4005 Grant Fund, IT Grant Project Fund, BRIC Grant Fund, EMC Community Grant Fund, NC Emergency Management Grant, NCDOC Building Reuse Aurora, and NCDOC Building Reuse Hometown are reported as nonmajor special revenue funds. The Stream Debris Removal Fund, Voting Machines Capital Reserve Fund, Facility Capital Reserve Fund, Facility Improvements Fund, Capital Project Fund, Wright's Creek PARTF Project Fund, Soil & Water Storage Building Fund, NC Railroad Prep Grant fund, NC Resilient Coastal Communities Program, FEMA Flood Mitigation Fund, and SCIF - WHS Athletic Facilities are reported as nonmajor capital projects funds. The County maintains two 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.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column. In accordance with North Carolina General Statutes (NCGS), 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 (including lease and subscription liabilities), 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. Issuances of general long-term debt and acquisitions from leases and information technology 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 of Resources, Deferred Outflows of Resources, 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**

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$3,648,558 related to the settlement are also reported as restricted assets. 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 the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets.

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

Beaufort County Restricted Cash		
<b>Governmental Activities</b>		
General Fund		
Tax Revaluation		\$ 167,162
ARP Grant Funds	Unspent Grant Funds	666,589
State Centric Grant Ft	Unspent Grant Funds	10,465
Opioid Settlement Fund	Unexpended Settlement Proceeds	1,491,418
SCIF - WHS Athletic Facilities	Unspent Grant Funds	606,604
Total Governmental Activities		<u>2,942,238</u>

Beaufort County Restricted Cash (Continued)

<b>Business-Type Activities</b>	
Water Districts	
Customer deposits	414,475
Total Business-Type Activities	414,475
 Total Restricted Cash	\$ 3,356,713

**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, 2024. 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. The County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation for the Opioid receivable. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The allowance estimate has been established as a flat 10% of the outstanding receivable balance.

**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 Subscription Based Information Technology Agreement (SBITA).

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 are 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 – deferred charges on a current 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 several items that meet the criterion for this category – prepaid taxes, taxes receivable, leases receivable, notes receivable, opioid settlement receivable, 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 County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, three types of leave qualify for liability recognition for compensated absences – vacation, comp, and sick leave. The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable.

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, 2025, 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. Vacation leave over thirty days is transferred to an employee's sick leave balance at the end of each year.

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. With the implementation of GASB No. 101, the County and ABC Board has estimated what sick leave is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absence and salary-related payments. Any unused sick leave accumulated for employees who leave the County and ABC Board prior to retirement is forfeited. The County used the GFOA days paid method using a three year lookback to estimate the portion of sick leave that they expect to pay out, and this was the amount accrued for sick leave at year end.

## **12. Opioid Settlement Funds**

The County, through a Memorandum of Agreement (MOA) with the State, is a party to certain opioid lawsuit and bankruptcy settlements. The amounts received and to be received are treated as exchange-like transactions. Per the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for all activity. Unspent funds are reported as restricted (Note I (3)(d)).

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 is front loaded. The County received \$472,347 as part of this settlement for Fiscal Year 2025. 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.

The MOA offers several options for expending the funds. Option A will allow the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic. Option B will allow a wider array of strategies to address the impact of the opioid epidemic. Under the MOA, the County may spend opioid settlement funds on opioid remediation strategies authorized under Option A or Option B, or both. Prior to expending opioid settlement funds, authorization is required by budget or resolution. As of June 30, 2025, the County has authorized the use of Option B for opioid settlement funds. High impact opioid abatement strategies and treatments approved include providing peer support specialists and recovery coaches, funding school based or youth focused programs to prevent drug misuse, supporting community coalitions that implement evidence/informed prevention, and investing in infrastructure and/or staffing at government or not-for-profit agencies to prevent opioid misuse.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction.

## **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 was 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 \$8,371,594 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, \$153,900 to digitize register of deeds records, \$959,194 to perform design and engineering work and purchase land for two new solid waste mega convenience sites, \$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 \$756,440.

#### 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, 2024, 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.

Lease receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

**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," defined as follows: "*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 Opioid Settlement - portion of fund balance that can only be used for opioid abatement and remediation 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 \$48,239.

**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>
General Government	\$ 30,000	\$ -	\$ -	\$ 30,000
Capital Projects	-	-	10,132,824	10,132,824
Total Committed - Other	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 10,132,824</u>	<u>\$ 10,162,824</u>

**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	\$ 36,514,745
Less:	
Nonspendable fund balance (prepaids, leases)	3,338
Stabilization by State statute	7,680,744
Total available fund balance	<u>\$ 28,830,663</u>
Less:	
Other Restricted Fund Balance	\$ 262,575
Education	-
Tax Revaluation	223,040
Other Commitments	30,000
Subsequent year's expenditures	181,242
Total unassigned fund balance	<u>\$ 28,133,806</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. The County is required by State law to administer a public employee retirement system, a single employer defined benefit pension plan, to provide benefits to certain sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA).

## **17. New Accounting Pronouncements**

The County adopted the following new accounting pronouncements in the current fiscal year:

GASB 101, *Compensated Absences*, to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB 102, *Certain Risk Disclosures*, to better provide users with disclosures containing timely information regarding certain concentrations or constrains and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

**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 \$7,953,305 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).	\$ 46,560,156
Less accumulated depreciation	(21,141,736)
Net right to use assets	461,168
Net capital assets	25,879,588
Net pension asset	48,239
Contribution to the pension plan in the current fiscal year	2,929,032
Contribution to the OPEB plan in the current fiscal year	157,259
Benefits payments and pension administration costs for LEOSSA	58,644
Pension related deferrals	4,070,229
OPEB related deferrals	(269,691)
Deferred charges on refunding reported in governmental activities are not required in the funds	52,036
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)	259,157
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	
Taxes Receivable	1,535,469
Opioid Settlement	3,648,544
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.	1,115,795
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	(6,748,123)
Total pension obligation (LEOSSA)	(1,840,977)
Total OPEB liability	(3,248,810)
Net pension liability	(14,648,290)
Compensated absences	(5,034,714)
Accrued interest payable	(10,082)
	(31,530,996)
Total adjustment	\$ 7,953,305

**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 \$739,652 is comprised of the following:

Description	Amount	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlays	\$ 2,575,085	
Depreciation	(2,192,397)	
Cost of disposal capital assets not recorded in the fund statements	(32,953)	
Right to Use Assets	382,873	
Amortization expense for right to use assets	<u>(161,805)</u>	\$ 570,803
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	(382,873)	
Lease and SBITA Payments	180,598	
Principal Payments on Debt owed	<u>2,159,229</u>	1,956,954
Amortization of deferred charges on refunding reported in governmental activities are not reported in the funds.		(22,301)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		2,929,032
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		58,644
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities.		157,259
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	42,986	
Accrual of taxes	187,730	
Opioid settlement	<u>(248,456)</u>	(17,740)
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.		219,873
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		(451,054)
OPEB expense		(338,302)
County's portion of collective pension expense		(4,328,903)
Interest expense		<u>5,387</u>
Total adjustment	<u>\$</u>	<u><u>739,652</u></u>

**NOTE II: Stewardship, Compliance and Accountability**

**Excess of Expenditures over Appropriations**

The County had two special revenue funds that reported expenditures in excess of the budget: Beaufort 4H Fund (\$13,662) and Fire and Rescue Tax Fund (\$113,073). The County received more funds on behalf of the Fire and Rescue Departments that had to be distributed (revenues always equal expenses), so this was not deemed as a finding. The County will monitor the budget more closely going forward to ensure that amendments are approved when necessary.

**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, 2025, the County's deposits had a carrying amount of \$8,045,270. The bank balances with financial institutions were \$9,745,291. Of these bank balances, \$397,293 was covered by federal depository insurance and \$9,347,998 was covered by collateral held under the Pooling Method.

At June 30, 2025, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2025, the carrying amount of deposits for Beaufort County ABC Board was \$1,015,832 and the bank balance was \$1,211,970. Of these bank balances, \$250,000 was covered by federal depository insurance and \$961,970 was covered by collateral held under the Pooling Method.

**2. Investments**

As of June 30, 2025, 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	\$ 67,632,132	\$ 67,632,132	\$ -	\$ -
Total		\$ 67,632,132	\$ 67,632,132	\$ -	\$ -

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 AAA-mf rating from Standard & Poor's (S&P) and AAA-mf from Moody's as of June 30, 2025. 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, 2025, 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
2022	\$ 1,891,307	\$ 335,707	\$ 2,227,014
2023	1,891,573	165,513	2,057,086
2024	1,936,133	169,412	2,105,545
2025	1,684,370	-	1,684,370
Total	<u>\$ 7,403,383</u>	<u>\$ 670,632</u>	<u>\$ 8,074,015</u>

### 4. Receivables

Receivables at the government-wide level at June 30, 2025, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Note Receivable	Lease Receivable	Total
Governmental Activities:						
General	\$ 3,581,016	\$ 2,186,888	\$ 4,032,636	\$ -	\$ 281,705	\$ 10,082,245
Other Governmental	1,221,811	208,798	3,880,715	455,866	-	5,767,190
Total Receivables	4,802,827	2,395,686	7,913,351	455,866	281,705	15,849,435
Allowance for Doubtful Accts.	(1,514,497)	(601,060)	-	-	-	(2,115,557)
Total Gov't Activities	<u>\$ 3,288,330</u>	<u>\$ 1,794,626</u>	<u>\$ 7,913,351</u>	<u>\$ 455,866</u>	<u>\$ 281,705</u>	<u>\$ 13,733,878</u>
Business-type Activities:						
Water Districts	\$ 2,092,571	\$ -	\$ 1,148,020	\$ -	\$ -	\$ 3,240,591
Solid Waste	1,136,107	-	40,609	-	-	1,176,716
Total Receivables	3,228,678	-	1,188,629	-	-	4,417,307
Allowance for Doubtful Accts.	(1,277,937)	-	-	-	-	(1,277,937)
Total Business-type	<u>\$ 1,950,741</u>	<u>\$ -</u>	<u>\$ 1,188,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,139,370</u>

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

Governmental Activities:	
Local Option Sales Tax	\$ 3,772,370
Sales and Use Tax	348,942
Needs Based Lottery Funding	3,798,211
Total	<u>\$ 7,919,523</u>
Business-Type Activities:	
Sales and Use Tax	\$ 62,181
Scrap Tire, White Goods, Solid Waste Disposal	39,885
Grant Reimbursements - Projects	1,086,563
Total	<u>\$ 1,188,629</u>

Lease Receivables

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 06/30/2025, the value of the lease receivable is \$66,839. 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 06/30/2025 was \$65,665, 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 06/30/2025, the value of the lease receivable is \$76,901. 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 06/30/2025 was \$75,550, 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 06/30/2025, the value of the lease receivable is \$0. 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 06/30/2025 was \$, and the County recognized lease revenue of \$754 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 06/30/2025, the value of the lease receivable is \$46,261. 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 06/30/2025 was \$45,478, and the County recognized lease revenue of \$19,398 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.

On 08/01/2023, the County entered into a 36 month lease as Lessor for the use of 155-B Airport Road 2023. An initial lease receivable was recorded in the amount of \$181,671. As of 06/30/2025, the value of the lease receivable is \$65,604. The lessee is required to make monthly fixed payments of \$5,046. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of 06/30/2025 was \$65,604, and the County recognized lease revenue of \$60,557 during the fiscal year. The lessee had a termination period of 6 months as of the lease commencement.

On 05/01/2025, the County entered into a 36 month lease as Lessor for the use of 1308 HIGHLAND DRIVE SUITE 102. An initial lease receivable was recorded in the amount of \$27,638. As of 06/30/2025, the value of the lease receivable is \$26,101. The lessee is required to make monthly fixed payments of \$799. The lease has an interest rate of 2.7560%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2025 was \$26,102, and the County recognized lease revenue of \$1,535 during the fiscal year.

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 211,687	\$ 1,456	\$ 213,143
2027	53,956	381	54,337
2028	16,062	100	16,162
Total	<u>\$ 281,705</u>	<u>\$ 1,937</u>	<u>\$ 283,642</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"). An additional \$200,000 was loaned during fiscal year 2025. 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, 2025, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 6,828,604	\$ -	\$ (2,359)	\$ 6,826,245
Construction in Progress	2,431,035	259,499	(1,889,443)	801,091
Total capital assets not being depreciated	<u>9,259,639</u>	<u>259,499</u>	<u>(1,891,802)</u>	<u>7,627,336</u>
Other capital assets:				
Buildings	22,423,124	1,991,641	(32,950)	24,381,815
Equipment and vehicles	12,636,332	2,213,388	(298,715)	14,551,005
Total other capital assets at historical cost	<u>35,059,456</u>	<u>4,205,029</u>	<u>(331,665)</u>	<u>38,932,820</u>
Less accumulated depreciation for:				
Buildings	12,747,957	954,896	(32,950)	13,669,903
Equipment and vehicles	6,518,922	1,237,501	(284,590)	7,471,833
Total other capital assets at historical cost	<u>19,266,879</u>	<u>2,192,397</u>	<u>(317,540)</u>	<u>21,141,736</u>
Other capital assets, net	<u>15,792,577</u>	<u>2,012,632</u>	<u>(14,125)</u>	<u>17,791,084</u>
Capital assets being amortized:				
Right to use assets				
Lease equipment	428,032	171,983	(197,754)	402,261
Lease building	120,000	19,200	(48,000)	91,200
IT Subscriptions	53,307	191,690	(53,307)	191,690
Total right to use assets	<u>601,339</u>	<u>382,873</u>	<u>(299,061)</u>	<u>685,151</u>
Less accumulated amortization for:				
Lease equipment	249,825	83,089	(194,895)	138,019
Lease building	54,000	45,600	(36,000)	63,600
IT Subscriptions	40,945	33,116	(51,697)	22,364
Total accumulated amortization	<u>344,770</u>	<u>161,805</u>	<u>(282,592)</u>	<u>223,983</u>
Total capital assets being amortized, net	<u>256,569</u>	<u>221,068</u>	<u>(16,469)</u>	<u>461,168</u>
Governmental activities capital assets, net	<u>\$ 25,308,785</u>	<u>\$ 2,493,199</u>	<u>\$ (1,922,396)</u>	<u>\$ 25,879,588</u>

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

Governmental Activities	
General government	\$ 470,319
Public Safety	1,052,256
Economic and Physical Development	86,366
Human Services	239,131
Emergency Management	506,130
	<u>\$ 2,354,202</u>

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water Districts</b>				
Capital assets not being depreciated:				
Land	\$ 105,789	\$ -	\$ -	\$ 105,789
Construction in Progress	3,743,548	680,780	(275,415)	4,148,913
Total capital assets not being depreciated	<u>3,849,337</u>	<u>680,780</u>	<u>(275,415)</u>	<u>4,254,702</u>
Other capital assets:				
Plant and distribution systems	83,571,440	217,046	-	83,788,486
Furniture and equipment	1,567,752	61,551	-	1,629,303
Vehicles and motor equipment	857,440	107,957	-	965,397
Total other capital assets	<u>85,996,632</u>	<u>386,554</u>	<u>-</u>	<u>86,383,186</u>
Less accumulated depreciation for:				
Plant and distribution systems	32,841,107	2,284,528	-	35,125,635
Furniture and equipment	589,842	155,732	-	745,574
Vehicles and motor equipment	590,437	72,843	-	663,280
Total accumulated depreciation	<u>34,021,386</u>	<u>2,513,103</u>	<u>-</u>	<u>36,534,489</u>
Capital assets being amortized:				
Right to use assets				
IT Subscriptions	3,867	-	-	3,867
Total right to use assets	<u>3,867</u>	<u>-</u>	<u>-</u>	<u>3,867</u>
Less accumulated amortization for:				
IT Subscriptions	1,854	1,323	-	3,177
Total accumulated amortization	<u>1,854</u>	<u>1,323</u>	<u>-</u>	<u>3,177</u>
Total capital assets being amortized, net	<u>2,013</u>	<u>(1,323)</u>	<u>-</u>	<u>690</u>
Total Water Districts capital assets, net	<u>\$ 55,826,596</u>	<u>\$ (1,447,092)</u>	<u>\$ (275,415)</u>	<u>\$ 54,104,089</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Fund</b>				
Capital assets not being depreciated:				
Land	\$ 2,368	\$ -	\$ -	\$ 2,368
Construction in Progress	400,417	640,942	-	1,041,359
Total capital assets not being depreciated:	<u>402,785</u>	<u>640,942</u>	<u>-</u>	<u>1,043,727</u>
Other capital assets:				
Buildings	47,080	-	-	47,080
Furniture and equipment	189,348	-	-	189,348
Total other capital assets	<u>236,428</u>	<u>-</u>	<u>-</u>	<u>236,428</u>
Less accumulated depreciation for:				
Buildings	44,188	826	-	45,014
Furniture and equipment	189,348	-	-	189,348
Total accumulated depreciation	<u>233,536</u>	<u>826</u>	<u>-</u>	<u>234,362</u>
Capital assets being amortized:				
Right to use assets				
Lease land	3,587	-	-	3,587
Lease building	24,721	-	603	24,118
Total right to use assets	<u>28,308</u>	<u>-</u>	<u>603</u>	<u>27,705</u>
Less accumulated amortization for:				
Lease land	299	1,794	-	2,093
Lease building	4,120	8,039	101	12,058
Total accumulated amortization	<u>4,419</u>	<u>9,833</u>	<u>101</u>	<u>14,151</u>
Total capital assets being amortized, net	<u>23,889</u>	<u>(9,833)</u>	<u>502</u>	<u>13,554</u>
Total Solid Waste capital assets, net	<u>429,566</u>	<u>\$ 630,283</u>	<u>\$ 502</u>	<u>1,059,347</u>
Business-type activities capital assets, net	<u>\$ 56,256,162</u>			<u>\$ 55,163,436</u>

Construction Commitments

The government has active construction projects as of June 30, 2025. The projects include funding water system improvements, housing repairs, facility improvements, a school construction, and convenience site improvements. As June 30, 2025, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Facility Improvements	\$1,769,835	\$132,259
Water System Improvements	4,148,913	3,629,985
Housing Rehab	89,945	227,453
Convenience Site Improvements	422,629	338,818
NCDOT Water Line Relocation	1,139,078	54,126
Snag and Drag/Watershed Restoration	218,207	64,513
Rain Garden Project	164,328	32,232
Soil/Water Storage Bldg	7,806	7,194
EMS Storage Building	16,778	2,892
Solid Waste Mega Sites	25,111	340,528
Pre-K thru 3rd Elementary School	7,791,222	38,307,878
Broadband Project	3,351,831	648,169
	<u>\$ 19,145,683</u>	<u>\$ 43,786,047</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2025, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 338,834	\$ -	\$ -	\$ 338,834
Total capital assets not being depreciated	<u>338,834</u>	<u>-</u>	<u>-</u>	<u>338,834</u>
Capital assets being depreciated:				
Buildings	1,902,139	170,022	-	2,072,161
Equipment and Furniture	348,549	37,945	-	386,494
Vehicles	92,976	78,500	52,403	119,073
Total capital assets being depreciated	<u>2,343,664</u>	<u>286,467</u>	<u>52,403</u>	<u>2,577,728</u>
Less accumulated depreciation for:				
Buildings	965,931	56,027	-	1,021,958
Equipment and Furniture	302,754	24,258	-	327,012
Vehicles	77,110	3,400	52,403	28,107
Total accumulated depreciation	<u>1,345,795</u>	<u>\$ 83,685</u>	<u>\$ 52,403</u>	<u>1,377,077</u>
Total capital assets being depreciated	<u>997,869</u>			<u>1,200,651</u>
Capital assets, net	<u>\$ 1,336,703</u>			<u>\$ 1,539,485</u>

**B. Liabilities**

**1. Pavables**

Payables at the government-wide level at June 30, 2025, were as follows:

	<u>Vendors</u>	<u>Salaries</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,326,957	\$ 688,005	\$ 2,014,962
Other Governmental	3,350,600	-	3,350,600
Total Governmental Activities	<u>\$ 4,677,557</u>	<u>\$ 688,005</u>	<u>\$ 5,365,562</u>
Business-Type Activities			
Water Districts	\$ 1,571,629	\$ 40,454	\$ 1,612,083
Solid Waste	436,368	1,274	437,642
Total Business-Type Activities	<u>\$ 2,007,997</u>	<u>\$ 41,728</u>	<u>\$ 2,049,725</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](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). 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, 2025, was 15.04% of compensation for law enforcement officers and 13.63% 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 \$3,098,142 for the year ended June 30, 2025.

*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, 2025, the County reported a liability of \$15,515,361 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2025, the County's proportion was .2301% (measured as of June 30, 2024), which was a decrease of .0034% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$4,424,310. At June 30, 2025, 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	\$ 2,718,879	\$ 18,281
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,109,304	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	458,913
County contributions subsequent to the measurement date	3,098,142	-
Total	<u>\$ 7,926,325</u>	<u>\$ 477,194</u>

\$3,098,142 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2026	\$ 1,259,386
2027	2,883,525
2028	446,580
2029	(238,502)
2030	-
Thereafter	-
Total	<u>\$ 4,350,989</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 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 Return	6.50 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, 2023 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, 2024 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%	2.4%
Global Equity	38%	6.9%
Real Estate	8%	6.0%
Alternatives	8%	8.6%
Credit	7%	5.3%
Inflation Protection	6%	4.3%
	<u>100%</u>	

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm. 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 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 2.76%.

*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)	\$ 27,493,674	\$ 15,515,361	\$ 5,661,551

*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, 2024, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	50
Total	56

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, 2024 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	4.28 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, 2024 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 \$102,868 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, 2024, the County reported a total pension liability of \$1,840,977. The total pension liability was measured as of December 31, 2024 based on a June 30, 2024 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$144,579.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,417	\$ 210,436
Changes of assumptions	194,780	257,141
County contributions subsequent to the measurement date	58,644	-
Total	\$ 468,841	\$ 467,577

\$58,644 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, 2026. 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:	
2026	\$ 46,586
2027	(6,200)
2028	(89,784)
2029	(10,006)
2030	2,024
Thereafter	-
Total	<u>\$ (57,380)</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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
County's proportionate share of the net pension liability (asset)	\$ 2,011,816	\$ 1,840,977	\$ 1,687,346

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

	<u>2025</u>
Beginning balance	\$ 1,780,205
Service Cost	84,853
Interest on the total pension liability	65,399
Differences between expected and actual experience	77,274
Changes in assumptions or other inputs	(84,384)
Benefit payments	(82,370)
Ending balance of the total pension liability	<u>\$ 1,840,977</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.77 percent at December 31, 2023 (measurement date) to 4.28 percent at December 31, 2024 (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, 2024 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, 2025 were \$294,495 which consisted of \$198,073 from the County and \$96,422 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, 2025 were \$701,552 which consisted of \$329,912 from the County and \$371,640 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](http://www.osc.nc.gov).

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

*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 \$4,029 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$48,239 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension asset was then rolled forward to the measurement date of June 30, 2024 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, 2024, the County's proportion was .4186%, which was a decrease of .0302% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of \$7,265. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,059	\$ 862
Net difference between projected and actual earnings on pension plan	18,629	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	3,538	2,591
County contributions subsequent to the measurement date	4,029	-
Total	<u>\$ 27,255</u>	<u>\$ 3,453</u>

\$4,029 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2026	\$ 8,220
2027	9,794
2028	1,691
2029	68
2030	-
Thereafter	-
Total	<u>\$ 19,773</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 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	3.0 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, 2023 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 information above is based on 30-year expectations developed with the consulting actuary for the 2022 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 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class and is 100% invested in the Bond Index External Investment Pool. The long term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 2.76%.

*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 (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (31,962)	\$ (48,239)	\$ (61,949)

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, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023. The total pension liability for LEOSSA was measured as of June 30, 2024, with an actuarial valuation date of December 31, 2023.

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)	\$ 15,515,361	\$ (48,239)	\$ -	\$ 15,467,122
Proportion of the Net Pension Liability (Asset)	0.2301%	0.4186%	n/a	
Total Pension Liability	-	-	1,988,388	1,988,388
Pension Expense	4,424,310	7,265	144,579	4,576,154

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	2,718,879	1,059	215,417	2,935,355
Changes of assumptions	-	-	194,780	194,780
Net difference between project and actual earnings on plan investments	2,109,304	18,629	-	2,127,933
Changes in proportion and differences between contributions and proportionate share of contributions	-	3,538	-	3,538
Benefit payments and administrative costs paid subsequent to the measurement date	3,098,142	4,029	58,644	3,160,815
<b><u>Deferred Inflows of Resources</u></b>				
Difference between expected and actual experience	18,281	862	210,436	229,579
Changes of assumptions	-	-	257,141	257,141
Changes in proportion and differences between contributions and proportionate share of contributions	458,913	2,591	-	461,504

f. 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, 2024, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	26
Active Plan members	352
Total	<u>378</u>

**Total OPEB Liability**

The County's total OPEB liability of \$4,602,479 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2024 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%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.3% - 8.30%
Law enforcement officers	3.3% - 7.80%
Municipal bond index	4.21%

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2024</b>	\$ 4,990,629
<b>Changes for the year</b>	
Service Cost	249,325
Interest	188,017
Difference between expected and actual experience	(465,462)
Changes in assumptions or other inputs	(150,033)
Benefit payments and implicit subsidy credit	(209,997)
<b>Net changes</b>	<u>(388,150)</u>
<b>Balance at June 30, 2025</b>	<u>\$ 4,602,479</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.86% to 4.21%.

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, 2024 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 (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current discount rate:

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB Liability	\$ 5,048,109	\$ 4,602,479	\$ 4,206,583

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,153,033	\$ 4,602,479	\$ 5,126,793

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$442,402. At June 30, 2025, 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	\$ 507,057	\$ 533,870
Changes of assumptions	291,308	646,556
Benefit payments and administrative costs made subsequent to the measurement date	175,473	-
Total	<u>\$ 973,838</u>	<u>\$ 1,180,426</u>

\$175,473 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 50,332
2027	(33,107)
2028	(82,286)
2029	(106,403)
2030	(118,625)
Thereafter	(91,972)
Total	<u>\$ (382,061)</u>

g. 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. Post-closure care costs may be incurred in the future at closed sites; however, no amount is reported as landfill post-closure liability at June 30, 2025.

4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources for the government-side financial statements at year-end is comprised of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 2,718,879	\$ 18,281
Register of Deeds	1,059	862
LEOSSA	215,417	210,436
OPEB	507,057	533,870
Changes of Assumptions		
LGERS	-	-
LEOSSA	194,780	257,141
OPEB	291,308	646,556
Pensions - difference between projected and actual investment		
LGERS	2,109,304	-
Register of Deeds	18,629	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	458,913
Register of Deeds	3,538	2,591
Contributions to pension plan in current fiscal year		
LGERS	3,098,142	-
Register of Deeds	4,029	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	58,644	-
OPEB	175,473	-
Deferred Charges on Refunding	296,683	-
Prepaid taxes (General)	-	62,346
Leases (General)	-	278,399
Note Receivable (Special Grant Fund)	-	455,866
Total Government-wide statements	<u>\$ 9,692,942</u>	<u>\$ 2,925,262</u>

Deferred outflows and inflows of resources that are reported in the governmental fund financial statements at year-end is comprised of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Prepaid taxes (General)	\$ -	\$ 62,346
Leases (General)	-	278,399
Opioid settlement (Special Revenue)	-	3,648,544
Note Receivable (Special Grant Fund)	-	455,866
Taxes receivable, net (General)	-	1,326,671
Taxes receivable, net (Special Revenue)	-	208,798
Total Fund Statements	<u>\$ -</u>	<u>\$ 5,980,624</u>

## 5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing 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 \$107,338,680 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, 2025, 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, land, and buildings. 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.

As of 06/30/2025, the County had 11 active leases. The leases have payments that range from \$769 to \$43,734 and interest rates that range from 0.0000% to 2.4260%. As of 06/30/2025, the total combined value of the lease liability is \$288,583. The combined value of the right to use asset, as of 06/30/2025 of \$521,166 with accumulated amortization of \$215,770 is included within the Capital Asset Schedules above.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 108,811	\$ 3,072	\$ 8,045	\$ 195
2027	83,551	2,414	-	-
2028	56,565	1,511	-	-
2029	31,611	753	-	-
Total	<u>\$ 280,538</u>	<u>\$ 7,750</u>	<u>\$ 8,045</u>	<u>\$ 195</u>

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. \$ 1,853,058

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. 255,000

Total serviced by the General Fund \$ 2,108,058

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.

	2,450,000
Total serviced by the enterprise funds	\$ 2,450,000

For Beaufort County, the future minimum payments of these installment purchases as of June 30, 2025, including \$514,751 of interest, are:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 439,751	\$ 40,708	\$ 300,000	\$ 77,802
2027	249,370	32,843	300,000	67,709
2028	224,088	28,044	300,000	57,615
2029	228,908	23,224	300,000	47,522
2030	233,832	18,300	300,000	37,429
2031-2035	732,109	24,290	950,000	51,938
Total	\$ 2,108,058	\$ 167,409	\$ 2,450,000	\$ 340,015

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 who 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, 2025 was \$24,070,000.

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. Because the Water Funds have been consolidated together for financial statement presentation, those net out, so the "Due to County Water Fund" and "Due from Water Districts" do not appear in the financials to avoid double counting the debt.

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, 2025, in the business-type activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2026	\$ 1,820,000	\$ 556,433
2027	1,795,000	533,319
2028	1,795,000	504,958
2029	1,800,000	472,648
2030	1,810,000	436,648
2031-2035	8,845,000	1,558,121
2036-2040	5,630,000	515,689
2041-2045	575,000	17,480
Total	<u>\$ 24,070,000</u>	<u>\$ 4,595,296</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, 2025 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.	\$ 3,342,000
\$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>866,000</u>
Total General Obligation Bonds	<u>\$ 4,208,000</u>

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
2026	\$ 1,589,000	\$ 40,326
2027	1,541,000	21,756
2028	1,078,000	6,306
Total	<u>\$ 4,208,000</u>	<u>\$ 68,388</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. \$ 550,000

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. 550,000

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 \$90,970. 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. 63,419

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 \$50,152. 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. 34,036

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 \$49,839. 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. 33,355

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. 26,356

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. 375,986

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 \$126,028. 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. Because the project has been placed on hold, the County is paying payments on amounts that have not been drawn down yet at June 30, 2025. 25,031

Direct Borrowing- State Revolving Loans (continued)

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 \$20,364. 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. Because the project has been placed on hold, the County is paying payments on amounts that have not been drawn down yet at June 30, 2025.

5,072

Total serviced by enterprise funds

\$ 1,663,255

For Beaufort County, the future minimum payments of the State Revolving Loans as of June 30, 2025 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 205,722	\$ -
2027	149,263	-
2028	149,263	-
2029	149,263	-
2030	149,263	-
2031-2035	726,747	-
2036-2040	121,125	-
2041-2045	12,609	-
Total	<u>\$ 1,663,255</u>	<u>\$ -</u>

At June 30, 2025, Beaufort County had a legal debt margin of \$525,386,475.

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

The County entered into agreements for certain Subscription-Based Information Technology Arrangements (Subscriptions). The subscriptions qualify as other than short-term under SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

As of 06/30/2025, the County had 3 active subscriptions. The subscriptions have payments that range from \$1,323 to \$40,163 and interest rates that range from 2.1843% to 2.6560%. As of 06/30/2025, the total combined value of the subscription liability is \$151,527. The combined value of the right to use asset, as of 06/30/2025 of \$195,657 with accumulated amortization of \$25,640 is included within the Subscription Class activities in the Capital Asset schedules.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 36,555	\$ 3,608	\$ -	\$ -
2027	37,426	2,737	-	-
2028	38,317	1,846	-	-
2029	39,229	934	-	-
Total	<u>\$ 151,527</u>	<u>\$ 9,125</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025:

	Beginning		Decreases	Ending	
	Balance	Increases		Balance	Current Portion of Balance
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 5,846,000	\$ -	\$ 1,638,000	\$ 4,208,000	\$ 1,589,000
Direct Placement Installment Purchase	2,629,287	-	521,229	2,108,058	439,751
Lease Liabilities	229,790	191,183	140,435	280,538	108,811
IT Subscription Liabilities	-	191,690	40,163	151,527	36,555
Compensated Absences**	4,583,660	451,054	-	5,034,714	1,163,808
Net Pension Liability (LGERS)	14,601,095	47,195	-	14,648,290	-
Total Pension Liability (LEOSSA)	1,780,205	60,772	-	1,840,977	102,868
Total OPEB Liability	3,522,799	-	273,989	3,248,810	157,259
Total	<u>\$ 33,192,836</u>	<u>\$ 941,894</u>	<u>\$ 2,613,816</u>	<u>\$ 31,520,914</u>	<u>\$ 3,598,052</u>
<b>Business-type Activities:</b>					
Limited Obligation Bonds	\$ 25,895,000	\$ -	\$ 1,825,000	\$ 24,070,000	\$ 1,820,000
Direct Placement Installment Purchase	2,750,000	-	300,000	2,450,000	300,000
Direct Borrowing - Revolving Loan	1,787,695	101,087	225,526	1,663,256	205,722
Lease Liabilities	18,268	-	10,223	8,045	8,045
IT Subscription Liabilities	1,289	-	1,289	-	-
Compensated Absences**	420,722	28,995	-	449,717	102,559
Net Pension Liability (LGERS)	864,277	2,794	-	867,071	-
Total OPEB Liability	1,467,830	-	105,890	1,361,940	18,214
Total	<u>\$ 33,205,081</u>	<u>\$ 132,876</u>	<u>\$ 2,467,928</u>	<u>\$ 30,870,029</u>	<u>\$ 2,454,540</u>

\*\*Restated for implementation of GASB 101.

Compensated absences for governmental activities typically have been liquidated in the General Fund. Total Pension Liability has been liquidated in the General Fund. Net OPEB Liability has been liquidated in the General Fund and Water Districts. Methods for measuring compensated absences are described in earlier footnotes.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2025 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.	\$ 1,034,538
Due to the General Fund from the Stream Debris Removal Fund for the advancement of grant expenditures.	1,952
Due to the General Fund from the ADFPTF-USDA Grant Fund for the advancement of grant expenditures.	3,000
Due to the General Fund from the NC Housing Finance Pool Grant Fund for the advancement of grant expenditures.	53,440
Due to the General Fund from EMC Community Grant Fund for the advancement of grant expenditures.	960,784
Due to the General Fund from NC Resilient Coastal Communities Program Fund for the advancement of grant expenditures.	137,156

Total Interfund balances	<u>\$ 2,190,870</u>
--------------------------	---------------------

Transfers to/from other funds at June 30, 2025, consist of the following:

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.	347
Transfer from the General Fund to the Facility Capital Reserve Fund to provide funds for facility improvements.	640,000
Transfer from the General Fund to the Workers Comp Fund to cover self-insured claims.	200,000
Transfer from the General Fund to the Capital Project Fund to provide funds for capital projects.	500,000
Transfer from the General Fund to the Revaluation Project Fund to provide resources for the septennial revaluation.	219,788
Transfer from the General Fund to the Coastal Management Grant Fund to provide required grant match.	16,394
Transfer from the General Fund to the Eastern Elementary School Project Fund to provide resources for school construction.	10,000,000
Transfer from the Revaluation Fund to the Revaluation Project Fund to provide resources for the septennial revaluation.	323,809
Transfer from the Facility Capital Reserve Fund to the Facility Improvements Project Fund to provide funds for facility improvements.	640,000
Transfer from the One NC Grant Fund to the General Fund to return funds not used for the project.	4,283
Transfer from the Wright's Creek Project Fund to the General Fund to return match funds.	172,650
Transfer from the Capital Project Fund to the Solid Waste Mega Sites Capital Project Fund to provide resources for the project.	959,194
Transfer from the Water Fund to the Workers Comp Fund to cover self-insured claims.	30,000

Total Transfers	<u>\$ 13,736,465</u>
-----------------	----------------------

The following funds are netted together in the fund statements, so they are not included in the transfers totals above:

Transfer from the General Fund to the Revaluation Fund for the septennial revaluation savings contribution.	\$	161,759
Transfer from the Solid Waste Fund to the Solid Waste Convenience Site Improvements Fund to provide resources for the project.		338,377

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 25,879,588	\$ 55,163,436
add: deferred charges (capital related)	52,036	-
Total capital assets and related deferred charges	<u>25,931,624</u>	<u>55,163,436</u>
Total debt, gross	6,748,123	28,191,301
less: debt related to assets not owned by the County	(4,463,000)	-
Total capital debt	<u>2,285,123</u>	<u>28,191,301</u>
Net investment in capital assets	<u>\$ 23,646,501</u>	<u>\$ 26,972,135</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>\$ 36,514,745</u>
Less:	
Nonspendable (Prepays, Leases)	3,338
Stabilization by State Statute	7,680,744
Restricted - Other	262,575
Tax Revaluation	223,040
Other Commitments	30,000
Appropriated fund balance (subsequent year's budget)	<u>181,242</u>
Remaining Fund Balance	<u>\$ 28,133,806</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	\$ 36,514,745
Less:	
Nonspendable (Prepays, Leases)	3,338
Stabilization by State Statute	7,680,744
Restricted - Other	262,575
Tax Revaluation	223,040
Other Commitments	30,000
Appropriated fund balance (subsequent year's budget)	181,242
Working Capital / Fund Balance Policy	<u>30,933,609</u>
Remaining Fund Balance	<u>\$ (2,799,803)</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	\$ 425,257
--------------	------------

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, 2025. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$228,839 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 \$3,285,488 and \$819,500 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2025. 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, 2025. 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 46 other counties, participates in Trillium Health Resources. Trillium has a two-tiered governance structure. The first level is made up of three Regional Advisory Boards. The Board of Commissioners appoints one commissioner to its Regional Advisory Board. In turn, these Advisory Boards elect representatives to make up the Trillium Governing Board, the top level of governance. Trillium Health Resources is a Tailored Plan and Managed Care Organization (MCO) that manages serious mental health, substance use, traumatic brain injury, and intellectual/developmental disability services. The County contributed \$157,000 to Trillium during the fiscal year ended June 30, 2025. Complete financial statements for Trillium can be obtained from its corporate office at 201 West First Street, Greenville, NC 27858-1132.

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, 2024.

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 2024 of \$6,573,860. The payment represents 15.9% 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 December 23, 2025, the date these financial statements were available to be issued.

NOTE IX: Accounting Changes

Correction of an Error in Previously Issued Financial Statements

Allocations of revenue sources between grants and loans were adjusted to correct opening balances per the funding source for three of the water district projects. These adjustments resulted in debt decreasing in the Water District Fund by \$109,789 and grant portions increasing by the same amount.

Change in Accounting Principle

During the current fiscal year, the County implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effect of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net Position 6/30/24 as previously reported	Restatement - GASB 101 Implementation	Correction of an Error	Net Position 6/30/24 as Restated
<b>Government-wide Statements:</b>				
Governmental Activities	\$ 74,370,981	\$ (2,926,379)	\$ -	\$ 71,444,602
Business-Type Activities	39,139,078	(289,630)	109,789	38,849,448
<b>Total Government-wide Statements</b>	<b>113,510,059</b>	<b>(3,216,009)</b>	<b>109,789</b>	<b>110,294,050</b>
<b>Enterprise Funds:</b>				
Water District Fund	37,191,830	(289,630)	109,789	36,902,200
<b>Total Enterprise Funds</b>	<b>\$ 37,191,830</b>	<b>\$ (289,630)</b>	<b>\$ 109,789</b>	<b>\$ 36,902,200</b>

Change to or Within the Financial Reporting Entity

The following chart details the changes in major and non-major fund classifications that are reflected in the current year financial statements:

	Fund Balance 6/30/24 as previously reported	Transfer to Major Fund	Transfer to Non- major Funds	Fund Balance 6/30/24 as Restated
Governmental Funds				
Non-major Governmental Funds	\$ 18,995,134	\$ -	\$ 8,047	\$ 19,003,182
ARP Grant Fund	8,047	-	(8,047)	-
<b>Total Governmental Funds</b>	<b>\$ 19,003,181</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,003,182</b>

## 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**

<b>Local Government Employees' Retirement System</b>					
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
County's proportion of the net pension liability (asset) (%)	0.23015%	0.23351%	0.24831%	0.25388%	0.25049%
County's proportion of the net pension liability (asset) (\$)	\$ 15,515,361	\$ 15,465,372	\$ 14,008,230	\$ 3,893,494	\$ 8,951,075
County's covered payroll	\$ 20,779,952	\$ 19,580,657	\$ 17,947,004	\$ 17,794,545	\$ 16,341,089
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.67%	78.98%	78.05%	21.88%	54.78%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
County's proportion of the net pension liability (asset) (%)	0.26228%	0.26328%	0.26581%	0.23587%	0.23326%
County's proportion of the net pension liability (asset) (\$)	\$ 7,162,662	\$ 6,245,902	\$ 4,060,841	\$ 5,005,953	\$ 1,046,857
County's covered payroll	\$ 16,359,660	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675	\$ 12,908,791
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.78%	39.16%	26.15%	36.87%	8.11%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

\* 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**

<b>Local Government Employees' Retirement System</b>					
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Contractually required contribution	\$ 3,098,142	\$ 2,714,158	\$ 2,404,908	\$ 2,063,756	\$ 1,834,378
Contributions in relation to the contractually required contribution	3,098,142	2,714,158	2,404,908	2,063,756	1,834,378
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,320,510	\$ 20,779,952	\$ 19,580,657	\$ 17,947,004	\$ 17,794,545
Contributions as a percentage of covered payroll	13.88%	13.06%	12.28%	11.50%	10.31%
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 1,491,379	\$ 1,295,704	\$ 1,210,872	\$ 1,125,797	\$ 922,308
Contributions in relation to the contractually required contribution	1,491,379	1,295,704	1,210,872	1,125,797	922,308
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,341,089	\$ 16,359,660	\$ 15,948,696	\$ 15,530,189	\$ 13,577,675
Contributions as a percentage of covered payroll	9.13%	7.92%	7.59%	7.25%	6.79%

**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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportionate share of the net pension liability (asset) %	0.41863%	0.44880%	0.40854%	0.37811%	0.40425%
County's proportionate share of the net pension liability (asset) \$	\$ (48,239)	\$ (53,932)	\$ (54,091)	\$ (72,646)	\$ (92,646)
Plan fiduciary net position as a percentage of the total pension liability	133.61%	135.74%	139.04%	156.53%	173.62%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportionate share of the net pension liability (asset) %	0.40493%	0.45899%	0.45220%	0.44989%	0.42409%
County's proportionate share of the net pension liability (asset) \$	\$ (79,941)	\$ (76,023)	\$ (72,140)	\$ (77,843)	\$(104,661)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%

\* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's required contribution	\$ 4,029	\$ 3,602	\$ 4,005	\$ 4,683	\$ 4,538
Contributions in relation to contractually required contribution	<u>4,029</u>	<u>3,602</u>	<u>4,005</u>	<u>4,683</u>	<u>4,538</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's required contribution	\$ 3,871	\$ 5,623	\$ 3,928	\$ 3,955	\$ 3,675
Contributions in relation to contractually required contribution	<u>3,871</u>	<u>5,623</u>	<u>3,928</u>	<u>3,955</u>	<u>3,675</u>
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 Nine Fiscal Years**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Beginning Balance	\$ 1,780,205	\$ 1,629,612	\$ 2,246,511	\$ 1,988,388	\$ 1,094,799
Service Cost	84,853	75,559	102,751	136,310	78,440
Interest on the total pension liability	65,399	68,621	49,914	37,738	34,594
Differences between expected and actuarial experience in the measurement of the total pension liability	77,274	(6,256)	(400,073)	218,951	270,541
Changes of assumptions and other inputs	(84,384)	81,358	(313,308)	(68,754)	577,287
Benefit payments	(82,370)	(68,689)	(56,183)	(66,122)	(67,273)
Ending balance of total pension liability	<u>\$ 1,840,977</u>	<u>\$ 1,780,205</u>	<u>\$ 1,629,612</u>	<u>\$ 2,246,511</u>	<u>\$ 1,988,388</u>
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Beginning Balance	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	\$ 1,053,938	
Service Cost	65,548	69,370	64,512	70,240	
Interest on the total pension liability	37,333	34,142	38,653	35,963	
Differences between expected and actuarial experience in the measurement of the total pension liability	(34,230)	(35,476)	(26,200)	-	
Changes of assumptions and other inputs	38,179	(47,506)	77,436	(27,968)	
Benefit payments	(75,333)	(75,333)	(75,333)	(93,136)	
Ending balance of total pension liability	<u>\$ 1,094,799</u>	<u>\$ 1,063,302</u>	<u>\$ 1,118,105</u>	<u>\$ 1,039,037</u>	

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 1,840,977	\$ 1,780,205	\$ 1,629,612	\$ 1,118,105	\$ 1,988,388
Covered-employee payroll	3,027,859	2,820,322	2,820,322	3,367,536	3,046,316
Total pension liability as a percentage of covered-employee payroll	60.80%	63.12%	57.78%	33.20%	65.27%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Total pension liability	\$ 1,094,799	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	
Covered-employee payroll	2,784,246	2,680,824	2,765,059	2,750,952	
Total pension liability as a percentage of covered-employee payroll	39.32%	39.66%	40.44%	37.77%	

Notes to the schedules:

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

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

	2025	2024	2023	2022
<b>Total OPEB Liability</b>				
Service Cost	\$ 249,325	\$ 258,256	\$ 332,376	\$ 344,959
Interest on the total OPEB liability	188,017	170,535	106,032	101,001
Differences between expected and actuarial experience in the measurement of the total pension liability	(465,462)	4,377	559,805	(2,693)
Changes of assumptions and other inputs	(150,033)	(176,076)	(617,450)	34,296
Benefit payments	(209,997)	(163,304)	(120,216)	(132,254)
<b>Net change in total OPEB liability</b>	(388,150)	93,788	260,547	345,309
<b>Total OPEB liability - beginning</b>	4,990,629	4,896,841	4,636,294	4,290,985
<b>Total OPEB liability - ending</b>	\$ 4,602,479	\$ 4,990,629	\$ 4,896,841	\$ 4,636,294
<b>Covered-employee payroll</b>	\$ 19,562,619	\$ 19,816,177	\$ 19,816,177	\$ 15,829,569
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	23.53%	25.18%	24.71%	29.29%
<b>Discount Rate</b>	4.21%	3.86%	3.54%	2.16%
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 261,795	\$ 242,634	\$ 170,916	\$ 185,026
Interest on the total OPEB liability	139,446	129,368	77,264	64,960
Differences between expected and actuarial experience in the measurement of the total pension liability	(337,169)	(976)	1,007,887	16,801
Changes of assumptions and other inputs	569,573	156,060	18,405	(153,229)
Benefit payments	(128,969)	(131,624)	(107,011)	(95,881)
<b>Net change in total OPEB liability</b>	504,676	395,462	1,167,461	17,677
<b>Total OPEB liability - beginning</b>	3,786,309	3,390,847	2,223,386	2,205,709
<b>Total OPEB liability - ending</b>	\$ 4,290,985	\$ 3,786,309	\$ 3,390,847	\$ 2,223,386
<b>Covered-employee payroll</b>	\$ 15,829,569	\$ 14,536,223	\$ 13,520,354	\$ 13,520,354
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	27.11%	26.05%	25.08%	16.44%
<b>Discount Rate</b>	2.21%	3.50%	3.89%	3.56%

**Notes to Schedule**

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. Discount rates are disclosed above.

## **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, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem Taxes:			
Current year	\$ 41,057,980	\$ 41,298,110	
Penalties and interest	261,100	327,246	
Total	<u>41,319,080</u>	<u>41,625,356</u>	<u>306,276</u>
Local Option Sales Taxes:			
Local option sales tax	14,431,816	14,100,232	
Total	<u>14,431,816</u>	<u>14,100,232</u>	<u>(331,584)</u>
Other Taxes and Licenses:			
Documentary stamps	250,000	302,763	
Beer and wine licenses	3,200	2,990	
Rental vehicles receipt tax	35,000	36,301	
Total	<u>288,200</u>	<u>342,054</u>	<u>53,854</u>
Unrestricted Intergovernmental Revenues			
Beer and wine tax	145,000	123,427	
Other	48,650	364,286	
Total	<u>193,650</u>	<u>487,713</u>	<u>294,063</u>
Restricted Intergovernmental Revenues			
State and Federal grants	13,258,068	11,620,228	
ABC distributions/tax	177,706	216,697	
Total	<u>13,435,774</u>	<u>11,836,925</u>	<u>(1,598,849)</u>
Permits and Fees			
Building permits and inspection fees	151,800	137,339	
Register of Deeds	185,000	195,859	
Other permits and fees	81,975	78,197	
Total	<u>418,775</u>	<u>411,395</u>	<u>(7,380)</u>
Sales and Services			
Attorney fees/tax administration	42,000	12,722	
Animal control fees	33,300	27,754	
Tax collection fees	131,000	135,752	
Sheriff fees	65,000	65,761	
Gun storage fees	3,500	1,206	
State prisoner's reimbursement	10,000	39,646	
Environmental health	111,000	108,960	
Vending and phones	20,000	32,737	
Health and immunizations	315,993	363,425	
Emergency medical transport fees	1,108,973	1,399,628	
Rescue fees	1,081,939	1,154,463	
Share of service fee	16,440	11,837	
Rent	271,000	259,536	
Cable franchise fee	76,000	73,799	
NC Health Choice	100	300	
Administrative Charges	436,098	436,098	
Total	<u>3,722,343</u>	<u>4,123,624</u>	<u>401,281</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, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
Investment Earnings	1,886,851	2,903,437	
Total	<u>1,886,851</u>	<u>2,903,437</u>	<u>1,016,586</u>
Miscellaneous			
Proceeds from sales of assets/insurance claims	222,916	132,474	
Donations	58,500	65,073	
Miscellaneous	25,100	27,782	
Total	<u>306,516</u>	<u>225,329</u>	<u>(81,187)</u>
Total Revenues	<u>76,003,005</u>	<u>76,056,065</u>	<u>53,060</u>
<b>Expenditures</b>			
General Government:			
Governing Body	428,123	368,450	
County Manager	699,524	693,005	
Finance	813,430	810,552	
Human Resources	313,790	305,127	
Nondepartmental	924,064	891,770	
Tax Administration	1,510,372	1,419,242	
Tax Collector	719,034	636,132	
Register of Deeds	485,652	419,601	
Elections	476,793	454,913	
Public Buildings	1,775,318	1,635,750	
Court Facilities	326,545	308,126	
Total	<u>8,472,645</u>	<u>7,942,668</u>	<u>529,977</u>
Public safety:			
Sheriff	8,726,248	8,620,306	
Jail	3,156,154	3,034,190	
Emergency Communications	1,744,929	1,496,341	
Emergency Management	660,272	586,709	
Fire Protection	222,403	172,052	
Ambulance/rescue services	12,500	12,500	
Animal Control	544,081	528,830	
Emergency Medical Services	4,689,380	4,036,107	
Medical Examiner	72,000	56,575	
Total	<u>19,827,967</u>	<u>18,543,610</u>	<u>1,284,357</u>
Economic and Physical Development:			
Planning	371,019	329,477	
Economic Development	340,368	291,727	
Cooperative Extension	346,129	359,003	
Soil/Water Conservation	208,639	196,775	
Total	<u>1,266,155</u>	<u>1,176,982</u>	<u>89,173</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, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
<b>Human services:</b>			
Administration - general	383,037	370,099	
AIDS control / STD	255,656	240,438	
TB Program	103,454	100,017	
Immunization	453,309	429,662	
Health Promotion	521,850	424,541	
Child Health	1,063,291	777,098	
Maternal Health	405,448	381,987	
WIC - administration	384,414	371,257	
Environmental Health	1,003,232	1,003,256	
Family Planning	425,404	423,306	
Healthy Living	436,513	440,186	
Other Health Programs	451,726	448,542	
Total	5,887,334	5,410,389	476,945
<b>Mental Health and Transportation:</b>			
General Appropriation	157,000	157,000	
Alcohol Rehabilitation	20,000	22,428	
Beaufort County Development Center	55,000	55,000	
NC Elderly Handicapped Transportation/Other	101,976	89,349	
Passages Counseling Services	50,000	12,015	
Total	383,976	335,792	48,184
<b>Social Services</b>			
Administration	9,609,080	8,899,460	
State In-Home Aging Services	558,078	465,846	
Medical Assistance	107,000	58,916	
Energy Assistance	225,000	53,019	
County Provided Assistance	483,000	523,721	
Transportation	292,962	282,613	
Child Support Enforcement	889,797	879,214	
Aid to the Blind Program	11,627	2,551	
Foster Care	2,056,028	1,665,892	
Work First Program	88,400	63,430	
Total	14,320,972	12,894,662	1,426,310
<b>Other Human Services</b>			
Veterans Services	102,794	88,863	
Youth Services	250,991	250,522	
Total	353,785	339,385	14,400
<b>Total Human Services</b>	20,946,067	18,980,228	1,965,839

**Beaufort County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation	160,000	140,000	
Library and Museum	245,839	234,839	
Special Appropriation	190,500	158,500	
Total	<u>596,339</u>	<u>533,339</u>	<u>63,000</u>
Education:			
Public School			
Current Expense	16,139,320	16,139,320	
Capital Outlay	2,572,710	2,572,710	
Community College			
Current Expense	3,285,488	3,285,488	
Capital Outlay	819,500	819,500	
Total	<u>22,817,018</u>	<u>22,817,018</u>	<u>-</u>
Debt service:			
Principal	2,518,040	2,159,229	
Interest and fees	127,674	126,288	
Total	<u>2,645,714</u>	<u>2,285,517</u>	<u>360,197</u>
Total Expenditures	<u>76,571,905</u>	<u>72,279,362</u>	<u>4,292,543</u>
<b>Revenue over (under) expenditures</b>	<u>(568,900)</u>	<u>3,776,703</u>	<u>4,345,603</u>
<b>Other financing sources (uses):</b>			
Lease and Subscription liabilities issued	-	382,873	382,873
Transfers (to) from other funds:			
Revaluation Fund	(161,759)	(161,759)	-
Revaluation Project Fund	(241,782)	(219,788)	21,994
Capital Project - Capital Reserve	(30,000)	(30,000)	-
One NC Grant Fund	-	4,283	4,283
Economic Development	-	172,650	172,650
Capital Project - Facility Improvements Project Fund	(640,000)	(640,000)	-
Workers Comp Fund	(200,000)	(200,000)	-
Coastal Management Grant Fund	(16,394)	(16,394)	-
American Rescue Plan Fund	(500,000)	(500,000)	-
Eastern Elementary Construction Fund	(10,000,000)	(10,000,000)	-
Special Revenue - Emergency Telephone	-	(347)	(347)
Appropriated Fund Balance	12,378,735	-	(12,378,735)
Contingency	(19,900)	-	19,900
Total other financing sources (uses)	<u>568,900</u>	<u>(11,208,482)</u>	<u>(11,777,382)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,431,779)</u>	<u>\$ (7,431,779)</u>
Fund balance, beginning of year		<u>43,779,363</u>	
Fund balance, end of year		<u>\$ 36,347,584</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, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
Revenue			
Investment Earnings	\$ -	\$ 4,341	\$ 4,341
Total Revenue	<u>-</u>	<u>4,341</u>	<u>4,341</u>
Other financing sources (uses):			
Transfer in - General Fund	161,759	161,759	-
Transfer out - Revaluation Project	(323,809)	(323,809)	-
To fund balance for future revaluation	(161,759)	-	161,759
Total other financing sources (uses)	<u>-</u>	<u>(162,050)</u>	<u>(162,050)</u>
Net change in fund balance	<u>\$ -</u>	<u>(157,709)</u>	<u>\$ (157,709)</u>
Fund balance, beginning		<u>324,870</u>	
Fund balance, ending		<u>\$ 167,161</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, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental					
Opioid Settlement Funds	\$ 3,077,680	\$ 1,223,648	\$ 472,347	\$ 1,695,995	\$ (1,381,685)
NOAT II Abatement Revenue	20,201	20,200	-	20,200	(1)
Investment Earnings	-	3,021	16,892	19,913	19,913
Total revenues	<u>3,097,881</u>	<u>1,246,869</u>	<u>489,239</u>	<u>1,736,108</u>	<u>(1,361,773)</u>
<b>Expenditures:</b>					
Human Services					
Opioid Peer Support	302,772	37,393	42,359	79,752	223,020
Opioid Health Educator	197,347	73,532	66,922	140,454	56,893
Opioid Project Support	45,000	10,000	20,000	30,000	15,000
Opioid BHTF Coordinator	69,458	-	-	-	69,458
Opioid Operational Supplies	8,000	2,410	349	2,759	5,241
Future Opioid Expenditures	2,475,304	-	-	-	2,475,304
Total expenditures	<u>3,097,881</u>	<u>123,335</u>	<u>129,630</u>	<u>252,965</u>	<u>2,844,916</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,123,534</u>	<u>359,609</u>	<u>1,483,143</u>	<u>1,483,143</u>
<b>Other financing sources:</b>					
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>\$ 1,123,534</u>	<u>359,609</u>	<u>\$ 1,483,143</u>	<u>\$ 1,483,143</u>
Fund balance, beginning			<u>1,123,534</u>		
Fund balance, end			<u>\$ 1,483,143</u>		

## OTHER MAJOR GOVERNMENTAL FUNDS

---

The County reports the following major governmental funds:

*Opioid Settlement Fund* - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

*Washington Elementary School Construction Fund* - This fund reports revenues and expenses related to the receipt of Needs Based Grant Funding for the construction at Washington Elementary School.

---

**Beaufort County, North Carolina**  
**Eastern Elementary School Construction Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues:</b>					
Needs Based PSCF Grant	\$ 42,000,000	\$ -	\$ 6,292,970	\$ 6,292,970	\$ (35,707,030)
Sales Tax Refund	-	-	6,172	6,172	6,172
Total revenues	<u>42,000,000</u>	<u>-</u>	<u>6,299,142</u>	<u>6,299,142</u>	<u>(35,700,858)</u>
<b>Expenditures</b>					
Education					
Testing, Surveys, & Studies	190,000	-	69,914	69,914	120,086
Engineering, Design, Admin	2,789,000	-	1,798,905	1,798,905	990,095
Construction & Demo	43,120,100	-	5,922,403	5,922,403	37,197,697
Furniture and Fixtures	1,200,000	-	-	-	1,200,000
Contingency	2,364,955	-	-	-	2,364,955
Total expenditures	<u>49,664,055</u>	<u>-</u>	<u>7,791,222</u>	<u>7,791,222</u>	<u>41,872,833</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	10,000,000	-	10,000,000	10,000,000	-
Transfer to General Fund	(2,335,945)	-	-	-	2,335,945
Total Other Financing Sources (Uses)	<u>7,664,055</u>	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>2,335,945</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>8,507,920</u>	<u>\$ 8,507,920</u>	<u>\$ 8,507,920</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 8,507,920</u>		

## NON-MAJOR GOVERNMENTAL FUNDS

---

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

---

## 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**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 5,949,441	\$ 10,884,214	\$ 16,833,655
Restricted cash	677,054	606,604	1,283,658
Taxes receivable (net)	208,798	-	208,798
Accounts receivable (net)	1,620,762	139,419	1,760,181
Due from other funds	1,034,538	-	1,034,538
Total assets	<u>\$ 9,490,593</u>	<u>\$ 11,630,237</u>	<u>\$ 21,120,830</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 722,121	\$ 145,754	\$ 867,875
Due to other funds	1,017,224	139,108	1,156,332
Unearned revenues	648,169	600,000	1,248,169
Total liabilities	<u>2,387,514</u>	<u>884,862</u>	<u>3,272,376</u>
DEFERRED INFLOWS OF RESOURCES	<u>664,664</u>	<u>-</u>	<u>664,664</u>
<b>FUND BALANCES</b>			
Nonspendable			
Advance to General Fund	1,034,538	-	1,034,538
Restricted:			
Stabilization by State Statute	89,421	-	89,421
General Government	26,584	-	26,584
Economic Development	946,639	290,086	1,236,725
Education	-	6,604	6,604
Human Services	4,035,393	-	4,035,393
Public Safety	370,722	-	370,722
Cultural and Recreational	-	332,237	332,237
Committed	-	10,132,824	10,132,824
Unassigned	(64,882)	(16,376)	(81,258)
Total fund balances	<u>6,438,415</u>	<u>10,745,375</u>	<u>17,183,790</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,490,593</u>	<u>\$ 11,630,237</u>	<u>\$ 21,120,830</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, 2025**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,557,663	\$ -	\$ 4,557,663
Restricted intergovernmental	5,230,538	256,488	5,487,026
Sales and services	1,164,542	-	1,164,542
Other	54,975	-	54,975
Investment Earnings	63,410	117,184	180,594
Total revenues	<u>11,071,128</u>	<u>373,672</u>	<u>11,444,800</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	733,582	-	733,582
Public safety	7,439,497	14,756	7,454,253
Health and human services	688,260	-	688,260
Economic and physical development	3,957,118	964,843	4,921,961
Cultural and recreational	-	60,347	60,347
Total Expenditures	<u>12,818,457</u>	<u>1,039,946</u>	<u>13,858,403</u>
Revenues over (under) expenditures	<u>(1,747,329)</u>	<u>(666,274)</u>	<u>(2,413,603)</u>
<b>Other financing sources (uses):</b>			
Transfers in	543,944	1,826,394	2,370,338
Transfers out	(4,283)	(1,771,844)	(1,776,127)
Total other financing sources (uses)	<u>539,661</u>	<u>54,550</u>	<u>594,211</u>
Net change in fund balance	(1,207,668)	(611,724)	(1,819,392)
Fund balances, beginning	<u>7,646,083</u>	<u>11,357,099</u>	<u>19,003,182</u>
Fund balances, ending	<u>\$ 6,438,415</u>	<u>\$ 10,745,375</u>	<u>\$ 17,183,790</u>

**Beaufort County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2025**

Exhibit C-3

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districs	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant	Economic Development Initiatives
<b>ASSETS</b>								
Cash and investments	\$ 33,503	\$ 161,112	\$ 250,329	\$ 243,050	\$ 28,311	\$ 3,829,204	\$ -	\$ 194,134
Restricted Cash	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	208,798	-	-	-	-	-
Accounts receivable (net)	76	10,000	-	23,299	2,739	-	-	455,866
Due from other funds	-	-	-	-	-	1,034,538	-	-
Total assets	<u>\$ 33,579</u>	<u>\$ 171,112</u>	<u>\$ 459,127</u>	<u>\$ 266,349</u>	<u>\$ 31,050</u>	<u>\$ 4,863,742</u>	<u>\$ -</u>	<u>\$ 650,000</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 1,418	\$ -	\$ 250,329	\$ 18,185	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	<u>1,418</u>	<u>-</u>	<u>250,329</u>	<u>18,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>208,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455,866</u>
Fund Balances:								
Nonspendable:								
Advance to General Fund	-	-	-	-	-	1,034,538	-	-
Restricted:								
Stabilization by State Statute	76	10,000	-	23,299	2,739	-	-	-
General Government	-	-	-	-	-	-	-	-
Economic Development	-	161,112	-	-	-	-	-	194,134
Human Services	32,085	-	-	-	-	3,829,204	-	-
Public Safety	-	-	-	224,865	28,311	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>32,161</u>	<u>171,112</u>	<u>-</u>	<u>248,164</u>	<u>31,050</u>	<u>4,863,742</u>	<u>-</u>	<u>194,134</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,579</u>	<u>\$ 171,112</u>	<u>\$ 459,127</u>	<u>\$ 266,349</u>	<u>\$ 31,050</u>	<u>\$ 4,863,742</u>	<u>\$ -</u>	<u>\$ 650,000</u>

**Beaufort County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2025**

Exhibit C-3

	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	ADFPTF - USDA Grant Fund	ADFPTF - 21-003-4005 Fund	Revaluation Project Fund	NC Housing Finance SFH Loan Pool Grant	BCSO Boat Grant Fund
<b>ASSETS</b>									
Cash and investments	\$ 174,104	\$ 46,196	\$ 28,836	\$ 134,664	\$ -	\$ -	\$ 301,593	\$ -	\$ 9,896
Restricted Cash	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	108,816	3,000	-	1,867	51,440	2,875
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 174,104</u>	<u>\$ 46,196</u>	<u>\$ 28,836</u>	<u>\$ 243,480</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 303,460</u>	<u>\$ 51,440</u>	<u>\$ 12,771</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 449	\$ 126,361	\$ -	\$ -	\$ 303,460	\$ 9,575	\$ 12,344
Due to other funds	-	-	-	-	3,000	-	-	53,440	-
Unearned revenues	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>449</u>	<u>126,361</u>	<u>3,000</u>	<u>-</u>	<u>303,460</u>	<u>63,015</u>	<u>12,344</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>									
<b>Nonspendable:</b>									
Advance to General Fund	-	-	-	-	-	-	-	-	-
<b>Restricted:</b>									
Stabilization by State Statute	-	-	-	-	-	-	1,867	51,440	-
General Government	-	-	-	-	-	-	-	-	-
Economic Development	-	46,196	28,387	-	-	-	-	-	-
Human Services	174,104	-	-	-	-	-	-	-	-
Public Safety	-	-	-	117,119	-	-	-	-	427
Unassigned	-	-	-	-	-	-	(1,867)	(63,015)	-
Total fund balances	<u>174,104</u>	<u>46,196</u>	<u>28,387</u>	<u>117,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,575)</u>	<u>427</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 174,104</u>	<u>\$ 46,196</u>	<u>\$ 28,836</u>	<u>\$ 243,480</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 303,460</u>	<u>\$ 51,440</u>	<u>\$ 12,771</u>

**Beaufort County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2025**

	State Centric Model Grant Fund	Beaufort Promise Fund	ARP Grant Funding	ADFPTF 21-003-4005 Grant Fund	IT Grant Project Fund	BRIC Grant Fund	EMC Community Grant Fund	NC Emergency Management Grant
<b>ASSETS</b>								
Cash and investments	\$ -	\$ 474,175	\$ -	\$ -	\$ 26,584	\$ 13,750	\$ -	\$ -
Restricted Cash	10,465	-	666,589	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	-	-	-	960,784	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 10,465</u>	<u>\$ 474,175</u>	<u>\$ 666,589</u>	<u>\$ -</u>	<u>\$ 26,584</u>	<u>\$ 13,750</u>	<u>\$ 960,784</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	960,784	-
Unearned revenues	-	-	648,169	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>648,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>960,784</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Fund Balances:								
Nonspendable:								
Advance to General Fund	-	-	-	-	-	-	-	-
Restricted:								
Stabilization by State Statute	-	-	-	-	-	-	-	-
General Government	-	-	-	-	26,584	-	-	-
Economic Development	10,465	474,175	18,420	-	-	13,750	-	-
Human Services	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>10,465</u>	<u>474,175</u>	<u>18,420</u>	<u>-</u>	<u>26,584</u>	<u>13,750</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,465</u>	<u>\$ 474,175</u>	<u>\$ 666,589</u>	<u>\$ -</u>	<u>\$ 26,584</u>	<u>\$ 13,750</u>	<u>\$ 960,784</u>	<u>\$ -</u>

**Beaufort County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2025**

	NCDOC Building Reuse Aurora	NCDOC Building Reuse Hometown	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 5,949,441
Restricted Cash	-	-	677,054
Taxes receivable (net)	-	-	208,798
Accounts receivable (net)	-	-	1,620,762
Due from other funds	-	-	1,034,538
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,490,593</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 722,121
Due to other funds	-	-	1,017,224
Unearned revenues	-	-	648,169
Total liabilities	<u>-</u>	<u>-</u>	<u>2,387,514</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>664,664</u>
Fund Balances:			
Nonspendable:			
Advance to General Fund	-	-	1,034,538
Restricted:			
Stabilization by State Statute	-	-	89,421
General Government	-	-	26,584
Economic Development	-	-	946,639
Human Services	-	-	4,035,393
Public Safety	-	-	370,722
Unassigned	-	-	(64,882)
Total fund balances	<u>-</u>	<u>-</u>	<u>6,438,415</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,490,593</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, 2025**

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund	One NC Grant
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ 4,557,663	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	138,041	24,506	-	-
Sales and Services	-	-	-	-	-	-	-
Other	2,389	34,100	-	-	3,666	14,701	-
Investment Earnings	354	-	-	2,819	386	42,788	-
Total revenues	<u>2,743</u>	<u>34,100</u>	<u>4,557,663</u>	<u>140,860</u>	<u>28,558</u>	<u>57,489</u>	<u>-</u>
<b>Expenditures:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	4,557,663	186,232	41,349	-	-
Health and human services	1,815	-	-	-	-	-	-
Economic and physical development	-	28,287	-	-	-	-	-
Total expenditures	<u>1,815</u>	<u>28,287</u>	<u>4,557,663</u>	<u>186,232</u>	<u>41,349</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	928	5,813	-	(45,372)	(12,791)	57,489	-
<b>Other financing sources (uses):</b>							
Transfers in (out)	-	-	-	347	-	-	-
Transfers out	-	-	-	-	-	-	(4,283)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>-</u>	<u>(4,283)</u>
Net change in fund balances	928	5,813	-	(45,025)	(12,791)	57,489	(4,283)
Fund balances, beginning	<u>31,233</u>	<u>165,299</u>	<u>-</u>	<u>293,189</u>	<u>43,841</u>	<u>4,806,253</u>	<u>4,283</u>
Fund balances, ending	<u>\$ 32,161</u>	<u>\$ 171,112</u>	<u>\$ -</u>	<u>\$ 248,164</u>	<u>\$ 31,050</u>	<u>\$ 4,863,742</u>	<u>\$ -</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, 2025**

	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund	EMS Billing & Collections Fund	ADFPTF - USDA Grant Fund	ADFPTF - 21-003-4005 Fund	Revaluation Project Fund
<b>Revenues:</b>								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	718,097	-	10,000	-	28,408	-	-
Sales and Services	-	-	80,892	30,836	1,052,814	-	-	-
Other	-	-	-	119	-	-	-	-
Investment Earnings	-	-	-	3	-	-	-	93
<b>Total revenues</b>	<b>-</b>	<b>718,097</b>	<b>80,892</b>	<b>40,958</b>	<b>1,052,814</b>	<b>28,408</b>	<b>-</b>	<b>93</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	733,582
Public safety	-	-	-	-	1,718,639	-	-	-
Health and human services	-	686,445	-	-	-	-	-	-
Economic and physical development	211,044	-	78,662	30,505	-	23,948	-	-
<b>Total expenditures</b>	<b>211,044</b>	<b>686,445</b>	<b>78,662</b>	<b>30,505</b>	<b>1,718,639</b>	<b>23,948</b>	<b>-</b>	<b>733,582</b>
Revenues over (under) expenditures	(211,044)	31,652	2,230	10,453	(665,825)	4,460	-	(733,489)
<b>Other financing sources (uses):</b>								
Transfers in (out)	-	-	-	-	-	-	-	543,597
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>543,597</b>
Net change in fund balances	(211,044)	31,652	2,230	10,453	(665,825)	4,460	-	(189,892)
Fund balances, beginning	405,178	142,452	43,966	17,934	782,944	(4,460)	-	189,892
Fund balances, ending	<u>\$ 194,134</u>	<u>\$ 174,104</u>	<u>\$ 46,196</u>	<u>\$ 28,387</u>	<u>\$ 117,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2025**

	NC Housing Finance SFH Loan Pool Grant	BCSO Boat Grant Grant	State Centric Model Grant Fund	Beaufort Promise Fund	ARP Grant Funding	ADFPTF 21-003-4005 Grant Fund	IT Grant Project Fund	BRIC Grant Fund
<b>Revenues:</b>								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	56,190	-	10,465	-	3,351,831	-	-	-
Sales and Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	6,594	10,373	-	-	-
Total revenues	<u>56,190</u>	<u>-</u>	<u>10,465</u>	<u>6,594</u>	<u>3,362,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	42,614	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Economic and physical development	67,115	-	-	165,726	3,351,831	-	-	-
Total expenditures	<u>67,115</u>	<u>42,614</u>	<u>-</u>	<u>165,726</u>	<u>3,351,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(10,925)	(42,614)	10,465	(159,132)	10,373	-	-	-
<b>Other financing sources (uses):</b>								
Transfers in (out)	-	-	-	-	-	-	-	-
Transfers 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	(10,925)	(42,614)	10,465	(159,132)	10,373	-	-	-
Fund balances, beginning	(650)	43,041	-	633,307	8,047	-	26,584	13,750
Fund balances, ending	<u>\$ (11,575)</u>	<u>\$ 427</u>	<u>\$ 10,465</u>	<u>\$ 474,175</u>	<u>\$ 18,420</u>	<u>\$ -</u>	<u>\$ 26,584</u>	<u>\$ 13,750</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, 2025**

	EMC Community Grant Fund	NC Emergency Management Grant	NCDOC Building Reuse Aurora	NCDOC Building Reuse Hometown	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,557,663
Restricted intergovernmental	893,000	-	-	-	5,230,538
Sales and Services	-	-	-	-	1,164,542
Other	-	-	-	-	54,975
Investment Earnings	-	-	-	-	63,410
Total revenues	<u>893,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,071,128</u>
<b>Expenditures:</b>					
General government	-	-	-	-	733,582
Public safety	893,000	-	-	-	7,439,497
Health and human services	-	-	-	-	688,260
Economic and physical development	-	-	-	-	3,957,118
Total expenditures	<u>893,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,818,457</u>
Revenues over (under) expenditures	-	-	-	-	(1,747,329)
<b>Other financing sources (uses):</b>					
Transfers in (out)	-	-	-	-	543,944
Transfers out	-	-	-	-	(4,283)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,661</u>
Net change in fund balances	-	-	-	-	(1,207,668)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,646,083</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,438,415</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Income	\$ 31,000	\$ 2,389	\$ (28,611)
Investment Earnings	-	354	354
Total revenues	<u>31,000</u>	<u>2,743</u>	<u>(28,257)</u>
Expenditures:			
Health and Human Services	31,000	1,815	29,185
Total expenditures	<u>31,000</u>	<u>1,815</u>	<u>29,185</u>
Revenues over (under) expenditures	<u>-</u>	<u>928</u>	<u>928</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>928</u>	<u>\$ 928</u>
Fund balance, beginning		<u>31,233</u>	
Fund balance, ending		<u>\$ 32,161</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Other Contributions	\$ 23,100	\$ 29,100	\$ 6,000
Contributions - City of Washington	-	5,000	5,000
Total revenues	<u>23,100</u>	<u>34,100</u>	<u>11,000</u>
Expenditures:			
Economic and physical development	<u>68,100</u>	<u>28,287</u>	<u>39,813</u>
Total expenditures	<u>68,100</u>	<u>28,287</u>	<u>39,813</u>
Revenues over (under) expenditures	<u>(45,000)</u>	<u>5,813</u>	<u>50,813</u>
Other Financing Sources (Uses)			
Appropriated Fund Balance	<u>45,000</u>	-	-
Total other financing sources (uses)	<u>45,000</u>	-	-
Net change in fund balance	<u>\$ -</u>	<u>5,813</u>	<u>\$ 50,813</u>
Fund balance, beginning		<u>165,299</u>	
Fund balance, ending		<u>\$ 171,112</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem tax	\$ 4,444,590	\$ 4,557,663	\$ 113,073
Total revenues	<u>4,444,590</u>	<u>4,557,663</u>	<u>113,073</u>
Expenditures:			
Public safety expenditures	4,444,590	4,557,663	(113,073)
Total expenditures	<u>4,444,590</u>	<u>4,557,663</u>	<u>(113,073)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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>-</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 159,729	\$ 138,041	\$ (21,688)
Investment Earnings	-	2,819	2,819
Total revenues	<u>159,729</u>	<u>140,860</u>	<u>(18,869)</u>
Expenditures:			
Public Safety :			
Telephone	21,984	11,648	10,336
Software maintenance	46,130	61,892	(15,762)
Hardware maintenance	98,578	91,173	7,405
Training	14,089	8,762	5,327
Capital outlay	12,761	12,757	4
Total expenditures	<u>193,542</u>	<u>186,232</u>	<u>7,310</u>
Revenues over (under) expenditures	<u>(33,813)</u>	<u>(45,372)</u>	<u>(11,559)</u>
Other financing sources (uses):			
Transfers In	-	347	347
Total other financing sources (uses)	<u>33,813</u>	<u>347</u>	<u>(33,466)</u>
Net change in fund balance	<u>\$ -</u>	<u>(45,025)</u>	<u>\$ (45,025)</u>
Fund balance, beginning		<u>293,189</u>	
Fund balance, ending		<u>\$ 248,164</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 21,000	\$ 24,506	\$ 3,506
Miscellaneous	14,500	3,666	(10,834)
Investment Earnings	-	386	386
Total revenues	<u>35,500</u>	<u>28,558</u>	<u>(6,942)</u>
Expenditures:			
Public safety expenditures	<u>79,775</u>	<u>41,349</u>	<u>38,426</u>
Total expenditures	<u>79,775</u>	<u>41,349</u>	<u>38,426</u>
Revenues over (under) expenditures	<u>(44,275)</u>	<u>(12,791)</u>	<u>31,484</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>44,275</u>	-	<u>(44,275)</u>
Total other financing sources (uses)	<u>44,275</u>	-	<u>(44,275)</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,791)</u>	<u>\$ (12,791)</u>
Fund balance, beginning		<u>43,841</u>	
Fund balance, ending		<u>\$ 31,050</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Principal payments received	\$ -	\$ 356,838	\$ 356,838
Interest payment received	-	14,701	14,701
Investment Earnings	-	42,788	42,788
Total Revenues	<u>-</u>	<u>414,327</u>	<u>414,327</u>
<b>Expenditures:</b>			
Economic and physical development	610,416	-	610,416
Total Expenditures	<u>610,416</u>	<u>-</u>	<u>610,416</u>
Revenues over (under) expenditures	<u>(610,416)</u>	<u>414,327</u>	<u>1,024,743</u>
<b>Other financing sources (uses):</b>			
Appropriated Fund Balance	610,416	-	(610,416)
Total other financing sources (uses)	<u>610,416</u>	<u>-</u>	<u>(610,416)</u>
Net change in fund balance	<u>\$ -</u>	<u>414,327</u>	<u>\$ 414,327</u>
<b>Reconciling Item</b>			
Principal paid on intergovernmental loan		(356,838)	
Fund balance, beginning		<u>4,806,253</u>	
Fund balance, ending		<u>\$ 4,863,742</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, 2025**

	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	(4,283)	4,284	4,283
Total other financing sources	<u>8,567</u>	<u>8,567</u>	<u>(4,283)</u>	<u>4,284</u>	<u>4,283</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,283</u>	<u>(4,283)</u>	<u>\$ -</u>	<u>\$ 8,566</u>
Fund balance, beginning			4,283		
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, 2025**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 16,275	\$ 16,275	\$ -	\$ 16,275	\$ -
Payments received on loan	-	194,134	-	194,134	194,134
Total revenues	<u>16,275</u>	<u>210,409</u>	<u>-</u>	<u>210,409</u>	<u>194,134</u>
<b>Expenditures</b>					
Economic and physical development Initiatives	16,275	5,231	11,044	16,275	-
Town of Aurora Loan	650,000	450,000	200,000	650,000	-
Total expenditures	<u>666,275</u>	<u>455,231</u>	<u>211,044</u>	<u>666,275</u>	<u>-</u>
Revenue over (under) expenditures	(650,000)	(244,822)	(211,044)	(455,866)	194,134
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	650,000	650,000	-	650,000	-
Total Other Financing Sources (Uses)	<u>650,000</u>	<u>650,000</u>	<u>-</u>	<u>650,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 405,178</u>	(211,044)	<u>\$ 194,134</u>	<u>\$ 194,134</u>
Fund balance, beginning			<u>405,178</u>		
Fund balance, end			<u>\$ 194,134</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 700,000	\$ 718,097	\$ 18,097
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	700,000	686,445	13,555
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	31,652	<u>\$ 31,652</u>
Fund balance, beginning, as previously reported		<u>142,452</u>	
Fund balance, ending		<u><u>\$ 174,104</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Sales and Services:			
Livestock Show and Sale	\$ 35,000	\$ 59,549	\$ 24,549
Summer Camping	10,000	8,592	(1,408)
4H Clubs	10,000	12,751	2,751
4H Programming	10,000	-	(10,000)
<b>Total Revenues</b>	<u>65,000</u>	<u>80,892</u>	<u>15,892</u>
<b>Expenditures:</b>			
Economic and Physical Development			
Livestock Show and Sale	35,000	59,337	(24,337)
Summer Camping	10,000	8,941	1,059
4H Clubs	10,000	10,384	(384)
4H Programming	10,000	-	10,000
<b>Total Expenditures</b>	<u>65,000</u>	<u>78,662</u>	<u>(13,662)</u>
Net change in fund balance	<u>\$ -</u>	2,230	<u>\$ 2,230</u>
Fund balance, beginning		<u>43,966</u>	
Fund balance, ending		<u>\$ 46,196</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Agriculture Programming	\$ 30,000	\$ 18,648	\$ (11,352)
Horticulture Programming	7,000	-	(7,000)
Master Gardeners	6,000	8,528	2,528
Family & Consumer Science Programs	7,000	3,660	(3,340)
Investment Earnings	-	3	3
Miscellaneous Income	-	119	119
Total Revenues	<u>50,000</u>	<u>40,958</u>	<u>(9,042)</u>
Expenditures:			
Economic and Physical Development			
Agriculture Programming	30,000	17,913	12,087
Horticulture Programming	7,000	-	7,000
Master Gardeners	6,000	6,958	(958)
Family & Consumer Science Programs	7,000	3,448	3,552
Miscellaneous Funds Expense	-	37	(37)
Grant Expenses	-	2,149	(2,149)
Total Expenditures	<u>50,000</u>	<u>30,505</u>	<u>19,495</u>
Net change in fund balance	<u>\$ -</u>	10,453	<u>\$ 10,453</u>
Fund balance, beginning		<u>17,934</u>	
Fund balance, ending		<u>\$ 28,387</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Sales and Services:			
EMS Revenues	\$ 2,184,500	\$ 1,052,814	\$ (1,131,686)
Restricted Intergovernmental:			
Medicaid Cost Settlement	50,000	-	(50,000)
Total Revenues	<u>2,234,500</u>	<u>1,052,814</u>	<u>(1,181,686)</u>
Expenditures:			
Public Safety			
Emergency Medical Service	2,891,033	1,718,639	1,172,394
Total Expenditures	<u>2,891,033</u>	<u>1,718,639</u>	<u>1,172,394</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>656,533</u>	<u>-</u>	<u>(656,533)</u>
Net change in fund balance	<u>\$ -</u>	<u>(665,825)</u>	<u>\$ (665,825)</u>
Fund balance, beginning		<u>782,944</u>	
Fund balance, ending		<u>\$ 117,119</u>	

**Beaufort County, North Carolina**  
**ADFPTF 19-035-4028 Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental					
ADFPTF Grant	\$ 32,750	\$ -	\$ 25,408	\$ 25,408	\$ (7,342)
USDA Revenue	15,340	-	-	-	(15,340)
NC Grange	3,000	-	3,000	3,000	-
Land Owner Contributions	11,870	-	-	-	(11,870)
Total revenues	<u>62,960</u>	<u>-</u>	<u>28,408</u>	<u>28,408</u>	<u>(34,552)</u>
<b>Expenditures:</b>					
Economic and physical development					
Easement Purchase	30,620	-	-	-	30,620
Professional services	32,340	4,460	23,948	28,408	3,932
Total expenditures	<u>62,960</u>	<u>4,460</u>	<u>23,948</u>	<u>28,408</u>	<u>34,552</u>
Revenues over (under) expenditures	<u>-</u>	<u>(4,460)</u>	<u>4,460</u>	<u>-</u>	<u>-</u>
<b>Other financing sources:</b>					
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>\$ (4,460)</u>	4,460	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>(4,460)</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**ADFPTF 24-038-4030 Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
ADFPTF Grant	\$ 213,178	\$ -	\$ -	\$ -	\$ (213,178)
Total revenues	<u>213,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,178)</u>
Expenditures:					
Economic and physical development					
ADFPTF Expenses	213,178	-	-	-	213,178
Total expenditures	<u>213,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,178</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, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Investment Earnings	\$ -	\$ 1,861	\$ 93	\$ 1,954	\$ 1,954
Total revenues	<u>-</u>	<u>1,861</u>	<u>93</u>	<u>1,954</u>	<u>1,954</u>
<b>Expenditures:</b>					
General Government					
Contract - Revaluation	1,482,864	793,256	680,506	1,473,762	9,102
Other Operating Expenses	102,000	43,189	47,873	91,062	10,938
Equipment Purchase	24,000	18,797	5,203	24,000	-
Total expenditures	<u>1,608,864</u>	<u>855,242</u>	<u>733,582</u>	<u>1,588,824</u>	<u>20,040</u>
Revenues over (under) expenditures	<u>(1,608,864)</u>	<u>(853,381)</u>	<u>(733,489)</u>	<u>(1,586,870)</u>	<u>21,994</u>
<b>Other financing sources:</b>					
Transfer from General Fund	460,197	218,415	219,788	438,203	(21,994)
Transfer from Revaluation Fund	1,148,667	824,858	323,809	1,148,667	-
Total other financing sources	<u>1,608,864</u>	<u>1,043,273</u>	<u>543,597</u>	<u>1,586,870</u>	<u>(21,994)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 189,892</u>	<u>(189,892)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>189,892</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**NC Housing Finance Agency Essential Single Family Housing Loan Pool**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
NCHFA Grant	\$ 317,398	\$ 22,180	\$ 56,190	\$ 78,370	\$ (239,028)
Total revenues	<u>317,398</u>	<u>22,180</u>	<u>56,190</u>	<u>78,370</u>	<u>(239,028)</u>
<b>Expenditures:</b>					
Economic and Physical Development					
Housing Rehab	317,398	22,830	67,115	89,945	227,453
Total expenditures	<u>317,398</u>	<u>22,830</u>	<u>67,115</u>	<u>89,945</u>	<u>227,453</u>
Revenues over (under) expenditures	<u>-</u>	<u>(650)</u>	<u>(10,925)</u>	<u>(11,575)</u>	<u>(11,575)</u>
<b>Other financing sources:</b>					
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>\$ (650)</u>	<u>(10,925)</u>	<u>\$ (11,575)</u>	<u>\$ (11,575)</u>
Fund balance, beginning			<u>(650)</u>		
Fund balance, end			<u>\$ (11,575)</u>		

**Beaufort County, North Carolina**  
**Beaufort County Sheriff's Office Boat Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Regional Economic Development Reserve Funds	\$ 125,000	\$ 125,000	\$ -	\$ 125,000	\$ -
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
Expenditures:					
Public Safety					
Equipment Purchase	125,000	81,959	42,614	124,573	427
Total expenditures	<u>125,000</u>	<u>81,959</u>	<u>42,614</u>	<u>124,573</u>	<u>427</u>
Revenues over (under) expenditures	<u>-</u>	<u>43,041</u>	<u>(42,614)</u>	<u>427</u>	<u>427</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>\$ 43,041</u>	<u>(42,614)</u>	<u>\$ 427</u>	<u>\$ 427</u>
Fund balance, beginning			<u>43,041</u>		
Fund balance, end			<u>\$ 427</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, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
HMGP Federal/State Revenue	\$ 390,629	\$ -	\$ 10,465	\$ 10,465	\$ (380,164)
Total revenues	<u>390,629</u>	<u>-</u>	<u>10,465</u>	<u>10,465</u>	<u>(380,164)</u>
Expenditures:					
Economic Development					
Management Cost	390,629	-	-	-	390,629
Total expenditures	<u>390,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,629</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>10,465</u>	<u>10,465</u>	<u>10,465</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>10,465</u>	<u>\$ 10,465</u>	<u>\$ 10,465</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 10,465</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, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Investment Earnings	\$ -	\$ 3,196	\$ 6,594	\$ 9,790	\$ 9,790
Total revenues	<u>-</u>	<u>3,196</u>	<u>6,594</u>	<u>9,790</u>	<u>9,790</u>
<b>Expenditures:</b>					
Economic Development					
Scholarship - Beaufort Promise	1,000,000	369,889	165,726	535,615	464,385
Total expenditures	<u>1,000,000</u>	<u>369,889</u>	<u>165,726</u>	<u>535,615</u>	<u>464,385</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(366,693)</u>	<u>(159,132)</u>	<u>(525,825)</u>	<u>474,175</u>
<b>Other financing sources:</b>					
Transfer (to) from other funds	1,000,000	1,000,000	-	1,000,000	-
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 633,307</u>	<u>(159,132)</u>	<u>\$ 474,175</u>	<u>\$ 474,175</u>
Fund balance, beginning			<u>633,307</u>		
Fund balance, end			<u>\$ 474,175</u>		

**Beaufort County, North Carolina**  
**Coronavirus State Local Fiscal Recovery 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, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
American Rescue Plan	\$ 9,128,034	\$ 5,128,034	\$ 3,351,831	\$ 8,479,865	\$ (648,169)
Investment Earnings	-	8,047	10,373	18,420	18,420
Total revenues	<u>9,128,034</u>	<u>5,136,081</u>	<u>3,362,204</u>	<u>8,498,285</u>	<u>(629,749)</u>
Expenditures:					
Public Safety					
Salaries and Benefits	5,128,034	5,128,034	-	5,128,034	-
Contract Services - Broad Band	<u>4,000,000</u>	<u>-</u>	<u>3,351,831</u>	<u>3,351,831</u>	<u>648,169</u>
Total expenditures	<u>9,128,034</u>	<u>5,128,034</u>	<u>3,351,831</u>	<u>8,479,865</u>	<u>648,169</u>
Revenues over (under) expenditures	<u>-</u>	<u>8,047</u>	<u>10,373</u>	<u>18,420</u>	<u>18,420</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,047</u>	<u>10,373</u>	<u>\$ 18,420</u>	<u>\$ 18,420</u>
Fund balance, beginning			<u>8,047</u>		
Fund balance, end			<u>\$ 18,420</u>		

**Beaufort County, North Carolina**  
**ADFPTF 21-003-4005 Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Grant Revenue	\$ 174,292	\$ -	\$ -	\$ -	\$ (174,292)
Total revenues	<u>174,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,292)</u>
Expenditures:					
Economic Development					
Stewardship Endowment	2,284	-	-	-	2,284
Property Survey	10,000	-	-	-	10,000
Baseline DOC Report	3,000	-	-	-	3,000
Environ Assessment /Audit	2,500	-	-	-	2,500
Legal Fees	3,500	-	-	-	3,500
Closing Cost	1,000	-	-	-	1,000
Easement Purchase	149,008	-	-	-	149,008
Professional Services - Grange	3,000	-	-	-	3,000
Total expenditures	<u>174,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,292</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**IT Grant Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Homeland Security Grant	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Expenditures:					
General Government					
Planning Services	2,500	-	-	-	2,500
Organization	5,000	-	-	-	5,000
Equipment Purchase	104,084	-	-	-	104,084
Training	10,000	-	-	-	10,000
Exercises	5,000	-	-	-	5,000
Total expenditures	<u>126,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,584</u>
Revenues over (under) expenditures	<u>(26,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,584</u>
Other financing sources:					
Transfer from General Fund	26,584	26,584	-	26,584	-
Total other financing sources	<u>26,584</u>	<u>26,584</u>	<u>-</u>	<u>26,584</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 26,584</u>	<u>-</u>	<u>\$ 26,584</u>	<u>\$ 26,584</u>
Fund balance, beginning			<u>26,584</u>		
Fund balance, end			<u>\$ 26,584</u>		

**Beaufort County, North Carolina**  
**BRIC Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
BRIC Grant Revenue	\$ 137,500	\$ -	\$ -	\$ -	\$ (137,500)
Total revenues	<u>137,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137,500)</u>
<b>Expenditures:</b>					
Public Safety					
BRIC Expenses General	151,250	-	-	-	151,250
Total expenditures	<u>151,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,250</u>
Revenues over (under) expenditures	<u>(13,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,750</u>
<b>Other financing sources:</b>					
Transfer from General Fund	13,750	13,750	-	13,750	-
Total other financing sources	<u>13,750</u>	<u>13,750</u>	<u>-</u>	<u>13,750</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,750</u>	<u>-</u>	<u>\$ 13,750</u>	<u>\$ 13,750</u>
Fund balance, beginning			<u>13,750</u>		
Fund balance, end			<u>\$ 13,750</u>		

**Beaufort County, North Carolina**  
**Beaufort County EM Communications Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
DOJ - Congressionally Recommended Awards	\$ 893,000	\$ -	\$ 893,000	\$ 893,000	\$ -
Total revenues	<u>893,000</u>	<u>-</u>	<u>893,000</u>	<u>893,000</u>	<u>-</u>
Expenditures:					
Public Safety Equipment Purchase	893,000	-	893,000	893,000	-
Total expenditures	<u>893,000</u>	<u>-</u>	<u>893,000</u>	<u>893,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

**Beaufort County, North Carolina**  
**NC Emergency Management Grant (#NCEM-LESCG2311)**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Housing Finance Agency Grant	\$ 30,000	\$ -	\$ -	\$ -	\$ (30,000)
Total revenues	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Expenditures					
Public Safety	30,000	-	-	-	30,000
Total expenditures	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</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**  
**NC Department of Commerce - Building Reuse Program - Agape Health Clinic**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental					
Building Reuse Grant	\$ 200,000	\$ -	\$ -	\$ -	\$ (200,000)
Total revenues	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Expenditures:					
Economic Development					
Renovation Expense Reimbursement	200,000	-	-	-	200,000
Total expenditures	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Revenues over (under) expenditures	<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**  
**NC Department of Commerce - Building Reuse Program - Hometown Hall**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
Building Reuse Grant	\$ 25,000	\$ -	\$ -	\$ -	\$ (25,000)
Total revenues	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Expenditures:					
Economic and physical development					
Building Improvements	25,000	-	-	-	25,000
Total expenditures	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</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, 2025**

Exhibit D-1

	Stream Debris Removal	Voting Machines Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek Project Fund	Soil & Water Storage Bldg Fund	EMS Storage Bldg Fund	NC Railroad Prep Grant Fund
<b>ASSETS</b>									
Cash and Investments	\$ -	\$ 148,512	\$ 5,719,023	\$ 1,906,128	\$ 2,481,498	\$ 334,022	\$ 13,049	\$ 1,982	\$ 280,000
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	260	-	-	-	910	-
Total assets	<u>\$ -</u>	<u>\$ 148,512</u>	<u>\$ 5,719,023</u>	<u>\$ 1,906,388</u>	<u>\$ 2,481,498</u>	<u>\$ 334,022</u>	<u>\$ 13,049</u>	<u>\$ 2,892</u>	<u>\$ 280,000</u>
<b>LIABILITIES AND FUND</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ 5,854	\$ -	\$ -	\$ 122,597	\$ -	\$ 1,785	\$ 5,855	\$ -	\$ -
Unspent grant funds	-	-	-	-	-	-	-	-	-
Due to other funds	1,952	-	-	-	-	-	-	-	-
Total liabilities	<u>7,806</u>	<u>-</u>	<u>-</u>	<u>122,597</u>	<u>-</u>	<u>1,785</u>	<u>5,855</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>									
<b>Restricted:</b>									
Economic and Physical	-	-	-	-	-	-	7,194	2,892	280,000
Education	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	332,237	-	-	-
Committed	-	148,512	5,719,023	1,783,791	2,481,498	-	-	-	-
Unassigned	(7,806)	-	-	-	-	-	-	-	-
Total fund balances	<u>(7,806)</u>	<u>148,512</u>	<u>5,719,023</u>	<u>1,783,791</u>	<u>2,481,498</u>	<u>332,237</u>	<u>7,194</u>	<u>2,892</u>	<u>280,000</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 148,512</u>	<u>\$ 5,719,023</u>	<u>\$ 1,906,388</u>	<u>\$ 2,481,498</u>	<u>\$ 334,022</u>	<u>\$ 13,049</u>	<u>\$ 2,892</u>	<u>\$ 280,000</u>

**Beaufort County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Balance Sheets**  
**June 30, 2025**

Exhibit D-1

	NC Resilient Coastal Communities Program	FEMA Flood Miti- gation Fund	SCIF - WHS Athletic Facilities	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ -	\$ -	\$ 10,884,214
Restricted Cash and Investments	-	-	606,604	606,604
Accounts receivable (net)	138,249	-	-	139,419
Total assets	<u>\$ 138,249</u>	<u>\$ -</u>	<u>\$ 606,604</u>	<u>\$ 11,630,237</u>
<b>LIABILITIES AND FUND</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 9,663	\$ -	\$ -	\$ 145,754
Unspent grant funds	-	-	600,000	600,000
Due to other funds	137,156	-	-	139,108
Total liabilities	<u>146,819</u>	<u>-</u>	<u>600,000</u>	<u>884,862</u>
Fund balances:				
Restricted:				
Economic and Physical	-	-	-	290,086
Education	-	-	6,604	6,604
Cultural and Recreational	-	-	-	332,237
Committed	-	-	-	10,132,824
Unassigned	(8,570)	-	-	(16,376)
Total fund balances	<u>(8,570)</u>	<u>-</u>	<u>6,604</u>	<u>10,745,375</u>
Total liabilities and fund balances	<u>\$ 138,249</u>	<u>\$ -</u>	<u>\$ 606,604</u>	<u>\$ 11,630,237</u>

**Beaufort County, North Carolina  
Non-Major Capital Projects Fund**

Exhibit D-2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
June 30, 2025**

	Stream Debris Removal	Voting Machines Capital Reserve Fund	Facility Capital Reserve Fund	Facility Improvements Project Fund	Capital Project Fund	Wright's Creek Project Fund	Soil & Water Storage Bldg Fund	EMS Storage Bldg Fund	NC Railroad Prep Grant Fund
<b>Revenues:</b>									
Restricted intergovernmental	\$ 63,772	\$ -	\$ -	\$ -	\$ -	\$ 53,352	\$ -	\$ -	\$ -
Investment earnings	-	1,670	69,962	-	38,948	-	-	-	-
Total revenues	<u>63,772</u>	<u>1,670</u>	<u>69,962</u>	<u>-</u>	<u>38,948</u>	<u>53,352</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>									
Public Safety	-	-	-	-	-	-	-	14,756	-
Economic and physical development	71,578	-	-	221,131	500,000	-	7,806	-	-
Cultural and Recreational	-	-	-	-	-	60,347	-	-	-
Total expenditures	<u>71,578</u>	<u>-</u>	<u>-</u>	<u>221,131</u>	<u>500,000</u>	<u>60,347</u>	<u>7,806</u>	<u>14,756</u>	<u>-</u>
Revenues over (under) expenditures	(7,806)	1,670	69,962	(221,131)	(461,052)	(6,995)	(7,806)	(14,756)	-
<b>Other financing sources (uses):</b>									
Transfers in	-	30,000	640,000	640,000	500,000	-	-	-	-
Transfers out	-	-	(640,000)	-	(959,194)	(172,650)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>640,000</u>	<u>(459,194)</u>	<u>(172,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(7,806)	31,670	69,962	418,869	(920,246)	(179,645)	(7,806)	(14,756)	-
Fund balances, beginning	-	116,842	5,649,061	1,364,922	3,401,744	511,882	15,000	17,648	280,000
Fund balances, ending	<u>\$ (7,806)</u>	<u>\$ 148,512</u>	<u>\$ 5,719,023</u>	<u>\$ 1,783,791</u>	<u>\$ 2,481,498</u>	<u>\$ 332,237</u>	<u>\$ 7,194</u>	<u>\$ 2,892</u>	<u>\$ 280,000</u>

**Beaufort County, North Carolina**  
**Non-Major Capital Projects Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**June 30, 2025**

Exhibit D-2

	NC Resilient Coastal Communities Program	FEMA Flood Miti- gation Fund	SCIF - WHS Athletic Facilities	Total Nonmajor Capital Projects Funds
Revenues:				
Restricted intergovernmental	\$ 139,364	\$ -	\$ -	\$ 256,488
Investment earnings	-	-	6,604	117,184
Total revenues	<u>139,364</u>	<u>-</u>	<u>6,604</u>	<u>373,672</u>
Expenditures:				
Public Safety	-	-	-	14,756
Economic and physical development	164,328	-	-	964,843
Cultural and Recreational	-	-	-	60,347
Total expenditures	<u>164,328</u>	<u>-</u>	<u>-</u>	<u>1,039,946</u>
Revenues over (under) expenditures	(24,964)	-	6,604	(666,274)
Other financing sources (uses):				
Transfers in	16,394	-	-	1,826,394
Transfers out	-	-	-	(1,771,844)
Total other financing sources (uses)	<u>16,394</u>	<u>-</u>	<u>-</u>	<u>54,550</u>
Net change in fund balances	(8,570)	-	6,604	(611,724)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,357,099</u>
Fund balances, ending	<u>\$ (8,570)</u>	<u>\$ -</u>	<u>\$ 6,604</u>	<u>\$ 10,745,375</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
Stream Debris Removal (220804008)	\$ 334,931	\$ 237,904	\$ 63,772	\$ 301,676	\$ (33,255)
Watershed Restoration Project (17- 175-4087)	282,720	210,401	-	210,401	(72,319)
Stream Debris Removal (25-008- 4090)	160,325	-	-	-	(160,325)
Total revenues	<u>777,976</u>	<u>448,305</u>	<u>63,772</u>	<u>512,077</u>	<u>(265,899)</u>
<b>Expenditures</b>					
Economic and physical development:					
Stream Debris Removal (220804008)	334,931	237,904	63,772	301,676	33,255
Watershed Restoration Project (17- 175-4087)	282,720	210,401	7,806	218,207	64,513
Stream Debris Removal (25-008- 4090)	160,325	-	-	-	160,325
Total expenditures	<u>777,976</u>	<u>448,305</u>	<u>71,578</u>	<u>519,883</u>	<u>258,093</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(7,806)</u>	<u>\$ (7,806)</u>	<u>\$ (7,806)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ (7,806)</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 1,670	\$ 1,670
Total revenues	<u>-</u>	<u>1,670</u>	<u>1,670</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>1,670</u>	<u>31,670</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>	<u>31,670</u>	<u>\$ 31,670</u>
Fund balance, beginning		<u>116,842</u>	
Fund balance, end		<u>\$ 148,512</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, 2025**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 69,962	\$ 69,962
Total revenues	<u>-</u>	<u>69,962</u>	<u>69,962</u>
Expenditures			
Economic and physical development			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>69,962</u>	<u>69,962</u>
Other Financing Source (Uses)			
Transfer from General Fund	640,000	640,000	-
Transfer to Capital Improvement	(640,000)	(640,000)	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>69,962</u>	<u>\$ 69,962</u>
Fund balance, beginning		<u>5,649,061</u>	
Fund balance, end		<u>\$ 5,719,023</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, 2025**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures</b>					
Economic and Physical Development					
Courthouse Capital Improvement	663,650	646,931	-	646,931	16,719
ADA Improvements	86,878	4,965	-	4,965	81,913
Courthouse Annex	-	-	3,861	3,861	(3,861)
Immediate Repairs and Int Upfit	70,122	45,457	-	45,457	24,665
Tideland Building Improvements	46,987	46,987	-	46,987	-
Financial Services Center Improve	102,300	82,053	-	82,053	20,247
Card Access	150,000	36,805	-	36,805	113,195
Courthouse Improvement	180,063	4,402	-	4,402	175,661
CH Annex Window Replacement	134,000	128,496	-	128,496	5,504
Tideland - Outpatient Roof	189,500	167,972	-	167,972	21,528
BCSO - Interior Improvements	150,000	12,098	-	12,098	137,902
Maintenance Shop - Exterior	11,500	-	-	-	11,500
Francisco Window Replacement	35,000	22,539	-	22,539	12,461
BHM Exterior	69,553	-	57,694	57,694	11,859
Space Study	75,000	-	-	-	75,000
Tideland Roof - Phase II	350,000	350,000	-	350,000	-
Contingency	13,722	-	-	-	13,722
Jail Improvements	75,000	-	-	-	75,000
Admin Roof Replacement	190,000	-	147,814	147,814	42,186
DSS - Generator	125,000	-	-	-	125,000
DSS - Roof Coating	210,000	-	-	-	210,000
Contingency	5,620	-	-	-	5,620
Courthouse - Replace (2) Boilers	50,000	-	11,762	11,762	38,238
Seaboard - Paint & Flooring	125,000	-	-	-	125,000
Capital Projects (15% Inflation)	157,620	-	-	-	157,620
Construction Management Services	78,000	-	-	-	78,000
Tideland - Paint & Flooring	160,000	-	-	-	160,000
Contingency	69,380	-	-	-	69,380
Total expenditures	3,573,895	1,548,705	221,131	1,769,836	1,804,059
Revenues over (under) expenditures	(3,573,895)	(1,548,705)	(221,131)	(1,769,836)	1,804,059
<b>Other Financing Source (Uses)</b>					
Transfer from General Fund	245,650	245,650	-	245,650	-
Transfer from Facility Capital Reserve	3,328,245	2,667,977	640,000	3,307,977	20,268
Total other financing source (uses)	3,573,895	2,913,627	640,000	3,553,627	20,268
Net change in fund balance	\$ -	\$ 1,364,922	418,869	\$ 1,783,791	\$ 1,783,791
Fund balance, beginning			1,364,922		
Fund balance, end			\$ 1,783,791		

**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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Investment Earnings	\$ -	\$ 23,710	\$ 38,948	\$ 62,658	\$ 62,658
Total revenues	-	23,710	38,948	62,658	62,658
<b>Expenditures</b>					
Capital Outlay					
Jail Improvements	\$ 49,500	\$ 41,000	\$ -	\$ 41,000	\$ 8,500
BHM Library	100,000	100,000	-	100,000	-
Capital Outlay - Multi-Purpose Building	1,500,000	-	-	-	1,500,000
ROD - Digitization of Records	153,900	-	-	-	153,900
Contract Services	500,000	-	500,000	500,000	-
Future Expenses	756,440	-	-	-	756,440
Total expenditures	3,059,840	141,000	500,000	641,000	2,418,840
<b>Other Financing Sources (Uses)</b>					
Transfer from General Fund	4,019,034	3,519,034	500,000	4,019,034	-
Transfer to Solid Waste Mega Site Capital Project	(959,194)	-	(959,194)	(959,194)	-
Total Other Financing Sources (Uses)	3,059,840	3,519,034	(459,194)	3,059,840	-
Net change in fund balance	\$ -	\$ 3,401,744	(920,246)	\$ 2,481,498	\$ 2,481,498
Fund balance, beginning			3,401,744		
Fund balance, end			\$ 2,481,498		

**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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental					
PARTF - Wrights Creek Phase III	\$ 405,000	\$ -	\$ -	\$ -	\$ (405,000)
PARTF - Wrights Creek Phase II	249,895	-	10,965	10,965	(238,930)
NC Coastal Federation Grant	287,050	-	42,387	42,387	(244,663)
Total revenues	<u>941,945</u>	<u>-</u>	<u>53,352</u>	<u>53,352</u>	<u>(888,593)</u>
<b>Expenditures</b>					
Cultural and Recreational					
Phase III:					
Administrative Costs	25,711	1,488	595	2,083	23,628
Supplies and Materials	271,171	-	-	-	271,171
Contract Services	180,780	-	-	-	180,780
Planning and Design	62,270	24,090	2,778	26,868	35,402
Phase II:					
Planning and Design	-	298	-	298	(298)
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	19,719	5,949	25,668	17,792
Contingency	21,730	-	-	-	21,730
Coastal Federation Grant					
Contract Design	227,350	-	-	-	227,350
Planning and Design	59,700	-	51,025	51,025	8,675
Total expenditures	<u>1,326,772</u>	<u>45,595</u>	<u>60,347</u>	<u>105,942</u>	<u>1,220,830</u>
Other Financing Sources (Uses)					
Transfer from General Fund	384,827	557,477	-	557,477	172,650
Transfer to General Fund	-	-	(172,650)	(172,650)	(172,650)
Total Other Financing Sources (Uses)	<u>384,827</u>	<u>557,477</u>	<u>(172,650)</u>	<u>384,827</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 511,882</u>	<u>(179,645)</u>	<u>\$ 332,237</u>	<u>\$ 332,237</u>
Fund balance, beginning			511,882		
Fund balance, end			<u>\$ 332,237</u>		

**Beaufort County, North Carolina**  
**Soil and Water Storage Building Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Economic & Physical Development Capital Outlay	15,000	-	7,806	7,806	7,194
Total expenditures	<u>15,000</u>	<u>-</u>	<u>7,806</u>	<u>7,806</u>	<u>7,194</u>
Other Financing Sources (Uses)					
Transfer from General Fund	15,000	15,000	-	15,000	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,000</u>	(7,806)	<u>\$ 7,194</u>	<u>\$ 7,194</u>
Fund balance, beginning			<u>15,000</u>		
Fund balance, end			<u>\$ 7,194</u>		

**Beaufort County, North Carolina**  
**EMS Storage Building Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Public Safety Capital Outlay	19,670	2,022	14,756	16,778	2,892
Total expenditures	<u>19,670</u>	<u>2,022</u>	<u>14,756</u>	<u>16,778</u>	<u>2,892</u>
Other Financing Sources (Uses)					
Transfer from General Fund	19,670	19,670	-	19,670	-
Total Other Financing Sources (Uses)	<u>19,670</u>	<u>19,670</u>	<u>-</u>	<u>19,670</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 17,648</u>	<u>(14,756)</u>	<u>\$ 2,892</u>	<u>\$ 2,892</u>
Fund balance, beginning			<u>17,648</u>		
Fund balance, end			<u>\$ 2,892</u>		

**Beaufort County, North Carolina**  
**NC Railroad Prep Grant Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental Grant Revenue	\$ 420,000	\$ -	\$ -	\$ -	\$ (420,000)
Total revenues	<u>420,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(420,000)</u>
Expenditures					
Economic and Physical Development Choco Industrial Park Improvements	700,000	-	-	-	700,000
Total expenditures	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Other Financing Sources (Uses)					
Transfer from General Fund	280,000	280,000	-	280,000	-
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>280,000</u>	<u>-</u>	<u>280,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 280,000</u>	<u>-</u>	<u>\$ 280,000</u>	<u>\$ 280,000</u>
Fund balance, beginning			<u>280,000</u>		
Fund balance, end			<u>\$ 280,000</u>		

**Beaufort County, North Carolina**  
**NC Resilient Coastal Communities Program Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
NC Resilient Communities Grant	\$ 194,166	\$ -	\$ 139,364	\$ 139,364	\$ (54,802)
Total revenues	<u>194,166</u>	<u>-</u>	<u>139,364</u>	<u>139,364</u>	<u>(54,802)</u>
Expenditures					
Economic and Physical Development					
Contract Services	196,560	-	164,328	164,328	32,232
Educational Supplies	14,000	-	-	-	14,000
Total expenditures	<u>210,560</u>	<u>-</u>	<u>164,328</u>	<u>164,328</u>	<u>46,232</u>
Other Financing Sources (Uses)					
Transfer from (to) General Fund	16,394	-	16,394	16,394	-
Total Other Financing Sources (Uses)	<u>16,394</u>	<u>-</u>	<u>16,394</u>	<u>16,394</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(8,570)	<u>\$ (8,570)</u>	<u>\$ (8,570)</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ (8,570)</u>		

**Beaufort County, North Carolina**  
**FEMA Flood Mitigation Assistance Grant #EMA-2020-FM-110-0005**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
HMGP Federal/State Revenue	\$ 1,423,898	\$ -	\$ -	\$ -	\$ (1,423,898)
Total revenues	<u>1,423,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,423,898)</u>
Expenditures:					
Economic Development					
Management Cost	1,423,898	-	-	-	1,423,898
Total expenditures	<u>1,423,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,423,898</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 Capital Infrastructure Grant - WHS Athletic Facilities Grant (#20941)**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental:					
SCIF Grant (#20941)	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
Investment Earnings	-	-	6,604	6,604	6,604
Total revenues	<u>600,000</u>	<u>-</u>	<u>6,604</u>	<u>6,604</u>	<u>(593,396)</u>
Expenditures					
Education					
Planning & Design	32,000	-	-	-	32,000
Site Work	18,000	-	-	-	18,000
General Construction	475,000	-	-	-	475,000
Equipment Purchases	75,000	-	-	-	75,000
Total expenditures	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,604</u>	<u>\$ 6,604</u>	<u>\$ 6,604</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 6,604</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, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Solid waste fees	\$ 4,363,074	\$ 4,348,027	\$ -
Scrap tire disposal fees	96,000	91,586	-
White goods disposal fees	29,000	22,691	-
Solid waste disposal fees	33,000	32,547	-
Interest/tax collections	50,000	53,192	-
Miscellaneous	80	82	-
Total operating revenues	<u>4,571,154</u>	<u>4,548,125</u>	<u>(23,029)</u>
Nonoperating Revenues:			
Investment Earnings	30,000	43,546	-
Total nonoperating revenues	<u>30,000</u>	<u>43,546</u>	<u>13,546</u>
Expenditures:			
Administration:			
Salaries and Employee Benefits	67,458	58,922	-
Computer Support	2,000	2,000	-
Contract Services	46,862	46,250	-
Insurance and Bonds	1,069	1,069	-
Other Expenses	4,200	2,002	-
Telephone	10,000	8,581	-
Administrative Cost to General Fund	129,048	129,048	-
Total	<u>260,637</u>	<u>247,872</u>	<u>12,765</u>
Solid waste fees and expenses			
Landfill	1,510,500	1,452,434	-
Transfer station	1,702,000	1,656,376	-
Convenience	478,158	467,558	-
Disposal fees	300,050	249,714	-
Maintenance	144,350	87,795	-
Utilities	4,350	3,352	-
Professional services	96,124	64,105	-
Recycling - Electronics	145,000	138,799	-
HHW Collections	35,000	27,647	-
Supplies	750	746	-
Total	<u>4,416,282</u>	<u>4,148,526</u>	<u>267,756</u>
Budgetary appropriations:			
Debt Service	10,342	10,342	-
Total Expenditures	<u>4,687,261</u>	<u>4,406,740</u>	<u>280,521</u>
Revenues over (under) Expenditures	<u>(86,107)</u>	<u>184,931</u>	<u>271,038</u>

**Beaufort County, North Carolina**  
**Solid Waste Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For the Year Ended June 30, 2025**

	2025 Budget	2025 Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfer out - Solid Waste project	(338,377)	(338,377)	-
Appropriated Fund Balance	424,484	-	(424,484)
Total Other Financing Sources (Uses)	<u>86,107</u>	<u>(338,377)</u>	<u>(424,484)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>          -</u>	\$ (153,446)	\$ <u>(153,446)</u>
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>			
Depreciation		(827)	
Principal Payments - Lease Liability		10,223	
Amortization - Right to Use Assets		(10,034)	
Transfers from other funds (E-1a, 1b)		<u>1,297,571</u>	
Total Reconciling Items		<u>1,296,933</u>	
Change in net position		\$ <u>1,143,487</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures					
Convenience Site Rehab / Repair	\$ 761,447	\$400,417	\$ 22,212	\$ 422,629	\$ 338,818
Total expenditures	<u>761,447</u>	<u>400,417</u>	<u>22,212</u>	<u>422,629</u>	<u>338,818</u>
Revenues over (under) expenditures	<u>(761,447)</u>	<u>(400,417)</u>	<u>(22,212)</u>	<u>(422,629)</u>	<u>338,818</u>
Other Financing Source (Uses)					
Transfer from Solid Waste Fund	761,447	423,070	338,377	761,447	-
Total other financing source (uses)	<u>761,447</u>	<u>423,070</u>	<u>338,377</u>	<u>761,447</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 22,653</u>	<u>\$ 316,165</u>	<u>\$ 338,818</u>	<u>\$ 338,818</u>

**Beaufort County, North Carolina**  
**Solid Waste Mega Sites Capital Project Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Expenditures					
Land Purchase	\$ 593,555	\$ -	\$ 593,619	\$ 593,619	\$ (64)
Design & Engineering	365,639	-	25,111	25,111	340,528
Total expenditures	<u>959,194</u>	<u>-</u>	<u>618,730</u>	<u>618,730</u>	<u>340,464</u>
Revenues over (under) expenditures	<u>(959,194)</u>	<u>-</u>	<u>(618,730)</u>	<u>(618,730)</u>	<u>340,464</u>
Other Financing Source (Uses)					
Transfer from ARP Funds	959,194	-	959,194	959,194	-
Total other financing source (uses)	<u>959,194</u>	<u>-</u>	<u>959,194</u>	<u>959,194</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,464</u>	<u>\$ 340,464</u>	<u>\$ 340,464</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, 2025**

Exhibit E-2

	2025 Budget	2025 Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 8,744,400	\$ 8,765,937	\$ -
Tap on fees	200,750	240,055	-
Miscellaneous	247,925	207,413	-
Total operating revenues	<u>9,193,075</u>	<u>9,213,405</u>	<u>20,330</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	68,000	181,659	-
Total Nonoperating Revenues	<u>68,000</u>	<u>181,659</u>	<u>113,659</u>
<b>Total Revenues</b>	<u>9,261,075</u>	<u>9,395,064</u>	<u>133,989</u>
<b>Expenditures:</b>			
<b>Administration:</b>			
Supplies	4,000	3,796	-
Telephone	47,000	45,617	-
Travel	116,030	94,077	-
Utilities	219,000	207,454	-
Computer support	144,700	106,191	-
Other administration expenses	222,259	227,586	-
Total	<u>752,989</u>	<u>684,721</u>	<u>68,268</u>
<b>Water treatment and distribution</b>			
Salaries and employee benefits	2,047,274	1,873,793	-
Water purchase	1,155,000	1,107,034	-
Supplies	562,340	512,745	-
Maintenance	475,227	411,195	-
Other expenses	615,894	419,375	-
Administrative Cost to General Fund	307,050	307,050	-
Total	<u>5,162,785</u>	<u>4,631,192</u>	<u>531,593</u>
<b>Budgetary appropriations:</b>			
Capital outlay	481,335	132,882	-
Principal payment on long term debt	2,360,527	2,350,526	-
Interest, fees, and amortization	663,855	664,174	-
Total	<u>3,505,717</u>	<u>3,147,582</u>	<u>358,135</u>
<b>Total Expenditures</b>	<u>9,421,491</u>	<u>8,463,495</u>	<u>957,996</u>
<b>Revenues over (under) Expenditures</b>	<u>(160,416)</u>	<u>931,569</u>	<u>1,091,985</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, 2025**

Exhibit E-2

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Other Financing Sources (Uses):			
Transfers out	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Fund Balance Appropriated	<u>190,416</u>	<u>-</u>	<u>(190,416)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ 901,569	\$ <u>901,569</u>

**Reconciliation form budgetary basis (modified) accrual to full accrual:**

Revenues over Expenditures and other financing sources		\$ <u>901,569</u>	
Depreciation		(2,513,103)	
Amortization		(16,613)	
Debt principal		2,350,526	
Capital outlay		111,139	
Principal Payment - IT Subscription Agreement		1,289	
Increase (decrease) in deferred outflows of resources - pension		(73,335)	
(Increase) decrease in net pension liability		(2,794)	
(Increase) decrease in deferred inflows of resources - pension		2,016	
Increase (decrease) in deferred outflows of resources - OPEB		(92,733)	
(Increase) decrease in total OPEB liability		114,161	
(Increase) decrease in deferred inflows of resources - OPEB		(107,314)	
(Increase) decrease in accrued vacation payable		(138,784)	
Capital contributions (Project Funds)		1,209,245	
Investment Earnings (Project Funds)		16,591	
Project Expenses not Capitalized		<u>(1,139,078)</u>	
Total reconciling items		<u>(278,787)</u>	
Change in net position		\$ <u>622,782</u>	

**Beaufort County, North Carolina**  
**CL2 Conversion Project - Water District I**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0090	\$ 401,100	\$ 150,458	\$ -	\$ 150,458	\$ (250,642)
Total revenues	<u>401,100</u>	<u>150,458</u>	<u>-</u>	<u>150,458</u>	<u>(250,642)</u>
<b>Expenditures</b>					
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>(50,152)</u>	<u>-</u>	<u>(50,152)</u>	<u>83,548</u>
<b>Other Financing Source (Uses)</b>					
DWSRF Revolving Loan	133,700	50,152	-	50,152	(83,548)
Total other financing source (uses)	<u>133,700</u>	<u>50,152</u>	<u>-</u>	<u>50,152</u>	<u>(83,548)</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, 2025**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
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	38,947	-	-	-	(38,947)
Total revenues	<u>1,492,447</u>	<u>1,345,983</u>	<u>-</u>	<u>1,345,983</u>	<u>(146,464)</u>
<b>Expenditures</b>					
Construction - Contract No. 1	1,769,021	1,660,437	-	1,660,437	108,584
Planning and engineering prior to construction	136,700	116,235	-	116,235	20,465
Technical services during construction	138,582	134,199	-	134,199	4,383
Administration	7,644	1,239	-	1,239	6,405
Closing fees	31,493	31,493	-	31,493	-
Total expenditures	<u>2,083,440</u>	<u>1,943,603</u>	<u>-</u>	<u>1,943,603</u>	<u>139,837</u>
Revenues over (under) expenditures	<u>(590,993)</u>	<u>(597,620)</u>	<u>-</u>	<u>(597,620)</u>	<u>(6,627)</u>
<b>Other Financing Source (Uses)</b>					
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>\$ (42,466)</u>	<u>\$ -</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, 2025**

	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	65,000	-	-	-	(65,000)
Total revenues	<u>2,315,000</u>	<u>416,599</u>	<u>-</u>	<u>416,599</u>	<u>(1,898,401)</u>
Expenditures					
Construction - Contract No. 1	1,436,479	224,601	-	224,601	1,211,878
Construction - Contract No. 2	2,920,521	74,637	244,012	318,649	2,601,872
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	87,750	48,750	-	48,750	39,000
Contingency	98,020	-	-	-	98,020
Total expenditures	<u>5,063,750</u>	<u>626,592</u>	<u>244,012</u>	<u>870,604</u>	<u>4,193,146</u>
Revenues over (under) expenditures	<u>(2,748,750)</u>	<u>(209,993)</u>	<u>(244,012)</u>	<u>(454,005)</u>	<u>2,294,745</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	2,700,000	138,856	-	138,856	(2,561,144)
Transfers from Other Funds	48,750	48,750	-	48,750	-
Total other financing source (uses)	<u>2,748,750</u>	<u>187,606</u>	<u>-</u>	<u>187,606</u>	<u>(2,561,144)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (22,387)</u>	<u>\$ (244,012)</u>	<u>\$ (266,399)</u>	<u>\$ (266,399)</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0091	\$ 733,500	\$ 272,911	\$ -	\$ 272,911	\$ (460,589)
Total revenues	<u>733,500</u>	<u>272,911</u>	<u>-</u>	<u>272,911</u>	<u>(460,589)</u>
<b>Expenditures</b>					
Construction - Contract No. 1	700,000	277,491	-	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>363,881</u>	<u>-</u>	<u>363,881</u>	<u>614,119</u>
Revenues over (under) expenditures	<u>(244,500)</u>	<u>(90,970)</u>	<u>-</u>	<u>(90,970)</u>	<u>153,530</u>
<b>Other Financing Source (Uses)</b>					
DWSRF Revolving Loan	244,500	90,970	-	90,970	(153,530)
Total other financing source (uses)	<u>244,500</u>	<u>90,970</u>	<u>-</u>	<u>90,970</u>	<u>(153,530)</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, 2025**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0085	\$ 401,100	\$ 149,518	\$ -	\$ 149,518	\$ (251,582)
Total revenues	<u>401,100</u>	<u>149,518</u>	<u>-</u>	<u>149,518</u>	<u>(251,582)</u>
<b>Expenditures</b>					
Construction - Contract No. 1	354,679	138,102	-	138,102	216,577
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	21,431	-	-	-	21,431
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>(49,839)</u>	<u>-</u>	<u>(49,839)</u>	<u>83,861</u>
<b>Other Financing Source (Uses)</b>					
DWSRF Revolving Loan	133,700	49,839	-	49,839	(83,861)
Total other financing source (uses)	<u>133,700</u>	<u>49,839</u>	<u>-</u>	<u>49,839</u>	<u>(83,861)</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, 2025**

	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	\$ 87,624	\$ 126,028	\$ (988,972)
Total revenues	<u>1,115,000</u>	<u>38,404</u>	<u>87,624</u>	<u>126,028</u>	<u>(988,972)</u>
Expenditures					
Construction - Contract No. 1	1,650,000	-	294,621	294,621	1,355,379
Planning and engineering prior to construction	159,200	66,112	-	66,112	93,088
Technical services during construction	242,800	-	35,866	35,866	206,934
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	39,000	62,161	(23,136)
Total expenditures	<u>2,230,000</u>	<u>99,968</u>	<u>369,487</u>	<u>469,455</u>	<u>1,760,545</u>
Revenues over (under) expenditures	<u>(1,115,000)</u>	<u>(61,564)</u>	<u>(281,863)</u>	<u>(343,427)</u>	<u>771,573</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	1,115,000	38,404	87,624	126,028	(988,972)
Total other financing source (uses)	<u>1,115,000</u>	<u>38,404</u>	<u>87,624</u>	<u>126,028</u>	<u>(988,972)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (23,160)</u>	<u>\$ (194,239)</u>	<u>\$ (217,399)</u>	<u>\$ (217,399)</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0089	\$ 504,000	\$ 20,704	\$ 40,390	\$ 61,094	\$ (442,906)
Total revenues	<u>504,000</u>	<u>20,704</u>	<u>40,390</u>	<u>61,094</u>	<u>(442,906)</u>
<b>Expenditures</b>					
Construction - Contract No. 1	450,000	-	45,362	45,362	404,638
Planning and engineering prior to construction	52,500	16,905	-	16,905	35,595
Technical services during construction	110,600	-	21,919	21,919	88,681
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>67,281</u>	<u>101,406</u>	<u>570,594</u>
Revenues over (under) expenditures	<u>(168,000)</u>	<u>(13,421)</u>	<u>(26,891)</u>	<u>(40,312)</u>	<u>127,688</u>
<b>Other Financing Source (Uses)</b>					
DWSRF Revolving Loan	168,000	6,901	13,463	20,364	\$ (147,636)
Total other financing source (uses)	<u>168,000</u>	<u>6,901</u>	<u>13,463</u>	<u>20,364</u>	<u>(147,636)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (6,520)</u>	<u>\$ (13,428)</u>	<u>\$ (19,948)</u>	<u>\$ (19,948)</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, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues:</b>					
Sales tax refunds	\$ 212,558	\$ 152,372	\$ -	\$ 152,372	\$ (60,186)
Investment Earnings	-	86,971	-	86,971	86,971
Miscellaneous Revenue	-	16,778	-	16,778	16,778
Total revenues	<u>212,558</u>	<u>256,121</u>	<u>-</u>	<u>256,121</u>	<u>43,563</u>
<b>Expenditures</b>					
System improvements	4,403,698	4,395,815	-	4,395,815	7,883
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>4,619,056</u>	<u>-</u>	<u>4,619,056</u>	<u>93,502</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>(4,362,935)</u>	<u>-</u>	<u>(4,362,935)</u>	<u>137,065</u>
<b>Other Financing Source (Uses)</b>					
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>\$ 137,065</u>	<u>\$ -</u>	<u>\$ 137,065</u>	<u>\$ 137,065</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Owners Contribution	\$ 79,513	\$ 33,763	\$ -	\$ 33,763	\$ (45,750)
Investment earnings	-	6,212	16,591	22,803	22,803
Total revenues	<u>79,513</u>	<u>39,975</u>	<u>16,591</u>	<u>56,566</u>	<u>(22,947)</u>
Expenditures:					
Economic and physical development					
Capital Outlay - SCADA	700,000	-	-	-	700,000
Capital Outlay - Swan Point	266,513	217,046	-	217,046	49,467
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>217,046</u>	<u>-</u>	<u>217,046</u>	<u>1,471,467</u>
Revenues over (under) expenditures	<u>(1,609,000)</u>	<u>(177,071)</u>	<u>16,591</u>	<u>(160,480)</u>	<u>1,448,520</u>
Other financing sources:					
Transfer (to) from other funds	1,609,000	1,609,000	-	1,609,000	-
Total other financing sources	<u>1,609,000</u>	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,431,929</u>	<u>\$ 16,591</u>	<u>\$ 1,448,520</u>	<u>\$ 1,448,520</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, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
NCDOT Reimbursement	\$ 1,257,004	\$ 57,847	\$ 1,081,231	\$ 1,139,078	\$ (117,926)
Sales Tax Refund	4,999	-	-	-	(4,999)
Total revenues	<u>1,262,003</u>	<u>57,847</u>	<u>1,081,231</u>	<u>1,139,078</u>	<u>(122,925)</u>
Expenditures:					
Construction Relocation	1,139,439	-	1,044,756	1,044,756	94,683
Planning Design	57,848	57,847	-	57,847	1
Construction Administration	27,660	-	16,744	16,744	10,916
Construction Observation	28,800	-	19,209	19,209	9,591
NCDOT Reimbursable	2,500	522	-	522	1,978
Legal Expenses	2,500	-	-	-	2,500
Advertisement Fee	3,256	-	-	-	3,256
Total expenditures	<u>1,262,003</u>	<u>58,369</u>	<u>1,080,709</u>	<u>1,139,078</u>	<u>122,925</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (522)</u>	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ -</u>

**Beaufort County, North Carolina**  
**BRIC Grant Water Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2025**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
BRIC Grant Revenue	\$ 142,500	\$ -	\$ -	\$ -	\$ (142,500)
Total Revenues	<u>142,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,500)</u>
Expenditures					
Engineering	156,750	-	-	-	156,750
Total expenditures	<u>156,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,750</u>
Revenues over (under) expenditures	<u>(14,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,250</u>
Other financing sources:					
Transfer (to) from other funds	14,250	14,250	-	14,250	-
Total other financing sources	<u>14,250</u>	<u>14,250</u>	<u>-</u>	<u>14,250</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ 14,250</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, 2025**

	Financial Plan	Actual	Variance Positive (Negative)
Operating Expenses:			
Workers Comp Claims	\$ 60,000	\$ 22,747	\$ 37,253
Total operating expenses	<u>60,000</u>	<u>22,747</u>	<u>37,253</u>
Operating income (loss)	<u>(60,000)</u>	<u>(22,747)</u>	<u>37,253</u>
Nonoperating Revenues:			
Investment Earnings	-	12,620	12,620
Total nonoperating revenues	<u>-</u>	<u>12,620</u>	<u>12,620</u>
Other Financing Sources (Uses):			
Transfer in - General Fund	200,000	200,000	-
Transfer in - Water Fund	30,000	30,000	-
Reserve for future claims	(170,000)	-	170,000
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>230,000</u>	<u>170,000</u>
Change in net position	<u>\$ -</u>	219,873	<u>\$ 219,873</u>
Net Position:			
Beginning of Year - July 1		<u>895,922</u>	
End of Year - June 30		<u>\$ 1,115,795</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, 2025**

Exhibit G-1

	<u>Municipal Tax Fund</u>	<u>Drainage Assessment Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 122,732	\$ 110	\$ 51,207	\$ 174,049
Taxes receivable for other governments, net	311,153	7,912	-	319,065
Total assets	<u>433,885</u>	<u>8,022</u>	<u>51,207</u>	<u>493,114</u>
<b>LIABILITIES</b>				
Due to other governments	122,732	110	-	122,842
Total liabilities	<u>122,732</u>	<u>110</u>	<u>-</u>	<u>122,842</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	311,153	7,912	51,207	370,272
Total net position	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 51,207</u>	<u>\$ 370,272</u>

**Beaufort County, North Carolina**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2025**

Exhibit G-2

	<u>Municipal Tax Fund</u>	<u>Drainage Assessment Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>				
Ad valorem taxes for other governments	\$ 7,825,587	\$ -	\$ -	\$ 7,825,587
Collections on behalf of inmates	-	-	194,520	194,520
Drainage assessments	-	391,917	-	391,917
Total additions	<u>7,825,587</u>	<u>391,917</u>	<u>194,520</u>	<u>8,412,024</u>
<b>DEDUCTIONS</b>				
Tax distributions to other governments	7,825,587	391,917	-	8,217,504
Payments on behalf of inmates	-	-	165,477	165,477
Total deductions	<u>7,825,587</u>	<u>391,917</u>	<u>165,477</u>	<u>8,382,981</u>
Net increase (decrease) in fiduciary net position	-	-	29,043	29,043
Net position, beginning	<u>311,153</u>	<u>7,912</u>	<u>22,164</u>	<u>341,229</u>
Net position, ending	<u>\$ 311,153</u>	<u>\$ 7,912</u>	<u>\$ 51,207</u>	<u>\$ 370,272</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, 2025**

Exhibit H-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2024</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 41,573,644	\$ 40,955,627	\$ 618,017
2023-2024	573,127	-	241,837	331,290
2022-2023	298,638	-	65,930	232,708
2021-2022	180,568	-	26,741	153,827
2020-2021	160,112	-	15,582	144,530
2019-2020	131,242	-	7,053	124,189
2018-2019	112,383	-	9,220	103,163
2017-2018	85,655	-	4,072	81,583
2016-2017	77,879	-	4,359	73,520
2015-2016	67,590	-	2,687	64,903
2014-2015	52,459	-	52,459	-
Totals	<u>\$ 1,739,653</u>	<u>\$ 41,573,644</u>	<u>\$ 41,385,567</u>	<u>\$ 1,927,730</u>
				<u>601,060</u>
				<u>\$ 1,326,670</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund			\$ 41,625,356	
Reconciling items:				
Interest collected				(327,246)
Taxes written off				50,385
Refunds				24,454
Miscellaneous				12,618
Total Collections and Credits			<u>\$ 41,385,567</u>	

**Beaufort County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Year Ended June 30, 2025**

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	\$ 6,591,288,000	0.625	\$ 41,195,550	\$ 36,666,939	\$ 4,528,611
Total	6,591,288,000		41,195,550	36,666,939	4,528,611
Discoveries	60,495,040	0.625	378,094	378,094	-
Totals	<u>\$ 6,651,783,040</u>				
Net levy			41,573,644	37,045,033	4,528,611
Current year's taxes collected			40,955,627	36,427,016	4,528,611
Uncollected taxes at June 30, 2025			\$ 618,017	\$ 618,017	\$ -
Current levy collection percentage			<u>98.51%</u>	<u>98.33%</u>	<u>100.00%</u>

**Beaufort County, North Carolina**  
**Ten Largest Taxpayers**  
**For the Year Ended June 30, 2025**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
PCS Phosphate Company Inc.	Phosphate Mining/Acid Production	\$ 1,051,817,668	17.93%
Weyerhaeuser Co.	Tree Farm Operation	105,287,000	1.79%
Purified Acid Partnership	Acid Production	60,795,993	1.04%
Caterpillar Financial Services	Equipment Leasing	30,729,338	0.52%
Wilkinson Solar LLC	Solar Farm	29,830,528	0.51%
River City Construction Inc	Road Construction	23,278,303	0.40%
FPI Carolinas LLC	Agriculture	14,084,413	0.24%
Flanders Filters Inc	Manufacturing	17,677,478	0.30%
Gregory Poole Leasing LLC	Equipment Leasing	15,110,644	0.26%
Iconic Marine Group	Manufacturing / Sales	13,819,612	0.24%

## **COMPLIANCE SECTION**

---

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



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2025, and the related notes to the financial statements, which collectively comprises Beaufort County's basic financial statements, and have issued our report thereon dated December 23, 2025. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

### 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*.

### 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  
December 23, 2025



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2025. 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, 2025.

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 provide 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.

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.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

## 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.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items [2025-001]. Our opinion on each major federal program is not modified with respect to these matters.

*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 other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## 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 [2025-001] 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  
December 23, 2025



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Beaufort County, 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, 2025. 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, 2025.

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.

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.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

## 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.

### Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items [2025-001]. Our opinion on each major State program is not modified with respect to these matters.

*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 other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### 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 [2025-001] 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  
December 23, 2025

**Beaufort County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2025**

---

**Section I. Summary of Auditors' Results**

---

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? \_\_\_yes   X  no
- Significant Deficiency(s) identified \_\_\_yes   X  none reported

Noncompliance material to financial statements noted \_\_\_yes   X  no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? \_\_\_yes   X  no
- Significant Deficiency(s) identified   X  yes \_\_\_none reported

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>
16.753	Congressionally Recommended Awards
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.563	Child Support Enforcement
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



**Beaufort County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

---

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

---

**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid)

AL #: 93.778

**Finding: 2025-001**

SIGNIFICANT DEFICIENCY; NONCOMPLIANCE

Eligibility

Criteria: Federal regulations under 42 CFR § 435.956 require states to verify eligibility factors using electronic data sources where available, and to obtain documentation for unverifiable information. Additionally, the state's Medicaid manual (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual) mandates that all eligibility determinations include cross-verification of applicant-provided data against reliable external sources to ensure accuracy and prevent improper payments.

Condition: There were a total of 6 errors found during our testing procedures:

- There was 1 error where income or household size was incorrectly calculated or inaccurate information was entered into the case file.
- There was 1 error where resources were incorrectly calculated or were not properly documented in the case file.
- There were 4 errors where required information needed for eligibility determinations were not requested or not requested timely at applications or redeterminations.

Questioned Costs: Due to the nature of the populations provided from which the samples were chosen, we are unable to calculate questioned costs for the above mentioned potential eligibility and noncompliance errors.

Context: We examined 60 cases from of a total of 334,307 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: These control deficiencies and noncompliance increase the risk of improper Medicaid payments, potentially resulting in overpayments to ineligible beneficiaries or underpayments to those who qualify.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit: 2024-002, 2024-003, and 2024-004. Note in FY 2025 Medicaid findings were combined into a single finding.

**Beaufort County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

---

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

---

Cause: The deficiencies and noncompliance reported above are caused from ineffective record keeping and case review processes due to insufficient training of staff, lack of oversight from management, and/or inadequate communication between departments resulting in inconsistencies in data sharing and delayed information exchanges.

Recommendation: We recommend that management enhance internal controls by: (1) Providing comprehensive training to staff on the program's eligibility requirements and procedures outlined in the State's Medicaid manuals; (2) Ensuring that there is a formal internal review process and that it is adequately completed to identify and correct errors and monitor compliance; and (3) Communicating all program or policy changes clearly and timely across all departments who oversee eligibility determinations for federal funded programs.

Views of responsible officials and planned corrective actions: The County agrees with the finding and is implementing actions to correct these issues, which are further discussed in the corrective action plan.

---

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

---

Program Name: Medical Assistance Program (Medicaid)  
AL # 93.778

SIGNIFICANT DEFICENCY: Finding 2025-001 also apply to State requirements and State Awards.

**BOARD OF COMMISSIONERS**  
Frankie Waters, Chairman  
Jerry E. Langley, Vice Chairman  
Ed Booth  
Stan Deatherage  
John Rebholz  
Hood Richardson  
Randy Walker



**COUNTY OFFICIALS**  
Brian M. Alligood, County Manager  
Katie Mosher, Clerk to the Board  
Anita Radcliffe, Finance Director  
David Francisco, County Attorney

**BEAUFORT COUNTY  
NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2025**

---

**Section II - Financial Statement Findings**

---

None reported.

---

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

---

**Finding 2025-001**

Name of contact person: Amy Spring, Income Maintenance Administrator

Corrective Action: Supervisors will ensure that all staff complete the training required provided by the Division of Health Benefits. In addition, supervisors will offer supplemental training when needed to ensure staff maintain a thorough understanding of both current and newly issued policies, as policy guidance is continually updated. Internal reviews of records will be conducted to ensure proper documentation is maintained for all cases.

Staff will continue to receive training on the importance of maintaining complete and accurate files. Training will be focused on current resource audit findings as well as income calculation. Case file documentation should clearly outline the steps taken by caseworkers when determining eligibility. Checklists have been established to address errors cited during audits and are required at both applications and recertifications. As policies change or additional recommendations are issued by the State, these checklists will be updated to ensure staff remain aware of current requirements and procedures.

Our Quality Control Specialist has been completing second-party reviews for over a year. Policy changes throughout the year often requiring system updates. When this occurs, NCFAS training will also be provided to ensure that system procedures align with policy requirements. The Quality Control Specialist will continue to collaborate with supervisors to ensure staff are knowledgeable about common error trends to prevent recurring mistakes.

Although errors are categorized as Significant Deficiencies, Beaufort County continues to show a steady decrease in errors across recent fiscal years. In fiscal year 2021-2022, there were 21 errors; in 2022-2023, there were 13; and in 2023-2024, there were 11. Currently, there are 6 errors for fiscal year 2024-2025. Staff continue to prioritize accuracy in determining eligibility for the citizens of Beaufort County.

**BOARD OF COMMISSIONERS**  
Frankie Waters, Chairman  
Jerry E. Langley, Vice Chairman  
Ed Booth  
Stan Deatherage  
John Rebholz  
Hood Richardson  
Randy Walker



**COUNTY OFFICIALS**  
Brian M. Alligood, County Manager  
Katie Mosher, Clerk to the Board  
Anita Radcliffe, Finance Director  
David Francisco, County Attorney

**BEAUFORT COUNTY  
NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2025**

---

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

---

Proposed completion date: Training was provided to all Medicaid staff on November 13, 2025, to review the findings and corrective action items. The agenda and sign-in sheets will be attached to the Corrective Action Plan. In addition, weekly training will continue to be held to review policy updates, NCF FAST changes, and common errors identified during second-party reviews.

---

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

---

Corrective Actions for Finding 2025-001 also apply to State Award Findings.

**Beaufort County, North Carolina**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2025**

---

Finding: 2024-001

Status: Corrected.

Finding: 2024-002

Status: Repeat as finding 2025-001. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-003

Status: Repeat as finding 2025-001. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-004

Status: Repeat as finding 2025-001. Note that in FY 2025 Medicaid findings were combined into a single finding.

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<b><u>FEDERAL AWARDS</u></b>					
<u>U.S. Department of Agriculture</u>					
Passed through N. C. Department of Health and Human Services					
Division of Public Health					
Special Supplemental Nutrition Program for					
Women, Infants, & Children					
	10.557		\$ 311,617	\$ -	\$ -
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		808,662	7,681	-
Total U.S. Department of Agriculture					
			1,120,279	7,681	-
<u>U. S. Department of Housing and Urban Development</u>					
Passed-through NC Housing Finance Agency					
Essential Single Family Rehabilitation Loan Pool					
	14.239		67,115	-	-
Total U. S. Department of Housing and Urban Development					
			67,115	-	-
<u>U.S. Department of Justice</u>					
Congressionally Recommended Awards					
	16.753		893,000	-	-
Total U.S. Department of Justice					
			893,000	-	-
<u>U.S. Department of Treasury</u>					
Coronavirus State and Local Fiscal Recovery Funds					
	21.027		3,351,831	-	-
Total U.S. Department of Treasury					
			3,351,831	-	-
<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		31,914	-	-
Affordable Care Act (ACA) Personal Responsibility					
Education Program					
	93.092		125,842	-	-
Maternal and Child Health Federal Consolidated Programs					
	93.110		2,975	-	-
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs					
	93.116		50	-	-
Family Planning Services					
	93.217		48,205	-	-
Immunization Cooperation Agreements					
	93.268		44,004	-	-
COVID-19 Immunization Cooperation Agreements					
	93.268		2,066	-	-
Total Immunization Cooperation Agreements					
			46,070	-	-
COVID-19 - Public Health Emergency Response:					
Cooperative Agreement for Emergency Response: Public					
Health Crisis Response					
	93.354		69,000	-	-
Cancer Prevention and Control Programs for State,					
Territorial and Tribal Organizations					
	93.898		14,625	-	-
HIV Care Formula Grants - Ryan White Care Act					
	93.917		44,274	-	-
Centers for Disease Control and Prevention Collaboration					
with Academia to Strengthen Public Health					
	93.967		17,974	-	-
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, 2025**

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
Preventive Health and Health Services Block Grant	93.991		30,741	-	-
Maternal and Child Health Services Block Grant	93.994		41,248	16,119	-
Temporary Assistance for Needy Families (TANF)					
Division of Social Services					
TANF - Work First	93.558		1,049,689	-	-
Division of Public Health					
TANF - Work First	93.558		8,195	-	-
Total Temporary Assistance for Needy Families (TANF)			1,057,884	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		28,775	-	-
Foster Care and Adoption Cluster:					
Foster Care - Title IV-E	93.658		478,219	36,882	-
Foster Care - Title IV-E - Benefit Payments	93.658		311,091	114,607	-
Adoption Assistance	93.659		7,244	-	-
Total Foster Care and Adoption Cluster			796,554	151,489	-
Child Support Enforcement	93.563		610,666	-	-
Low-Income Home Energy Assistance					
Weatherization Assistance and Heating and Air Repair	93.568		49,212	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning - Families for Kids	93.645		11,394	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program					
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		2,772	693	-
Social Service Block Grant - Other Service and Training	93.667		251,097	-	-
Division of Social Services					
Social Services Block Grant					
State In Home Service Fund	93.667		11,745	-	-
State Child Protective Services	93.667		36,277	-	-
Total Social Service Block Grant			299,119	-	-
Division of Child Development and Early Education					
Subsidized Child Care					
Child Care Development Fund Cluster:					
Division of Social Services					
Childcare Development Mandatory and Match Fund - Administration	93.596		152,105	-	-
Total Subsidized Child Care			152,105	-	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
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		60,869	3,581	-
ARPA - Supportive Services	93.044		54,568	9,630	-
Total Special Programs for the Aging - Title III B			115,437	13,211	-
Special Programs for the Aging - Title III C					
Part C, Nutrition Services	93.045		156,467	9,204	-
ARPA - Nutrition Services	93.045		12,020	2,121	-
Total Special Programs for the Aging - Title III C			168,487	11,325	-
Total Aging Cluster			283,924	24,536	-
Nutrition Services Incentive Program	93.053		19,454	-	-
Medical Assistance Program	93.778		1,782,011	182,558	-
State Children's Insurance Program - N.C. Health Choice	93.767		91,367	29,362	-
Total U.S. Department of Health and Human Services			5,658,255	404,757	-
<u>U.S. Department of Homeland Security</u>					
Passed through N.C. Department of Public Safety					
Division of Emergency Management:					
Emergency Management Performance Grant	97.042		28,188	-	-
Homeland Security Grant Program	97.067		18,008	-	-
Total U.S. Department of Homeland Security			46,196	-	-
Total Federal Awards			\$ 11,136,676	\$ 412,438	\$ -
<b><u>STATE AWARDS</u></b>					
<u>N.C. Department of Health and Human Services</u>					
Division of Public Health					
Breast and Cervical Cancer Program			\$ -	\$ 19,925	\$ -
Child Fatality Case Reporting			-	1,127	-
Child Health			-	819	-
Communicable Disease Pandemic Recovery-SFRF			-	16,000	-
DPH Aid-to-Counties			-	84,054	-
Family Planning - State			-	41,440	-
Food and Lodging Fees			-	19,982	-
General Communicable Disease Control			-	2,684	-
Healthy Beginnings			-	79,831	-
Healthy Community Activities			-	3,785	-
High Risk Maternity Clinics			-	22,304	-
Mosquito and Tick Suppression			-	4,000	-
Public Health Pest Management			-	250,000	-
State Fiscal Recovery Funds			-	99,999	-
Supporting Women Health Services			-	99,730	-
TB Control			-	25,721	-
Total Division of Public Health			-	771,401	-
Division of Social Services:					

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

Grantor/Pass-through Grantor/Program title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients
<b>Administration</b>					
State Child Welfare - State Protective Services			-	45,269	-
Emergency PLMT FC			-	60,717	-
<b>Direct Benefit Payments</b>					
State Foster Home			-	128,272	-
State Foster Home Fund (SFHF) Maximization			-	75,454	-
Foster Care at Risk Maximization			-	20,189	-
Extended Foster Care Maximization Non IV-E programs			-	14,502	-
Foster Care Kinship			-	53,682	-
State-Family Foster Max			-	6,446	-
Total Division of Social Services			-	404,531	-
<b>Passed-Through the Mid-East Commission</b>					
<b>Division of Aging and Adult Services:</b>					
State Appropriation - Access			-	4,966	-
State Appropriation - In-Home Services			-	202,157	-
State Appropriation - Home Delivered Meals			-	11,280	-
Total Division of Aging			-	218,403	-
Total N.C. Department of Health and Human Services			-	1,394,335	-
<b><u>N.C. Department of Public Safety</u></b>					
Juvenile Crime Prevention Programs			-	190,424	-
Total Agency N.C. Department of Public Safety			-	190,424	-
<b><u>N.C. Department of Transportation</u></b>					
<b>ROAP Cluster</b>					
ROAP - RGP		DPT-16CL 36228.22.11.1	-	88,863	-
ROAP - EDTAP		DPT-16CL 36220.10.11.1	-	77,201	-
ROAP - EMPLOYMENT		DPT-16CL 36236.11.10.1	-	12,148	-
Total ROAP Cluster			-	178,212	-
Total N.C. Department of Transportation			-	178,212	-
<b><u>N.C. Department of Agriculture and Consumer Services</u></b>					
Spay Neuter Program			-	22,834	-
Soil and Water Grant			-	29,525	-
Agricultural Development and Farmland Preservation Trust Fund			-	25,408	-
Streamflow Rehabilitation Program (StRAP)		220804008	-	63,772	-
Watershed Restoration Project		17-175-4087	-	7,806	-
Total N.C. Department of Agriculture and Consumer Services			-	149,345	-
<b><u>N.C. Department of Environment Quality</u></b>					
<b>Division of Waste Management</b>					
Scrap Tire Fund - SWMGT			-	10,206	-
<b>Division of Water Infrastructure</b>					
Connect NC Bond H-SRP-D-17-0019 Grant		DEQ-30	-	244,012	-
Connect NC Bond H-SRP-D-17-0093 Grant		DEQ-30	-	344,456	-
Connect NC Bond H-SRP-D-17-0089 Grant		DEQ-30	-	62,209	-
Total Connect NC Bond Grant			-	650,677	-
Connect NC Bond H-SRP-D-17-0090 Loan		DEQ-30	-	34,036	-
Connect NC Bond H-SRP-D-17-0010 Loan		DEQ-30	-	375,986	-

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

<b>Grantor/Pass-through Grantor/Program title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>
Connect NC Bond H-SRP-D-17-0019 Loan		DEQ-30	-	26,356	-
Connect NC Bond H-SRP-D-17-0091 Loan		DEQ-30	-	63,419	-
Connect NC Bond H-SRP-D-17-0085 Loan		DEQ-30	-	33,355	-
Connect NC Bond H-SRP-D-17-0093 Loan		DEQ-30	-	25,031	-
Connect NC Bond H-SRP-D-17-0089 Loan		DEQ-30	-	5,072	-
Total Connect NC Bond Loan			-	563,255	-
Total Connect NC Bond			-	1,213,932	-
N.C. Resilient Coastal Communities Program			-	147,934	-
Total N.C Department of Enviroment Quality			-	1,372,072	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund					
Lottery Fund			-	510,471	-
Needs Based Lottery Fund			-	6,292,970	-
Total Public School Building Capital Fund			-	6,803,441	-
Total N.C Department of Public Instruction			-	6,803,441	-
<u>N.C. Department of Administration</u>					
Veteran Services			-	2,273	-
Total N.C Department of Public Instruction			-	2,273	-
<u>N.C. Office of State Budget and Mnagement</u>					
Regional Economic Development Reserve			-	42,614	-
Directed Grant			-	2,714	-
Total N.C Housing Finance Agency			-	45,328	-
<u>N.C. Department of Natural and Cultural Resources</u>					
Parks and Recreation Trust Fund			-	10,965	-
Total N.C. Department of Natural and Cultural Resources			-	10,965	-
Total State Assistance			-	10,146,395	-
<b>Other Financial Assistance:</b>					
NC Dept of Justice					
Opioid Settlement Fund (Note 7)			-	129,630	-
Total Assistance Federal and State Assistance			\$ 11,136,676	\$ 10,688,463	\$ -

**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, 2025. 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.

**Beaufort County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

<b>Grantor/Pass-through Grantor/Program title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>
---	---	---	---------------------------------	-------------------------------	--

**Note 4: Loans Outstanding**

Beaufort County had the following loan balances outstanding at June 30, 2025 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, 2025 consist of:

<b><u>Program Title</u></b>	<b><u>AL#</u></b>	<b><u>Pass-through Grantor's Number</u></b>	<b><u>Amount Outstanding</u></b>
Connect NC Bond H-SRP-D-17-0090	N/A	H-SRP-D-17-0090	34,036
Connect NC Bond H-SRP-D-17-0010	N/A	H-SRP-D-17-0010	375,986
Connect NC Bond H-SRP-D-17-0019	N/A	H-SRP-D-17-0019	26,356
Connect NC Bond H-SRP-D-17-0091	N/A	H-SRP-D-17-0091	63,419
Connect NC Bond H-SRP-D-17-0085	N/A	H-SRP-D-17-0085	33,355
Connect NC Bond H-SRP-D-17-0093	N/A	H-SRP-D-17-0093	25,031
Connect NC Bond H-SRP-D-17-0089	N/A	H-SRP-D-17-0089	5,072

**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.

**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.

<b><u>Program Title</u></b>	<b><u>AL No.</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>
Supplemental Nutrition Assistance Program	10.551	\$ 18,016,473	\$ -
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	1,138,641	-
Temporary Assistance for Needy Families	93.558	191,096	-
Adoption Assistance	93.659	1,084,418	265,835
Medical Assistance Program	93.778	108,056,043	39,788,423
State / County Special Assistance program	N/A	-	237,591
Energy Assistance Private Grants	N/A	-	485,488

**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.