

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2021

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Beaufort County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Beaufort County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Beaufort County ABC Board were not audited in accordance with Governmental Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 65 and 66, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 67 and 68, 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 69 and 70, and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2021 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
October 29, 2021

BASIC
FINANCIAL STATEMENTS

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, 2021. 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 \$76,699,644 (net position).

Beaufort County's total net position increased by \$11,411,837, mainly due to a significant increase in net position of both the governmental activities and business-type activities. Additionally, the implementation of GASB Statement No. 84 *Fiduciary Activities* created four new special revenue funds that were once treated as agency funds. This change resulted in a restatement of beginning fund balance of \$151,409.

As of June 30, 2021, Beaufort County's governmental funds reported combined ending fund balances of \$40,715,084, an increase of \$8,161,628 in comparison with the prior year. Approximately 31.73% of this total amount or \$12,919,372 is restricted or nonspendable.

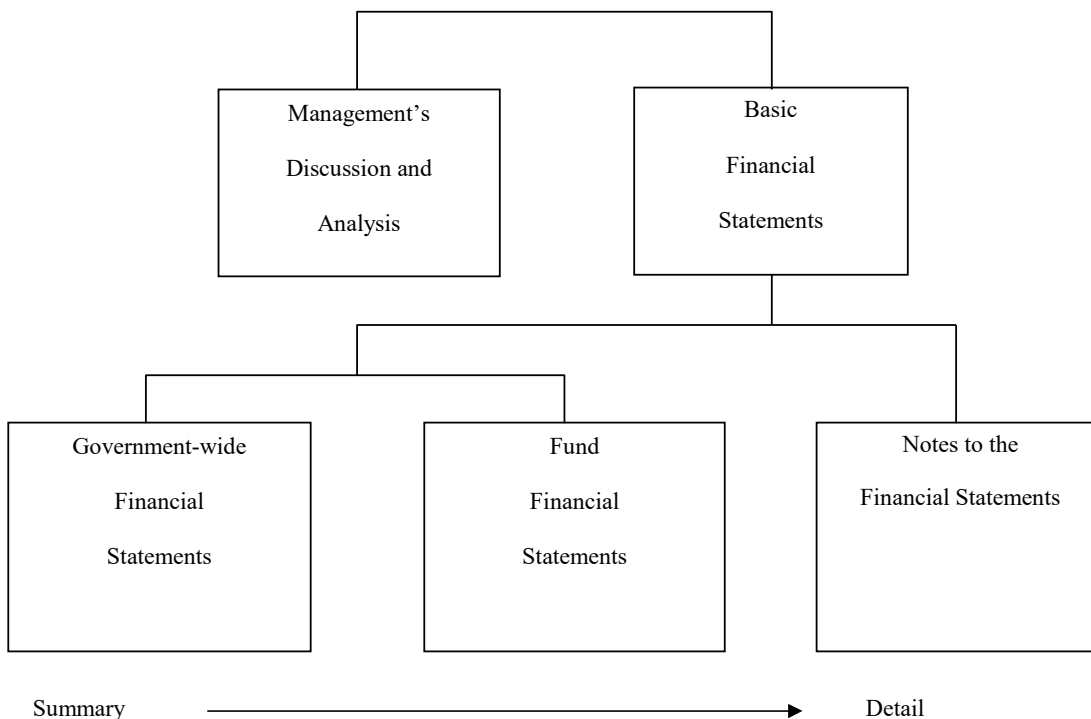
Also at June 30, 2021, unassigned fund balance for the General Fund was \$24,855,518, or 41.82% of total general fund expenditures (including transfers to other funds) of \$59,435,663 for the fiscal year.

Beaufort County's total debt decreased by \$1,530,812 or 2.87% during the current fiscal year. The key factor in this decrease was the scheduled payments on outstanding debt.

Overview of the Financial Statements

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

**Required Components of Annual Financial Report
 Figure 1**



Basic Financial Statements

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

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

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Beaufort County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 65 of this report.

Government-Wide Financial Analysis

BEAUFORT COUNTY'S NET POSITION
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 49,912,177	\$ 37,487,168	\$ 13,100,250	\$ 11,376,561	\$ 63,012,427	\$ 48,863,729
Capital assets	24,127,138	24,052,352	60,995,068	60,402,561	85,122,206	84,454,913
Total assets	<u>74,039,315</u>	<u>61,539,520</u>	<u>74,095,318</u>	<u>71,779,122</u>	<u>148,134,633</u>	<u>133,318,642</u>
Total deferred outflows of resources	6,585,135	5,199,052	986,922	528,955	7,572,057	5,728,007
Current and other liabilities	7,324,640	3,236,811	2,117,109	923,530	9,441,749	4,160,341
Long-term liabilities outstanding	29,988,491	29,154,680	38,772,706	40,220,173	68,761,197	69,374,853
Total liabilities	<u>37,313,131</u>	<u>32,391,491</u>	<u>40,889,815</u>	<u>41,143,703</u>	<u>78,202,946</u>	<u>73,535,194</u>
Total deferred inflows of resources	674,869	337,074	129,231	37,983	804,100	375,057
Net position:						
Net investment in capital assets	21,457,573	21,077,583	24,094,317	21,792,325	45,551,890	42,869,908
Restricted	10,452,918	8,998,686	-	-	10,452,918	8,998,686
Unrestricted	10,725,959	3,933,738	9,968,877	9,334,066	20,694,836	13,267,804
Total net position	<u>\$ 42,636,450</u>	<u>\$ 34,010,007</u>	<u>\$ 34,063,194</u>	<u>\$ 31,126,391</u>	<u>\$ 76,699,644</u>	<u>\$ 65,136,398</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$76,699,644 as of June 30, 2021. The County's net position increased by \$11,411,837 for the fiscal year ended June 30, 2021. One of the largest portions \$45,551,890 (59.36%) 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 \$10,452,918 (13.63%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,694,836 is unrestricted.

The government's net investment in capital assets increased by \$2,681,982 or (6.26%). This increase is attributable to the purchasing and construction of additional assets.

BEAUFORT COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 5,376,236	\$ 3,072,730	\$ 12,408,983	\$ 11,461,282	\$ 17,785,219	\$ 14,534,012
Operating grants and contributions	14,771,703	10,925,514	-	-	14,771,703	10,925,514
Capital grants and contributions	531,619	1,155,259	1,936,694	530,552	2,468,313	1,685,811
General revenues:						
Property taxes	42,410,142	41,107,433	-	-	42,410,142	41,107,433
Other taxes	11,971,672	10,461,358	-	-	11,971,672	10,461,358
Investment earnings	77,898	417,534	15,251	112,096	93,149	529,630
Miscellaneous	648,649	534,332	6,174	7,656	654,823	541,988
Total revenues	<u>75,787,919</u>	<u>67,674,160</u>	<u>14,367,102</u>	<u>12,111,586</u>	<u>90,155,021</u>	<u>79,785,746</u>
Expenses:						
General government	6,261,440	6,428,537	-	-	6,261,440	6,428,537
Public safety	20,644,567	17,922,005	-	-	20,644,567	17,922,005
Economic and physical development	2,083,977	2,980,059	-	-	2,083,977	2,980,059
Human services	18,553,753	16,087,641	-	-	18,553,753	16,087,641
Cultural and recreation	446,397	424,402	-	-	446,397	424,402
Education	18,795,136	18,997,516	-	-	18,795,136	18,997,516
Interest and fees on long-term debt	527,615	545,116	-	-	527,615	545,116
Water and Solid Waste	-	-	11,430,299	11,086,395	11,430,299	11,086,395
Total expenses	<u>67,312,885</u>	<u>63,385,276</u>	<u>11,430,299</u>	<u>11,086,395</u>	<u>78,743,184</u>	<u>74,471,671</u>
Increase in net position before transfers and special items	8,475,034	4,288,884	2,936,803	1,025,191	11,411,837	5,314,075
Transfers and special items	-	-	-	-	-	-
Increase in net position after transfers and special items	8,475,034	4,288,884	2,936,803	1,025,191	11,411,837	5,314,075
Net position, beginning	34,010,007	29,721,123	31,126,391	30,101,200	65,136,398	59,822,323
Restatement	151,409	-	-	-	-	-
Net position, beginning, restated	34,161,416	29,721,123	31,126,391	30,101,200	65,287,807	59,822,323
Net position, ending	<u>\$ 42,636,450</u>	<u>\$ 34,010,007</u>	<u>\$ 34,063,194</u>	<u>\$ 31,126,391</u>	<u>\$ 76,699,644</u>	<u>\$ 65,136,398</u>

Governmental activities. Governmental activities increased the County's net position by \$8,475,034 during the fiscal year. Key elements of this increase include:

- Operating grants and contributions totaling \$14,771,703
- Increase in ad valorem and sales tax collections
- General Fund actual expenditures were 5.57% less than budgeted in FY 2020-2021

Business-type activities. Business-type activities increased Beaufort County's net position by \$2,936,803. Key elements of this increase include:

- Capital grants and contributions totaling \$1,936,694
- 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 \$26,786,308, while total fund balance reached \$34,028,356. 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 45.07% of general fund expenditures, while total fund balance represents 57.25% of that same amount.

At June 30, 2021, the governmental funds of Beaufort County reported a combined fund balance of \$40,715,084, a 25.19% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Differences between the original budgeted revenues and final budgeted revenues for the General Fund amounted to a \$3,016,050 increase and are summarized as follows:

- \$2,583,993 increase in restricted governmental revenues
- \$10,643 increase in sales and service
- \$412,414 increase in local option sales tax
- \$9,000 in miscellaneous revenue

Differences between the original budgeted expenditures and the final amended appropriations for the General Fund amounted to a \$4,091,298 increase and are summarized as follows:

- \$1,048,938 increase in general government activity
- \$149,489 increase in public safety
- \$38,121 increase in economic and physical development
- \$2,579,272 increase in human services
- \$155,183 increase in education
- \$85,300 increase in interest expense

Appropriation of fund balance, and budgetary changes in transfers, contingency, and debt issuance costs rebalanced the General Fund as follows:

- Fund balance appropriated totaled \$1,040,543.
- Additional transfers to other funds \$78,790, and \$24,995 was budgeted to be transferred back into the General Fund.
- Decrease in contingency of \$8,500
- Increase in debt issuance costs of \$80,000

During the year, General Fund revenue came in 9.07% higher than budgetary estimates and actual expenditures came in 5.57% lower than appropriations. Originally, \$1,040,543 in fund balance was expected to be used; however, none was actually needed since revenues exceeded budgeted amounts and expenditures came in less than budgeted.

Proprietary Funds. Beaufort County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water districts and the Solid Waste Fund equaled \$9,968,877 at June 30, 2021. There was an increase in net position of \$2,936,803. The water districts reported a net increase of \$2,645,723 as a result of an 11.6% increase in operating revenues, mainly water sales. Interest Expense on debt decreased by \$574,793 when compared to the previous year and capital contributions from water capital grant projects was \$1,407,109 higher than fiscal year 2019/2020.

Net position in the Solid Waste Fund increased by \$291,080 as a result of operations during the fiscal year. Solid waste revenues increased by \$274,243 due to an adjustment in the annual solid waste fee of \$10. Operating expenses increased by 2.8%, or \$100,231, from the previous fiscal year due to processing and hauling costs associated with the additional tonnage collected at the convenience sites.

Capital Asset and Debt Administration

Capital Assets. Beaufort County’s capital assets for its governmental and business – type activities as of June 30, 2021, totals \$85,122,206 (net of accumulated depreciation). This investment in capital assets includes buildings, land, equipment, vehicles, water utility system, and construction in progress. The total increase in the County’s investment in capital assets for the current fiscal year was \$667,293, a 0.31% increase for governmental activities and a 0.98% increase for business-type activities.

Major capital asset transactions during the year include:

- Multiple HVAC Unit replacements in various buildings throughout the County
- Phone system upgrades at the Health Department and EOC
- Viper radios with accessories for Emergency Management
- Steel building at the Health Department
- Septic system at Bath Community Building
- Major repair work was completed at the Jail on the door locking system
- Courthouse exterior improvements
- Water construction projects continued on the Gaylord Booster Pump Station, Southside Water Treatment Plant expansion, Northside generators, and the chlorine conversion projects

**BEAUFORT COUNTY'S CAPITAL ASSETS
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,853,330	\$ 6,853,330	\$ 108,157	\$ 108,157	\$ 6,961,487	\$ 6,961,487
Building and system	10,057,917	10,448,475	52,469,484	54,542,100	62,527,401	64,990,575
Machinery and equipment	4,337,962	4,782,569	855,354	973,526	5,193,316	5,756,095
Construction in progress	2,877,929	1,967,978	7,562,073	4,778,778	10,440,002	6,746,756
Total	\$ 24,127,138	\$ 24,052,352	\$ 60,995,068	\$ 60,402,561	\$ 85,122,206	\$ 84,454,913

Additional information on the County’s capital assets can be found beginning on page 38 of this audited financial report.

Long-term Debt. During the fiscal year, the County refinanced three school bonds, the water district limited obligation bonds, and the USDA college building loan to take advantage of the lower interest borrowing rates. These refundings produced cumulative savings of over \$4.3 million over the remaining life of the loans.

As of June 30, 2021, Beaufort County had total debt outstanding of \$51,733,449, of which \$42,387,000 is backed by the full faith and credit of the County. Of this amount, \$10,977,000 is owed in general obligation school bonds and \$31,410,000 is outstanding for the Water District limited obligation bonds. \$9,356,556 is obligated for installment contracts that is collateralized with County assets.

BEAUFORT COUNTY'S OUTSTANDING DEBT
General Obligation and Installment Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 10,977,000	\$ 12,334,000	\$ -	\$ -	\$ 10,977,000	\$ 12,334,000
Limited Obligation Bonds	-	-	31,410,000	31,215,000	31,410,000	31,215,000
Installment Purchases	3,865,805	4,125,368	5,490,751	5,600,000	9,356,556	9,725,368
Total	<u>\$ 14,842,805</u>	<u>\$ 16,459,368</u>	<u>\$ 36,900,751</u>	<u>\$ 36,815,000</u>	<u>\$ 51,743,556</u>	<u>\$ 53,274,368</u>

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 \$467,786,111.

Additional information regarding Beaufort County’s long-term debt can be found beginning on page 54 of this audited financial report.

Economic Factors and Next Year’s Budgets and Rates

The original General Fund budget for fiscal year 2021-2022 totals \$63,131,711, a \$3,761,035 increase when compared to the FY 2020-2021 original budget of \$59,370,676. The reason for the increase is due to the implementation of the 2017 Pay Study in February 2021, a cost of living adjustment for employees, additional funding to the schools and community college, and the hiring of additional employees within the general fund. Ten full time positions were added in the following areas: Health Department (2), Tax Assessor (2), Department of Social Services (1), and the Sheriff’s Office (5). Seventeen full time positions were eliminated; 13 School Resource Officers and 4 Chore Workers at DSS. The funding dollars associated with the eliminated positions remain in the budget to pay for contract employees to provide the chore worker services and money was redirected to the schools to pay for the school’s SRO contract with Allied Universal Security. Capital purchases that had been previously delayed due to the unknown effects of the pandemic were added back in the FY 2021-2022 budget. General government and administration operations increased \$798,300, human services increased by \$1,449,149, mainly in Department of Social Services and the Health Department, education increased by \$1,166,625, public safety increased by \$567,163, and debt payments, transfers to other funds and contingency decreased by \$286,160.

There is no General Fund contingency budgeted for FY 2021-2022; however, adequate fund balance is available for appropriation at the Board’s discretion should emergency items arise during the year.

The consolidated water system FY 2021-2022 operational budget increased by \$515,017 when compared to the fiscal year 2020-2021 original budget. This is due to salary and benefit costs associated with implementation of the 2017 Pay Plan, new debt payments set to begin in May 2022 on loan agreements with the North Carolina Department of Environment, Health, and Natural Resources for water system improvements, and increased wholesale costs when purchasing water from the City of Washington.

In 2018, the seven water districts were merged into one single operational water system and a rate study was performed in order to transform the seven different water rates into one uniform rate over a 5-year period. FY 2021-2022 will be year four of the plan. The water systems advanced metering infrastructure project was completed during fiscal year 2019-2020 resulting in more accurate meter readings. Water sales revenue is expected to increase due to the more precise readings as well as the continued number of customers that are working from home.

The annual fee for Solid Waste increased by \$5, from \$165 to \$170 in the FY 21/22 budget. This increase was necessary to cover the increasing cost of processing the County's waste due to increasing solid waste tonnage year after year. Over the past five years waste tonnage has grown by 15%, from 21,624 tons in 2016 to 24,935 tons in 2021. 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, 2022

The following factors were also considered when preparing the County's budget for fiscal year 2021-2022:

Sales tax revenues have been up significantly during the pandemic (14%) but are expected to level out at some point.

The unemployment rate for Beaufort County decreased from 9.1% at June 2020 to 4.8% in June 2021 when the FY 21-22 budget was being finalized with unknown future unemployment rates for the county, state, and nation due to the pandemic.

Overall expenses increased in the general fund by \$3,761,035.

The property tax rate was reduced by 1 cent from \$.635/\$100 assessed valuation to \$.625/100 assessed valuation.

Ad valorem tax revenue was expected to remain at 98% collected.

The County is set to receive a total of \$9,110,000 in American Rescue Plan funds. One half of the distribution totaling \$4,564,017 was received in FY 2020-2021 and the remaining 50% is expected before May 2022. The Beaufort County Board of Commissioners received comments during a 3 month period in the summer of 2021 from Beaufort County citizens on how the funds should be spent. The majority of citizens offering comments recommended investing the money in broad band while some community members supported spending the funds on the County water system. The Board has tentatively designated \$7,121,000 of the ARP money to be spent as follows: \$4,000,000 for broad band, \$1,500,000 for a multi-purpose distribution building, \$12,000 on jail architect fees, and \$1,609,000 on various water system improvements. The Board is currently prioritizing projects for the remaining \$1,989,000. The County has until December 31, 2024 to obligate the ARP funds and until December 31, 2026 to spend the funds.

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

Beaufort County, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Beaufort County ABC Board
ASSETS				
Cash and cash investments	\$ 35,923,319	\$ 10,459,461	\$ 46,382,780	\$ 1,090,446
Taxes receivable (net)	1,813,565	-	1,813,565	-
Accounts receivables (net)	5,638,667	3,640,357	9,279,024	-
Internal balances	1,188,068	(1,188,068)	-	-
Net pension asset	92,646	-	92,646	-
Inventories	-	-	-	750,632
Prepaid items	29,824	-	29,824	-
Restricted cash and cash equivalents	5,226,088	188,500	5,414,588	-
Capital assets:				
Land, improvements, and construction in progress	9,731,259	7,670,230	17,401,489	338,834
Other capital assets, net of depreciation	14,395,879	53,324,838	67,720,717	1,167,564
Total capital assets	<u>24,127,138</u>	<u>60,995,068</u>	<u>85,122,206</u>	<u>1,506,398</u>
Total assets	<u>\$ 74,039,315</u>	<u>\$ 74,095,318</u>	<u>\$ 148,134,633</u>	<u>\$ 3,347,476</u>
DEFERRED OUTFLOWS OF RESOURCE	<u>\$ 6,585,135</u>	<u>\$ 986,922</u>	<u>\$ 7,572,057</u>	<u>\$ 148,470</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,720,827	\$ 1,814,553	\$ 4,535,380	\$ 509,449
Accrued interest payable	39,796	114,056	153,852	-
Customer deposits	-	188,500	188,500	-
Unspent ARP Funding	4,564,017	-	4,564,017	-
Long-term liabilities:				
Due within one year	2,545,287	2,277,457	4,822,743	-
Due in more than one year	27,443,205	36,495,250	63,938,454	229,656
Total long-term liabilities	<u>29,988,491</u>	<u>38,772,706</u>	<u>68,761,197</u>	<u>229,656</u>
Total liabilities	<u>\$ 37,313,131</u>	<u>\$ 40,889,815</u>	<u>\$ 78,202,946</u>	<u>\$ 739,105</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 674,869</u>	<u>\$ 129,231</u>	<u>\$ 804,100</u>	<u>\$ 277</u>
NET POSITION				
Net investment in capital assets	\$ 21,457,573	\$ 24,094,317	\$ 45,551,890	\$ 1,506,398
Restricted for:				
State Statute	7,253,367	-	7,253,367	-
Other	3,199,551	-	3,199,551	-
Working capital	-	-	-	224,864
Unrestricted (deficit)	10,725,959	9,968,877	20,694,836	1,025,302
Total net position	<u>\$ 42,636,450</u>	<u>\$ 34,063,194</u>	<u>\$ 76,699,644</u>	<u>\$ 2,756,564</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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Beaufort County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	Total	
					Activities	Activities		
Primary government:								
Governmental Activities:								
General government	\$ 6,261,440	\$ 1,126,427	\$ 113,989	\$ 54,619	\$ (4,966,405)	\$ -	\$ (4,966,405)	\$ -
Public safety	20,644,567	2,990,798	3,524,535	-	(14,129,234)	-	(14,129,234)	-
Economic and physical development	2,083,977	58,287	482,532	-	(1,543,158)	-	(1,543,158)	-
Human services	18,553,753	1,200,724	10,621,995	-	(6,731,034)	-	(6,731,034)	-
Environmental Protection	-	-	28,652	-	28,652	-	28,652	-
Cultural and recreation	446,397	-	-	-	(446,397)	-	(446,397)	-
Education	18,795,136	-	-	477,000	(18,318,136)	-	(18,318,136)	-
Interest on long-term debt	527,615	-	-	-	(527,615)	-	(527,615)	-
Total governmental activities	67,312,885	5,376,236	14,771,703	531,619	(46,633,327)	-	(46,633,327)	-
Business-type activities:								
Solid Waste	3,711,589	3,994,564	-	-	-	282,975	282,975	-
Water Districts	7,718,710	8,414,419	-	1,936,694	-	2,632,403	2,632,403	-
Total business-type activities	11,430,299	12,408,983	-	1,936,694	-	2,915,378	2,915,378	-
Total primary government	78,743,184	17,785,219	14,771,703	2,468,313	(46,633,327)	2,915,378	(43,717,949)	-
Component Units:								
Beaufort County ABC Board	5,704,259	5,846,472	-	-	-	-	-	142,213
Total component units	\$ 5,704,259	\$ 5,846,472	\$ -	\$ -	-	-	-	142,213
General revenues:								
Taxes:								
Property taxes, levied for general purpose					42,410,142	-	42,410,142	-
Local option sales tax					11,668,894	-	11,668,894	-
Other taxes and licenses					302,778	-	302,778	-
Investment earnings, unrestricted					77,898	15,251	93,149	926
Miscellaneous, unrestricted					648,649	6,174	654,823	-
Transfers					-	-	-	-
Total general revenues, special items, and transfers					55,108,361	21,425	55,129,786	926
Change in net position					8,475,034	2,936,803	11,411,837	143,139
Net position, beginning, as previously reported					34,010,007	31,126,391	65,136,398	2,613,425
Prior period restatement - change in accounting principle					151,409	-	151,409	-
Net position, beginning, as restated					34,161,416	31,126,391	65,287,807	2,613,425
Net position-ending					\$ 42,636,450	\$ 34,063,194	\$ 76,699,644	\$ 2,756,564

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

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	<u>Major Governmental Funds</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>ARP Grant Fund</u>	<u>Other Governmental Funds</u>	
ASSETS				
Cash and cash equivalents	\$ 31,209,919	\$ -	\$ 4,713,400	\$ 35,923,319
Taxes Receivable, net	1,348,619	-	191,008	1,539,627
Accounts Receivable, net	5,540,906	-	97,761	5,638,667
Due from other funds	1,202,827	-	2,436,630	3,639,457
Cash and cash equivalents-Restricted	662,071	4,564,017	-	5,226,088
Prepaid Expenses	29,824	-	-	29,824
Total assets	<u>\$ 39,994,166</u>	<u>\$ 4,564,017</u>	<u>\$ 7,438,799</u>	<u>\$ 51,996,982</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,174,523	\$ -	\$ 546,304	\$ 2,720,827
Due to other funds	2,436,630	-	14,759	2,451,389
Unspent CARES Act / ARP Funding	-	4,564,017	-	4,564,017
Total liabilities	<u>4,611,153</u>	<u>4,564,017</u>	<u>561,063</u>	<u>9,736,233</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes Receivable	1,348,619	-	191,008	1,539,627
Prepaid Taxes	6,038	-	-	6,038
Total deferred inflows of resources	<u>1,354,657</u>	<u>-</u>	<u>191,008</u>	<u>1,545,665</u>
Fund balances:				
Nonspendable:				
Advance to General Fund	-	-	2,436,630	2,436,630
Prepaid Expenses	29,824	-	-	29,824
Restricted:				
State Statute	7,212,224	-	41,143	7,253,367
General Government	-	-	54,619	54,619
Economic Development	-	-	157,061	157,061
Human Services	-	-	2,448,595	2,448,595
Public Safety	-	-	539,276	539,276
Committed:				
Tax Revaluation	662,071	-	-	662,071
Other Purposes	-	-	1,025,235	1,025,235
Assigned:				
Broadband projects	500,000	-	-	500,000
Subsequent year's expenditures	768,719	-	-	768,719
Unassigned:	24,855,518	-	(15,831)	24,839,687
Total fund balances	<u>34,028,356</u>	<u>-</u>	<u>6,686,728</u>	<u>40,715,084</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,994,166</u>	<u>\$ 4,564,017</u>	<u>\$ 7,438,799</u>	<u>\$ 51,996,982</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, 2021

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

Total Fund Balance - Governmental Funds	\$ 40,715,084
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,127,138
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	273,938
Net Pension Asset	92,646
Deferred outflows of resources:	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	1,731,864
ROD	4,538
Pension related deferrals	
LGERS	2,912,004
ROD	5,321
LEOSSA	773,178
OPEB related deferrals	905,887
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	33,061
Benefit payments for the OPEB plan paid subsequent to the measurement date	78,042
Deferred charges on refunding reported in governmental activities are not required in the funds	141,240
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	1,539,627
Pension Related Deferrals	
LGERS	(311,746)
ROD	(9,815)
LEOSSA	(81,402)
OPEB related deferrals	(265,868)
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	(14,886,498)
Compensated absences	(1,633,826)
Net OPEB Liability	(3,028,932)
Net Pension Liability	(8,450,847)
Total Pension Liability	(1,988,388)
Accrued interest payable	(39,796)
Net position of governmental activities	<u>\$ 42,636,450</u>

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	<u>Major Governmental Funds</u>		<u>Non-Major Governmental Funds</u>	
	<u>General Fund</u>	<u>ARP Grant Fund</u>	<u>Other</u>	<u>Total</u>
			<u>Governmental Funds</u>	<u>Governmental Funds</u>
REVENUES				
Ad valorem taxes	\$ 38,552,966	\$ -	\$ 3,923,979	\$ 42,476,945
Local option sales tax	11,668,894	-	-	11,668,894
Other taxes and licenses	302,779	-	-	302,779
Unrestricted intergovernmental	633,837	-	-	633,837
Restricted intergovernmental	13,419,621	-	2,611,149	16,030,770
Permits and fees	436,339	-	-	436,339
Sales and services	2,813,992	-	1,137,184	3,951,176
Investment earnings	74,135	-	3,763	77,898
Miscellaneous	143,185	-	132,899	276,084
Total revenues	<u>68,045,748</u>	<u>-</u>	<u>7,808,974</u>	<u>75,854,722</u>
EXPENDITURES				
Current:				
General government	6,508,177	-	89,983	6,598,160
Public safety	12,622,849	-	6,939,863	19,562,712
Economic and physical development	982,753	-	1,113,136	2,095,889
Human services	17,006,877	-	747,726	17,754,603
Cultural and recreational	446,397	-	-	446,397
Education	18,795,136	-	-	18,795,136
Debt service:				
Principal	1,919,670	-	-	1,919,670
Interest and other charges	610,664	-	-	610,664
Total expenditures	<u>58,892,523</u>	<u>-</u>	<u>8,890,708</u>	<u>67,783,231</u>
Excess (deficiency) of revenues over expenditures	<u>9,153,225</u>	<u>-</u>	<u>(1,081,734)</u>	<u>8,071,491</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,996	-	518,144	543,140
Transfers (out)	(543,140)	-	-	(543,140)
Refunding bonds issued	9,807,000	-	-	9,807,000
Payment to refunded bond escrow agent	(9,726,970)	-	-	(9,726,970)
USDA Loan Refinanced	(2,659,142)	-	-	(2,659,142)
Installment Proceeds - Refinanced USDA Loan	<u>2,669,249</u>	<u>-</u>	<u>-</u>	<u>2,669,249</u>
Total other financing sources and uses	<u>(428,007)</u>	<u>-</u>	<u>518,144</u>	<u>90,137</u>
Net change in fund balance	8,725,218	-	(563,590)	8,161,628
Fund balances, beginning, as previously reported	25,303,138	-	7,098,909	32,402,047
Prior period restatement - change in accounting principle	-	-	151,409	151,409
Fund balances, beginning, as restated	<u>25,303,138</u>	<u>-</u>	<u>7,250,318</u>	<u>32,553,456</u>
Fund balances-ending	<u>\$ 34,028,356</u>	<u>\$ -</u>	<u>\$ 6,686,728</u>	<u>\$ 40,715,084</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, 2021

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

Net changes in fund balances - total governmental funds	\$ 8,161,628
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,445,659
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,370,873)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,736,402
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	33,061
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	78,042
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.	(12,476,249)
Debt that was defeased during the year	12,173,142
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	1,919,670
Expenses reported on fund statements that are capitalized on government-wide statements - refunding cost	143,098
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).	74,378
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(85,576)
County's portion of collective pension expense	(3,018,025)
OPEB Expense	(365,628)
Landfill postclosure cost	14,565
Amortized premium / discount	78,543
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	(61,668)
Increase (decrease) in accrued taxes receivable	(5,135)
Total changes in net position of governmental activities	<u>\$ 8,475,034</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2021

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 37,329,197	\$ 37,329,197	\$ 38,552,966	\$ 1,223,769
Local option sales tax	8,433,790	8,846,204	11,668,894	2,822,690
Other taxes and licenses	186,436	186,436	302,779	116,343
Unrestricted intergovernmental	409,000	409,000	633,837	224,837
Restricted intergovernmental	9,802,336	12,386,329	13,419,621	1,033,292
Permits and fees	286,625	286,625	436,339	149,714
Sales and services	2,629,292	2,639,935	2,813,992	174,057
Investment earnings	200,000	200,000	73,237	(126,763)
Miscellaneous	94,000	103,000	143,185	40,185
Total revenues	<u>\$ 59,370,676</u>	<u>\$ 62,386,726</u>	<u>\$ 68,044,850</u>	<u>\$ 5,658,124</u>
Expenditures				
Current:				
General government	\$ 6,084,327	\$ 7,133,265	\$ 6,508,177	\$ 625,088
Public safety	13,153,008	13,302,497	12,622,849	679,648
Economic and physical development	1,005,887	1,044,008	982,753	61,255
Human services	16,168,099	18,747,371	17,006,877	1,740,494
Cultural and recreational	445,201	480,196	446,397	33,799
Education	18,639,953	18,795,136	18,795,136	-
Debt service:				
Principal retirement	2,259,834	2,259,834	1,919,670	340,164
Interest and other charges	520,463	605,763	610,664	(4,901)
Total expenditures	<u>\$ 58,276,772</u>	<u>\$ 62,368,070</u>	<u>\$ 58,892,523</u>	<u>\$ 3,475,547</u>
Revenues over (under) expenditures	<u>\$ 1,093,904</u>	<u>\$ 18,656</u>	<u>\$ 9,152,327</u>	<u>\$ 9,133,671</u>
Other financing sources (uses):				
Transfer - Out	\$ (872,050)	\$ (950,840)	\$ (705,190)	\$ 245,650
Transfer - In	-	24,995	24,996	1
Refunding bonds issued	-	80,000	9,807,000	9,727,000
Payment to refunded bond escrow agent	-	-	(9,726,970)	(9,726,970)
USDA Loan Refinanced	-	-	(2,659,142)	(2,659,142)
Installment Proceeds - Refinanced USDA Loan	-	-	2,669,249	2,669,249
Fund balance appropriated	-	1,040,543	-	(1,040,543)
Contingency	(221,854)	(213,354)	-	213,354
Total other financing sources (uses)	<u>\$ (1,093,904)</u>	<u>\$ (18,656)</u>	<u>\$ (590,057)</u>	<u>\$ (571,401)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,562,270</u>	<u>\$ 8,562,270</u>
Fund balances:				
Beginning of year, July 1			<u>24,804,015</u>	
End of year, June 30			<u>\$ 33,366,285</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			898	
Transfer from General Fund			162,050	
Expenditures			-	
Fund balance, beginning of year			<u>499,123</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 34,028,356</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, 2021

	NON-MAJOR	MAJOR	
	Solid Waste	Water Districts	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,085,352	\$ 9,374,109	\$ 10,459,461
Accounts receivable (net)	671,735	2,968,622	3,640,357
Due from other funds	-	-	-
Total current assets	<u>1,757,087</u>	<u>12,342,731</u>	<u>14,099,818</u>
Noncurrent assets:			
Restricted - cash and cash equivalents	-	188,500	188,500
Capital assets:			
Land and Improvements	2,368	105,789	108,157
Construction in process	-	7,562,073	7,562,073
Buildings, Improvements, and Equipment	236,428	80,411,354	80,647,782
Less accumulated depreciation	(231,055)	(27,091,889)	(27,322,944)
Total capital assets	<u>7,741</u>	<u>60,987,327</u>	<u>60,995,068</u>
Total noncurrent assets	<u>7,741</u>	<u>61,175,827</u>	<u>61,183,568</u>
Total assets	<u>1,764,828</u>	<u>73,518,558</u>	<u>75,283,386</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	305,809	305,809
Pension deferrals	-	274,883	274,883
OPEB deferrals	-	406,230	406,230
Total deferred outflows of resources	<u>-</u>	<u>986,922</u>	<u>986,922</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	368,138	1,446,415	1,814,553
Accrued interest payable	-	114,056	114,056
Due to other funds	91,548	1,096,520	1,188,068
Customer deposits	-	188,500	188,500
Compensated absences	-	27,419	27,419
Installment purchase	-	425,038	425,038
Limited obligation bonds	-	1,825,000	1,825,000
Total current liabilities	<u>459,686</u>	<u>5,122,948</u>	<u>5,582,634</u>
Noncurrent liabilities:			
Installment purchase	-	5,065,713	5,065,713
Limited Obligation Bonds	-	29,585,000	29,585,000
Net pension liability	-	500,228	500,228
Total OPEB Liability	-	1,262,053	1,262,053
Compensated Absences	-	82,256	82,256
Total noncurrent liabilities	<u>-</u>	<u>36,495,250</u>	<u>36,495,250</u>
Total liabilities	<u>459,686</u>	<u>41,618,197</u>	<u>42,077,883</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	-	18,453	18,453
OPEB deferrals	-	110,778	110,778
Total deferred inflows of resources	<u>-</u>	<u>129,231</u>	<u>129,231</u>
NET POSITION			
Net investment in capital assets	7,741	24,086,576	24,094,317
Unrestricted	1,297,401	8,671,476	9,968,877
Total net position	<u>\$ 1,305,142</u>	<u>\$ 32,758,052</u>	<u>\$ 34,063,194</u>

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2021

	NON-MAJOR	MAJOR	
	Solid Waste	Water Districts	Totals
Revenues:			
Operating Revenues:			
Water sales	\$ -	\$ 7,958,941	\$ 7,958,941
Tap on fees	-	223,941	223,941
Solid Waste fees	3,994,564	-	3,994,564
Miscellaneous Revenue	-	231,537	231,537
Total Operating Revenues	<u>3,994,564</u>	<u>8,414,419</u>	<u>12,408,983</u>
Expenditures:			
Operating Expenses:			
Salaries and employee benefits	37,338	1,593,547	1,630,885
Water purchase	-	1,021,714	1,021,714
Water operations and maintenance	-	2,045,869	2,045,869
Solid waste operations and maintenance	3,673,424	-	3,673,424
Depreciation	827	2,228,560	2,229,387
Total Expenditures	<u>3,711,589</u>	<u>6,889,690</u>	<u>10,601,279</u>
Operating income (loss)	<u>282,975</u>	<u>1,524,729</u>	<u>1,807,704</u>
Nonoperating Revenues (Expenses)			
Rent	6,174	-	6,174
Interest Earned on Investments	1,931	13,320	15,251
Interest Expense	-	(829,020)	(829,020)
Total Nonoperating Revenues (Expenses)	<u>8,105</u>	<u>(815,700)</u>	<u>(807,595)</u>
Income (Loss) before contributions and transfers	291,080	709,029	1,000,109
Transfers in (out)	-	-	-
Capital contributions	-	1,936,694	1,936,694
Change in net position	291,080	2,645,723	2,936,803
Total net position, beginning	<u>1,014,062</u>	<u>30,112,329</u>	<u>31,126,391</u>
Total net position, ending	<u>\$ 1,305,142</u>	<u>\$ 32,758,052</u>	<u>\$ 34,063,194</u>

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

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For The Fiscal Year Ended June 30, 2021

	<u>NON-MAJOR</u>	<u>MAJOR</u>	<u>Totals</u>
	Solid Waste	Water Districts	June 30, 2021
Cash flows from operating activities:			
Cash received from customers	\$ 3,972,510	\$ 8,173,062	\$ 12,145,572
Cash paid for goods and services	(3,630,211)	(2,835,506)	(6,465,717)
Cash paid to employees for services	(37,338)	(1,392,438)	(1,429,776)
Customer deposits received	-	47,125	47,125
Net cash provided (used) by operating activities	<u>304,961</u>	<u>3,992,243</u>	<u>4,297,204</u>
Cash flows from noncapital financing activities			
Transfers in (out)	-	-	-
Miscellaneous	6,174	-	6,174
Interest on Investments	1,931	13,320	15,251
Due from other funds	91,548	1,096,520	1,188,068
Net cash provided (used) by noncapital financial activities	<u>99,653</u>	<u>1,109,840</u>	<u>1,209,493</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(1,942,364)	(1,942,364)
Principal paid on bond maturities and equipment contracts	-	(410,000)	(410,000)
Interest paid on bond maturities and equipment contracts	-	(763,857)	(763,857)
Proceeds from long term borrowing	-	31,410,000	31,410,000
Payment to escrow agent - refunding bonds	-	(33,075,505)	(33,075,505)
Capital contributions	-	287,692	287,692
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(4,494,034)</u>	<u>(4,494,034)</u>
Net increase (decrease) in cash and cash equivalents	<u>404,614</u>	<u>608,049</u>	<u>1,012,663</u>
Cash and cash equivalents, July 1	<u>680,738</u>	<u>8,954,560</u>	<u>9,635,298</u>
Cash and cash equivalents, June 30	<u>\$ 1,085,352</u>	<u>\$ 9,562,609</u>	<u>\$ 10,647,961</u>

(continued)

Beaufort County, North Carolina
Statement of Cash Flows - Proprietary Funds
For The Fiscal Year Ended June 30, 2021

	<u>NON-MAJOR</u>	<u>MAJOR</u>	<u>June 30,</u>
	<u>Solid</u>	<u>Water</u>	<u>2021</u>
	<u>Waste</u>	<u>Districts</u>	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 282,975	\$ 1,524,729	\$ 1,807,704
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$ 827	\$ 2,228,560	\$ 2,229,387
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(22,054)	(241,357)	(263,411)
(Increase) decrease in deferred outflows of resources for pensions	-	(44,839)	(44,839)
(Increase) decrease in deferred outflows of resources - OPEB	-	(107,319)	(107,319)
Increase (decrease) in accounts payable and accrued liabilities	43,213	232,077	275,290
Increase (decrease) in deposits	-	47,125	47,125
Increase (decrease) in OPEB	-	148,434	148,434
Increase (decrease) in deferred inflows - pensions	-	9,441	9,441
Increase (decrease) in deferred inflows - OPEB	-	81,807	81,807
Increase (decrease) in net pension liability	-	99,945	99,945
Increase (decrease) in compensated absences	-	13,640	13,640
Total adjustments	<u>21,986</u>	<u>2,467,514</u>	<u>2,489,500</u>
Net cash provided (used) by operating activities	<u>\$ 304,961</u>	<u>\$ 3,992,243</u>	<u>\$ 4,297,204</u>

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

Beaufort County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Custodial Funds
ASSETS	
Cash and investments	\$ 90,012
Taxes receivable for other governments, net	383,072
Total Assets	473,084
LIABILITIES	
Accounts payable	75,423
Due to other governments	-
Total Liabilities	75,423
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	397,661
Total fiduciary net position	\$ 397,661

Beaufort County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 6,346,286
Collections on behalf of inmates	159,661
Drainage assessments	350,978
Total additions	6,856,925
DEDUCTIONS	
Tax distributions to other governments	6,744,693
Payments on behalf of inmates	148,810
Total deductions	6,893,503
Net increase (decrease) in fiduciary net position	(36,578)
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	434,239
Net position, beginning, as restated	434,239
Net position, ending	\$ 397,661

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation – Basis of Accounting

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

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

The County reports the following major governmental 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.

ARP Grant Fund – The County received funds to assist in the prevention and treatment of COVID 19. These funds are maintained in a separate fund and will be spent over several years.

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

Nonmajor Funds. The County maintains twenty-seven legally budgeted nonmajor governmental funds. The HCCBG – Aging Fund, Economic Development Fund, the Fire and Rescue Tax Districts Fund, the Emergency Telephone System Fund, the State and Federal Seizures Fund, the Healthcare Reserve Fund, CARES Act Funding, One NC Grant, NC Housing Finance, Economic Development Initiative Fund, Representative Payee Fund, 4H Fund, Cooperative Extension Fund, EMS Billing and Collections Fund, CDBG - River Breeze Fund, ADFPTF-USDA Grant Fund, and CARES Act Grant - Elections Fund are reported as nonmajor special revenue funds. The FY 17/18 Capital Improvements Fund, four FEMA Flood Mitigation Funds, the Stream Debris Removal Fund, the Jail Locking System Improvement Fund, the Capital Reserve Fund, the Facility Improvements Fund, and the Voting System Project Fund are reported as nonmajor capital projects funds. The County maintains one legally budgeted nonmajor enterprise fund. The Solid Waste fund is used to account for the operations of the Solid Waste department within the County. The Landfill Cap Work Project Funds is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

C. Budgetary Data

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The majority of the County and the ABC Board's investments are carried at fair value. The North Carolina Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of those funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

Beaufort County Restricted Cash	
Governmental Activities	
General Fund	
Tax Revaluation	\$ 662,071
ARP Grant Funds	4,564,017
Total Governmental Activities	5,226,088
Business-Type Activities	
Water Districts	
Customer deposits	188,500
Total Business-Type Activities	188,500
Total Restricted Cash	\$ 5,414,588

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, 2020. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

5. Allowance for Doubtful Accounts

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

6. Inventories

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

7. Capital Assets

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

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

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

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

8. Deferred outflows/inflows of resources

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

9. Long-Term Obligations

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

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

10. Compensated Absences

The vacation policies of the County and the ABC Board, generally provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021, are recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2021, nonspendable fund balance consists of the advance to the General Fund from the Healthcare Reserve Fund.

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

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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	\$ -		\$ 279,131	\$ 279,131
Public Safety	-		746,104	746,104
Total Committed - Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,235</u>	<u>\$ 1,025,235</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.

Broadband Project – portion of fund balance that is assigned by the Board for future Broadband projects.

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.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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	\$ 34,028,356
Less:	
Nonspendable fund balance (prepaids)	29,824
Stabilization by State statute	7,212,224
Total available fund balance	<u>\$ 26,786,308</u>
Less:	
Tax Revaluation	662,071
Broadband project	500,000
Subsequent year's expenditures	768,719
Total unassigned fund balance	<u>\$ 24,855,518</u>

12. Accounting Estimates

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

13. Defined Benefit Cost-Sharing Plans

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

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$1,921,366 consists of the following:

<u>Description</u>	<u>Amount</u>
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).	\$ 39,558,758
Less accumulated depreciation	<u>(15,431,620)</u>
Net capital assets	24,127,138
Net pension asset	92,646
Contribution to the pension plan in the current fiscal year	1,736,402
Contribution to the OPEB plan in the current fiscal year	78,042
Benefits payments and pension administration costs for LEOSSA	33,061
Pension related deferrals	3,287,540
OPEB related deferrals	640,019
Deferred charges on refunding reported in governmental activities are not required in the funds	141,240
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)	273,938
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,539,627
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	(14,886,498)
Net pension obligation	(1,988,388)
Total OPEB liability	(3,028,932)
Net pension liability	(8,450,847)
Compensated absences	(1,633,826)
Accrued interest payable	<u>(39,796)</u>
	<u>(30,028,287)</u>
Total adjustment	<u>\$ 1,921,366</u>

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$313,406 is comprised of the following:

Description	Amount	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlays	\$ 1,445,659	
Depreciation	<u>(1,370,873)</u>	74,786
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.		
Principal Payments on Debt owed	1,919,670	
Defeased and Refinanced Debt	12,173,142	
Refunding bonds issued	(9,807,000)	
Refinanced installment purchase proceeds	(2,669,249)	
Amortized premium	<u>73,194</u>	1,689,757
Deferred charges on refunding reported in governmental activities are not reported in the funds.	5,349	5,349
Expenses reported on fund statements that are capitalized on government-wide statements - refunding cost	143,098	143,098
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,736,402	1,736,402
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	33,061	33,061
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Activities.	78,042	78,042
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	(5,135)	
Accrual of taxes	<u>(61,668)</u>	(66,803)
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		(85,576)
OPEB expense		(365,628)
County's portion of collective pension expense		(3,018,025)
Landfill post-closure care		14,565
Interest expense		<u>74,378</u>
Total adjustment	<u>\$</u>	<u>313,406</u>

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

None Noted.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2021, the County's deposits had a carrying amount of \$38,657,513. The bank balances with financial institutions were \$39,232,473. Of these bank balances, \$488,962 was covered by federal depository insurance and \$38,743,511 was covered by collateral held under the Pooling Method.

At June 30, 2021, Beaufort County held \$90,012 in fiduciary funds, which is included in the carrying amount above.

At June 30, 2021, Beaufort County had \$2,260 in petty cash on hand.

At June 30, 2021, the carrying amount of deposits for Beaufort County ABC Board was \$1,081,500 and the bank balance was \$1,062,033. Of these bank balances, \$275,141 was covered by federal depository insurance and \$786,892 was covered by collateral held under the Pooling Method.

2. Investments

As of June 30, 2021, 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	\$ 13,227,607	\$ 13,227,607	\$ -	\$ -
Total		\$ 13,227,607	\$ 13,227,607	\$ -	\$ -

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

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, 2021, the ABC Board had no investments.

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

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

Year Levied	Tax	Interest	Total
2018	\$ 1,734,541	\$ 458,263	\$ 2,192,804
2019	1,758,523	312,255	2,070,778
2020	1,759,183	153,871	1,913,054
2021	1,713,134	-	1,713,134
Total	\$ 6,965,381	\$ 924,389	\$ 7,889,770

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 2,458,114	\$ 2,192,765	\$ 3,412,616	\$ 8,063,495
Other Governmental	96,925	191,008	836	288,769
Total Receivables	2,555,039	2,383,773	3,413,452	8,352,264
Allowance for Doubtful Accts.	(329,824)	(570,208)	-	(900,032)
Total Gov't Activities	\$ 2,225,215	\$ 1,813,565	\$ 3,413,452	\$ 7,452,232
Business-type Activities:				
Water Districts	\$ 1,837,737	\$ -	\$ 1,858,423	\$ 3,696,160
Solid Waste	917,903	-	34,514	952,417
Total Receivables	2,755,640	-	1,892,937	4,648,577
Allowance for Doubtful Accts.	(1,008,220)	-	-	(1,008,220)
Total Business-type	\$ 1,747,420	\$ -	\$ 1,892,937	\$ 3,640,357

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

Governmental Activities:	
Local Option Sales Tax	\$ 3,197,878
Sales and Use Tax	215,574
Total	<u>\$ 3,413,452</u>
Business-Type Activities:	
Sales and Use Tax	\$ 71,511
Scrap Tire, White Goods, Solid Waste Disposal	33,596
Grant Reimbursements - Projects	1,787,830
Total	<u>\$ 1,892,937</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2021, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 6,853,330	\$ -	\$ -	\$ 6,853,330
Construction in Progress	1,967,978	909,951	-	2,877,929
Total capital assets not being depreciated	<u>8,821,308</u>	<u>909,951</u>	<u>-</u>	<u>9,731,259</u>
Other capital assets:				
Buildings	20,938,124	150,310	-	21,088,434
Equipment and vehicles	8,512,407	385,398	(158,740)	8,739,065
Total other capital assets at historical cost	<u>29,450,531</u>	<u>535,708</u>	<u>(158,740)</u>	<u>29,827,499</u>
Less accumulated depreciation for:				
Buildings	10,489,649	540,868	-	11,030,517
Equipment and vehicles	3,729,838	830,005	(158,740)	4,401,103
Total other capital assets at historical cost	<u>14,219,487</u>	<u>1,370,873</u>	<u>(158,740)</u>	<u>15,431,620</u>
Other capital assets, net	<u>15,231,044</u>	<u>(835,165)</u>	<u>-</u>	<u>14,395,879</u>
Governmental activities capital assets, net	<u>\$ 24,052,352</u>	<u>\$ 74,786</u>	<u>\$ -</u>	<u>\$ 24,127,138</u>

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

Governmental Activities	
General government	\$ 216,373
Public Safety	606,053
Economic and Physical Development	11,192
Human Services	262,310
Emergency Management	274,945
	<u>\$ 1,370,873</u>

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Districts				
Capital assets not being depreciated:				
Land	\$ 105,789	\$ -	\$ -	\$ 105,789
Construction in Progress	4,778,778	2,783,295	-	7,562,073
Total capital assets not being depreciated	<u>4,884,567</u>	<u>2,783,295</u>	<u>-</u>	<u>7,667,862</u>
Other capital assets:				
Plant and distribution systems	78,839,109	14,527	-	78,853,636
Furniture and equipment	942,688	-	-	942,688
Vehicles and motor equipment	650,979	24,072	(60,021)	615,030
Total other capital assets	<u>80,432,776</u>	<u>38,599</u>	<u>(60,021)</u>	<u>80,411,354</u>
Less accumulated depreciation for:				
Plant and distribution systems	24,303,209	2,086,316	-	26,389,525
Furniture and equipment	196,700	85,812	-	282,512
Vehicles and motor equipment	423,441	56,432	(60,021)	419,852
Total accumulated depreciation	<u>24,923,350</u>	<u>2,228,560</u>	<u>(60,021)</u>	<u>27,091,889</u>
Total Water Districts capital assets, net	<u>\$ 60,393,993</u>	<u>\$ 593,334</u>	<u>\$ -</u>	<u>\$ 60,987,327</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Fund				
Capital assets not being depreciated:				
Land	\$ 2,368	\$ -	\$ -	\$ 2,368
Total capital assets not being depreciated:	<u>2,368</u>	<u>-</u>	<u>-</u>	<u>2,368</u>
Other capital assets:				
Buildings	47,080	-	-	47,080
Furniture and equipment	189,348	-	-	189,348
Total other capital assets	<u>236,428</u>	<u>-</u>	<u>-</u>	<u>236,428</u>
Less accumulated depreciation for:				
Buildings	40,880	827	-	41,707
Furniture and equipment	189,348	-	-	189,348
Total accumulated depreciation	<u>230,228</u>	<u>827</u>	<u>-</u>	<u>231,055</u>
Total Solid Waste capital assets, net	<u>\$ 8,568</u>	<u>\$ (827)</u>	<u>\$ -</u>	<u>\$ 7,741</u>
Business-type activities capital assets, net	<u>\$ 60,402,561</u>			<u>\$ 60,995,068</u>

Construction Commitments

The government has active construction projects as of June 30, 2021. The projects include funded water system improvements, housing repairs, and stream debris removal. As June 30, 2021, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Housing Rehab	\$ 146,995	\$ 3,410
Building Improvements	554,006	81,559
Water System Improvements	2,169,519	1,549,288
Stream Debris Removal	35,400	161,987
	<u>\$ 2,905,920</u>	<u>\$ 1,796,244</u>

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 338,834	\$ -	\$ -	\$ 338,834
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>338,834</u>	<u>-</u>	<u>-</u>	<u>338,834</u>
Capital assets being depreciated:				
Buildings	1,872,806	-	-	1,872,806
Equipment and Furniture	273,624	6,005	-	279,629
Vehicles	75,976	-	-	75,976
Total capital assets being depreciated	<u>2,222,406</u>	<u>6,005</u>	<u>-</u>	<u>2,228,411</u>
Less accumulated depreciation for:				
Buildings	731,227	57,745	-	788,972
Equipment and Furniture	196,184	19,974	-	216,158
Vehicles	40,521	15,196	-	55,717
Total accumulated depreciation	<u>967,932</u>	<u>\$ 92,915</u>	<u>\$ -</u>	<u>1,060,847</u>
Total capital assets being depreciated	<u>1,254,474</u>			<u>1,167,564</u>
Capital assets, net	<u>\$ 1,593,308</u>			<u>\$ 1,506,398</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows :

	Vendors	Salaries	Total
Governmental Activities:			
General	\$ 1,145,747	\$ 1,028,776	\$ 2,174,523
Other Governmental	546,304	-	546,304
Total Governmental Activities	<u>\$ 1,692,051</u>	<u>\$ 1,028,776</u>	<u>\$ 2,720,827</u>
Business-Type Activities			
Water Districts	\$ 1,382,893	\$ 63,522	\$ 1,446,415
Solid Waste	366,077	2,061	368,138
Total Business-Type Activities	<u>\$ 1,748,970</u>	<u>\$ 65,583</u>	<u>\$ 1,814,553</u>

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.19% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,834,378 for the year ended June 30, 2021.

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2021, the County reported a liability of \$8,951,075 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was .2505% (measured as of June 30, 2020), which was a decrease of .0118% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$2,989,383. At June 30, 2021, 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	\$ 1,130,364	\$ -
Changes of assumptions	666,136	-
Net difference between projected and actual earnings on pension plan investments	1,259,624	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	28,249	330,199
County contributions subsequent to the measurement date	1,834,378	-
Total	<u>\$ 4,918,751</u>	<u>\$ 330,199</u>

\$1,834,378 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 772,842
2023	1,029,781
2024	578,765
2025	372,786
2026	-
Thereafter	-
Total	<u>\$ 2,754,174</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 percent
Investment Rate of	7.00 percent, net of pension plan investment expense, including inflation

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Protection	6%	4.0%
	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 18,160,755	\$ 8,951,075	\$ 1,297,183

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.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	<u>55</u>
Total	<u><u>58</u></u>

A separate report was not issued for the plan.

2 *Summary of Significant Accounting Policies:*

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

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

3 *Actuarial Assumptions*

The entry age normal actuarial cost method was used in the December 31, 2019 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	1.93 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, 2019 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 \$6,273 as benefits came due for the reporting period.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

At June 30, 2021, the County reported a total pension liability of \$1,988,388. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$195,497.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 229,488	\$ 50,804
Changes of assumptions	543,690	30,598
County contributions subsequent to the measurement date	33,061	-
Total	<u>\$ 806,239</u>	<u>\$ 81,402</u>

\$33,061 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, 2021. 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:	
2022	\$ 119,621
2023	122,194
2024	118,471
2025	126,884
2026	128,696
Thereafter	75,910
Total	<u>691,776</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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
County's proportionate share of the net pension liability (asset)	\$ 2,185,557	\$ 1,988,388	\$ 1,809,244

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

	<u>2021</u>
Beginning balance	\$ 1,094,799
Service Cost	78,440
Interest on the total pension liability	34,594
Differences between expected and actual experience	270,541
Changes in assumptions or other inputs	577,287
Benefit payments	(67,273)
Ending balance of the total pension liability	<u>\$ 1,988,388</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at December 31, 2019 (measurement date) to 1.93 percent at December 31, 2020 (measurement date).

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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, 2019 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, 2021 were \$228,694 which consisted of \$162,403 from the County and \$66,291 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, 2021 were \$580,065 which consisted of \$273,939 from the County and \$306,126 from the general employees.

d. Registers of Deeds' Supplemental Pension Fund

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary’s required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,538 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$92,646 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension asset was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County’s proportion was .4042%, which was a decrease of .0007% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$206. At June 30, 2021, 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	\$ -	\$ 1,888
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan	-	7,927
Changes in proportion and differences between County Contributions and proportionate share of contributions	5,321	-
County contributions subsequent to the measurement date	4,538	-
Total	<u>\$ 9,859</u>	<u>\$ 9,815</u>

\$4,538 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$ 1,282
2022	(202)
2023	(3,578)
2024	(1,996)
2025	-
Thereafter	-
Total	<u>\$ (4,494)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of	3.75 percent, net of pension plan investment expense, including inflation

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease <u>(2.75%)</u>	Discount Rate <u>(3.75%)</u>	1% Increase <u>(4.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (78,691)	\$ (92,646)	\$ (104,454)

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, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019.

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset)	\$ 8,951,075	\$ (92,646)	\$ -	\$ 8,858,429
Proportionate of the Net Pension Liability (Asset)	0.2505%	0.4042%	n/a	
Total Pension Liability	-	-	1,988,388	1,988,388
Pension Expense	2,989,383	206	195,497	3,185,086
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	1,130,364	-	229,488	1,359,852
Changes of assumptions	666,136	-	543,690	1,209,826
Net difference between project and actual earnings on plan investments	1,259,624	-	-	1,259,624
Changes in proportion and differences between contributions and proportionate share of contributions	28,249	5,321	-	33,570
Benefit payments and administrative costs paid subsequent to the measurement date	1,834,378	4,538	33,061	1,871,977
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	-	1,888	50,804	52,692
Changes of assumptions	-	-	30,598	30,598
Net difference between projected and actual earnings on plan investments	-	7,927	-	7,927
Changes in proportion and differences between contributions and proportionate share of contributions	330,199	-	-	330,199

e. Other Postemployment Benefits

Healthcare Benefits

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

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	14
Active Plan members	<u>365</u>
Total	<u><u>379</u></u>

Total OPEB Liability

The County’s total OPEB liability of \$4,290,985 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General employees	3.50% - 7.75%
Law enforcement officers	3.50% - 7.35%
Municipal bond index	2.21%
Healthcare trends (Pre-Medicare)	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 3,786,309
Changes for the year	
Service Cost	261,795
Interest	139,446
Difference between expected and actual experience	(337,169)
Changes in assumptions or other inputs	569,573
Benefit payments and implicit subsidy credit	<u>(128,969)</u>
Net changes	<u>504,676</u>
Balance at June 30, 2020	<u><u>\$ 4,290,985</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results for an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 4,792,645	\$ 4,290,985	\$ 3,844,464

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 3,687,232	\$ 4,290,985	\$ 5,026,816

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$517,328. At June 30, 2021, 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	\$ 651,823	\$ 297,529
Changes of assumptions	631,516	79,117
Benefit payments and administrative costs made subsequent to the measurement date	106,820	-
Total	<u>\$ 1,390,159</u>	<u>\$ 376,646</u>

\$106,820 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 153,842
2023	153,842
2024	153,842
2025	153,842
2026	165,878
Thereafter	125,447
Total	<u>\$ 906,693</u>

f. Other Employment Benefits

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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

State and Federal laws regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$43,693 reported as landfill post-closure liability at June 30, 2021, represents a cumulative amount reported to that date. These amounts are based on what it would cost to perform all post-closure care in 1994. Beaufort County closed the facility in the year 1994. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 1,130,364	\$ -
Register of Deeds	-	1,888
LEOSSA	229,488	50,804
OPEB	651,823	297,529
Changes of Assumptions		
LGERS	666,136	-
LEOSSA	543,690	30,598
OPEB	631,516	79,117
Pensions - difference between projected and actual investment		
LGERS	1,259,624	-
Register of Deeds	-	7,927
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	28,249	330,198
Register of Deeds	5,321	-
Contributions to pension plan in current fiscal year		
LGERS	1,834,378	-
Register of Deeds	4,538	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	33,061	-
OPEB	106,820	-
Deferred Charges on Refunding	447,049	-
Prepaid taxes (General)	-	6,039
Taxes receivable, net (General)	-	1,348,619
Taxes receivable, net (Special Revenue)	-	191,008
	<u>\$ 7,572,057</u>	<u>\$ 2,343,727</u>

BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$83,436,077 for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$750,000 for workers' compensation. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

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

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

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

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

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

6. Contingent Liabilities

At June 30, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

7. Long-Term Obligations

a. Installment Purchases

Serviced by the General Fund:

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

On March 18, 2016, the County refinanced their loan on the purchase of energy and HVAC upgrades, in the amount of \$1,929,000 through a direct placement agreement. The note is secured with collateral of the system. The payments will be made in monthly payments for 129 payments including interest at 2.132% annually. The note contains provisions that in an event of default the lender (a) may declare all installment payments payable by the County pursuant to the agreement and other amounts payable by the County to the end of the term to be due (b) the lender may enter the premises where the equipment is located and take possession of the equipment and sell or lease the equipment for the account of the County to the extent permitted by applicable law (c) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the contract breach (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under the agreement, and, thereafter, shall pay any remaining proceeds to County (e) require the County to deliver the equipment, at the County's sole expense, to any location within the State of North Carolina designated by the lender, and take possession of any proceeds of the equipment (f) take whatever action at law or in equity that is necessary or desirable to enforce its rights under the agreement or as a secured party in any or all of the equipment subject to the agreement. 1,055,000

On October 10, 2014, the County entered into a direct placement installment purchase agreement for the purchase of the building located at 117 West Third Street. The note is secured by a Deed of Trust. The payments will be made in monthly payments of \$1,670.57 for 180 payments including interest at 4.00% annually. The note contains provisions that an event of default could (a) allow holder without further notice, declare the remainder of the principal sum, together with all interest accrued and the prepayment premium, if any, at once, due and payable and (b) the holder may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor, and endorsers of the note agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to 15% of the outstanding balance owing on the note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's right and remedies upon default. 141,556

Total serviced by the General Fund

\$ 3,865,805

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Installment Purchases (continued)

Serviced by the Water Districts:

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

	3,650,000
Total serviced by the enterprise funds	\$ 3,650,000

For Beaufort County, the future minimum payments of these installment purchases as of June 30, 2021, including \$1,195,171 of interest, are:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 398,265	\$ 79,645	\$ 300,000	\$ 118,175
2023	411,646	72,186	300,000	108,081
2024	426,607	62,949	300,000	97,988
2025	441,686	53,501	300,000	87,895
2026	456,888	43,618	300,000	77,802
2027-2031	1,237,467	120,099	1,500,000	237,611
2032-2036	493,246	11,019	650,000	24,602
Total	\$ 3,865,805	\$ 443,017	\$ 3,650,000	\$ 752,154

b. Water Bonds

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

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, 2021 was \$31,410,000.

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.

c. Limited Obligation Bonds

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

The minimum payments for the limited obligation bonds as of June 30, 2021, in the business-type activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2022	\$ 1,825,000	\$ 643,712
2023	1,845,000	596,225
2024	1,845,000	588,691
2025	1,825,000	575,960
2026	1,820,000	556,432
2027-2031	9,025,000	2,345,485
2032-2036	8,505,000	1,341,214
2037-2041	4,720,000	1,255,802
Total	<u>\$ 31,410,000</u>	<u>\$ 7,903,521</u>

d. General Obligation Indebtedness

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

The County’s general obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

\$10,545,000 Refunding Series 2012, dated August 8, 2012, due in semi-annual installments; beginning in 2013, from \$259,000 to \$1,200,000 through April 1, 2008; interest at 2% to 5%. This loan was refunded during the year and reissued as Refunding Series 2021.	\$ 800,000
\$4,246,000 Refunding Series 2015, dated November 18, 2015, due in annual installments; beginning in 2017, from \$41,000 to \$433,000 through November 1, 2026; interest at 2.15%. This loan was refunded during the year and reissued as Refunding Series 2021.	-
\$3,688,000 Refunding Series 2017, dated July 21, 2017, due in semiannual installments; beginning in 2018, from \$110,211 to \$344,785 through February 1, 2028; interest at 2.22%. This loan was refunded during the year and reissued as Refunding Series 2021.	370,000

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

General Obligation Indebtedness (continued)

\$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.

7,067,000

\$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%.

2,740,000

Total General Obligation Bonds \$ 10,977,000

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
2022	\$ 1,724,000	\$ 171,492
2023	1,726,000	119,132
2024	1,681,000	95,090
2025	1,638,000	71,671
2026	1,589,000	34,306
2027-2031	2,619,000	34,801
Total	<u>\$ 10,977,000</u>	<u>\$ 526,492</u>

e. 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.

\$ 770,000

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.

770,000

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Direct Borrowing- State Revolving Loans (continued)

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

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

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 \$80,580. 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. 82,418

Total serviced by enterprise funds \$ 1,840,751

For Beaufort County, the future minimum payments of the State Revolving Loans as of June 30, 2021 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 125,038	\$ -
2023	125,038	-
2024	125,038	-
2025	125,038	-
2026	125,038	-
2027-2031	625,188	-
2032-2036	515,188	-
2037-2041	75,185	-
Total	<u>\$ 1,840,751</u>	<u>\$ -</u>

At June 30, 2021, Beaufort County had a legal debt margin of \$467,786,111.

e. 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.

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Refunding (continued)

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.

f. 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, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ 12,334,000	\$ 9,807,000	\$ 11,164,000	\$ 10,977,000	\$ 1,724,000
Unamortized premium	558,936	-	558,936	-	-
Direct Placement Installment Purchase	4,125,368	2,669,249	2,928,812	3,865,805	398,265
Compensated Absences	1,548,250	85,576	-	1,633,826	408,457
Net Pension Liability (LGERS)	6,762,379	1,688,468	-	8,450,847	-
Total Pension Liability (LEOSSA)	1,094,799	893,589	-	1,988,388	-
Total OPEB Liability	2,672,690	356,242	-	3,028,932	-
Landfill post-closure care	58,258	-	14,565	43,693	14,565
Total	\$ 29,154,680	\$ 15,500,124	\$ 14,666,313	\$ 29,988,491	\$ 2,545,287
Business-type Activities:					
Unamortized premium	\$ 2,055,896	\$ -	\$ 2,055,896	\$ -	\$ -
Unamortized discounts	(260,660)	-	(260,660)	-	-
Limited Obligation Bonds	31,215,000	31,410,000	31,215,000	31,410,000	1,825,000
Direct Placement Installment Purchase	3,950,000	-	300,000	3,650,000	300,000
Direct Borrowing - Revolving Loan	1,650,000	300,751	110,000	1,840,751	125,038
Compensated Absences	96,034	13,640	-	109,674	27,419
Net Pension Liability (LGERS)	400,283	99,945	-	500,228	-
Total OPEB Liability	1,113,619	148,434	-	1,262,053	-
Total	\$ 40,220,172	\$ 31,972,770	\$ 33,420,236	\$ 38,772,706	\$ 2,277,457

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2021 consist of the following:

Due to the Healthcare Reserve Fund from the General Fund for capital project funding. On May 1, 2018, the Healthcare Reserve Fund advanced the General Fund \$3,500,000 to be used for capital improvements to County buildings. The funds will be repaid in monthly payments of \$30,961.65 for 120 payments including interest at 1.197% annually.	\$ 2,436,630
Due to the General Fund from the NC Housing Finance Fund for the advancement of grant expenditures.	3,433
Due to the General Fund from the CDBG River Breeze Grant Fund for the advancement of grant expenditures.	5,000
Due to the General Fund from the CARES Act Grant Elections Grant Fund for the advancement of grant expenditures.	794
Due to the General Fund from the FEMA Hazard Mitigation 2016-004 Fund for the advancement of grant expenditures.	5,495
Due to the General Fund from the Capital Reserve Fund to cover expenditures.	37
Due to the General Fund from the Solid Waste Fund to cover expenditures.	91,548
Due to the Water Fund from the Water Project Funds to cover expenditures for various projects that are supposed to be reimbursed by grants or loan funds.	<u>1,096,520</u>

Total Interfund balances	<u><u>\$ 3,639,457</u></u>
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Transfers to/from other funds at June 30, 2021, consist of the following:

Transfer from the General Fund to the Revaluation Fund for the Octennial revaluation savings contribution.	\$ 162,050
Transfer from the General Fund to the Economic Development Fund for grant matches and Committee of 100 Payment.	80,000
Transfer from the General Fund to the Capital Reserve Fund for future capital expenses.	55,000
Transfer from the General Fund to the E-911 Fund to cover ineligible expenses.	78,790
Transfer from the General Fund to the Facility Improvements Capital Project Fund to provide additional funds for facility improvements.	329,350
Transfer from the Water Fund to the Project Funds to pay closing cost.	80,243

Total Transfers	<u><u>\$ 785,433</u></u>
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BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 24,058,828	\$ 60,995,068
add: deferred charges (capital related)	141,240	-
Total capital assets and related deferred charges	<u>24,200,068</u>	<u>60,995,068</u>
Total debt, gross	14,842,805	36,900,751
less: debt related to assets not owned by the County	(12,032,000)	-
less: capital related unspent debt issuances	-	-
Total capital debt	<u>2,810,805</u>	<u>36,900,751</u>
Net investment in capital assets	<u>\$ 21,389,263</u>	<u>\$ 24,094,317</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>\$ 34,028,356</u>
Less:	
Nonspendable (Prepays)	29,824
Stabilization by State Statute	7,212,224
Tax Revaluation	662,071
Broadband project	500,000
Appropriated fund balance (subsequent year's budget)	768,719
Remaining Fund Balance	<u>\$ 24,855,518</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	\$ 34,028,356
Less:	
Nonspendable (Prepays)	29,824
Stabilization by State Statute	7,212,224
Tax Revaluation	662,071
Broadband project	500,000
Appropriated fund balance (subsequent year's budget)	768,719
Working Capital / Fund Balance Policy	22,236,292
Remaining Fund Balance	<u>\$ 2,619,226</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	\$ 468,491
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BEAUFORT COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE IV: Joint Ventures

The County participates in a joint venture to operate BHM Regional Library (“the Library”) with three other local governments. Beaufort County appoints three members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments has any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$221,631 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at 158 North Market Street, Washington, North Carolina 27889.

Joint Ventures (continued)

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

The County has an ongoing responsibility for the Community College because of the statutory responsibility to provide funding for the Community College’s facilities. The County contributed \$2,697,118 and \$240,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. 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, 2021. Complete financial statements for the Community College may be obtained from the Community College’s administrative offices at 5337 US Hwy 264 East, Washington, NC 27889.

The County, in conjunction with nine other counties, participates in the Trillium Local Management Entity for local mental health services. The County Commissioners appoint two members to the 20-member Board of Trillium. Trillium, a multi-County LME, is a separate and distinct subdivision charged by the State law with the responsibility of providing for drug and mental health prevention, treatment, and rehabilitation services. The County contributed \$157,000 to Trillium during the fiscal year ended June 30, 2021. Complete financial statements for Trillium can be obtained from the administrative offices at P.O. Box 1636, New Bern, North Carolina 28563.

NOTE V: Jointly Governed Organization

The County, in conjunction with four other counties and 39 municipalities, established the Mid-East Commission (the “Commission”). The participating governments established the Commission to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of \$15,402 to the Council during the fiscal year ended June 30, 2021.

NOTE VI: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonable estimated as events associated with the pandemic continue to develop.

NOTE VII: Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2021 of \$6,409,907. The payment represents 16.73% 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 October 19, 2021, the date these financial statements were available to be issued.

NOTE IX: Restatements

Change in Accounting Principle

The County implement Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
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Cash related to funds held on behalf of incarcerated inmates was reclassified from an Agency fund into a newly created Jail Inmate Pay Custodial Fund. The resulted in a restatement of fiduciary net position to set up the beginning fund balance as of July 1, 2020. \$ - \$ - \$ - \$ 3,738

BEAUFORT COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

Change in Accounting Principle (continued)

	Governmental activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.	-	-	-	425,636
Cash, taxes receivables and liabilities related to drainage assessment fees collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Drainage Assessment Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.	-	-	-	4,865
Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.	111,276	-	111,276	-
Cash received for the 4H Program net of liabilities owed were reclassified out of the Agency Fund into a newly created 4H Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.	22,872	-	22,872	-
Cash received under the Cooperative Extension Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Cooperative Extension Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.	17,261	-	17,261	-
	<u>\$ 151,409</u>	<u>\$ -</u>	<u>\$ 151,409</u>	<u>\$ 434,239</u>

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 Eight Fiscal Years*

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

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

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

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

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

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

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

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

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

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

BEAFORT COUNTY
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Beginning Balance	\$ 1,094,799	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037	\$ 1,053,938
Service Cost	78,440	65,548	69,370	64,512	70,240
Interest on the total pension liability	34,594	37,333	34,142	38,653	35,963
Change in benefit terms	-	-	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	270,541	(34,230)	(35,476)	(26,200)	-
Changes of assumptions and other inputs	577,287	38,179	(47,506)	77,436	(27,968)
Benefit payments	(67,273)	(75,333)	(75,333)	(75,333)	(93,136)
Other changes	-	-	-	-	-
Ending balance of total pension liability	<u>\$ 1,988,388</u>	<u>\$ 1,094,799</u>	<u>\$ 1,063,302</u>	<u>\$ 1,118,105</u>	<u>\$ 1,039,037</u>

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

BEAUFORT COUNTY
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,988,388	\$ 1,094,799	\$ 1,063,302	\$ 1,118,105	\$ 1,039,037
Covered payroll	3,046,316	2,784,246	2,680,824	2,765,059	2,750,952
Total pension liability as a percentage of covered payroll	65.27%	39.32%	39.66%	40.44%	37.77%

Notes to the schedules:

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

BEAUFORT COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 261,795	\$ 242,634	\$ 170,916	\$ 185,026
Interest on the total OPEB liability	139,446	129,368	77,264	64,960
Change in benefit terms	-	-	-	-
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)
Net change in total OPEB liability	504,676	395,462	1,167,461	17,677
Total OPEB liability - beginning	3,786,309	3,390,847	2,223,386	2,205,709
Total OPEB liability - ending	\$ 4,290,985	\$ 3,786,309	\$ 3,390,847	\$ 2,223,386
Covered payroll	\$ 15,829,569	\$ 14,536,223	\$ 13,520,354	\$ 13,520,354
Total OPEB liability as a percentage of covered payroll	27.11%	26.05%	25.08%	16.44%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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 Fiscal Year Ended June 30, 2021

Exhibit B-1

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes:			
Current year	\$ 37,084,447	\$ 38,269,421	
Panalties and interest	244,750	283,545	
Total	<u>37,329,197</u>	<u>38,552,966</u>	<u>1,223,769</u>
Local Option Sales Taxes:			
Local option sales tax	8,846,204	11,668,894	
Total	<u>8,846,204</u>	<u>11,668,894</u>	<u>2,822,690</u>
Other Taxes and Licenses:			
Documentary stamps	160,000	262,892	
Beer and wine licenses	4,436	2,280	
Rental vehicles receipt tax	22,000	37,607	
Total	<u>186,436</u>	<u>302,779</u>	<u>116,343</u>
Unrestricted Intergovernmental Revenues			
Beer and wine tax	148,000	143,594	
Medicaid hold harmless	-	155,033	
Other	261,000	335,210	
Total	<u>409,000</u>	<u>633,837</u>	<u>224,837</u>
Restricted Intergovernmental Revenues			
State and Federal grants	12,231,329	13,230,729	
ABC distributions/tax	155,000	188,892	
Total	<u>12,386,329</u>	<u>13,419,621</u>	<u>1,033,292</u>
Permits and Fees			
Building permits and inspection fees	78,925	114,118	
Register of Deeds	150,000	225,716	
Other permits and fees	57,700	96,505	
Total	<u>286,625</u>	<u>436,339</u>	<u>149,714</u>
Sales and Services			
Attorney fees/tax administration	21,500	39,086	
Animal control fees	25,000	24,033	
Tax collection fees	109,000	116,462	
Sheriff fees	70,000	77,183	
Gun storage fees	100	3,391	
State prisoner's reimbursement	8,500	33,067	
Environmental health	62,625	96,558	
Vending and phones	20,000	26,630	
Health and immunizations	309,270	221,797	
Emergency medical transport fees	500,800	585,907	
Rescue fees	778,143	869,638	
Share of service fee	12,100	9,456	
Rent	258,821	260,838	
Cable franchise fee	110,300	106,170	
NC Health Choice	10,000	-	
Administrative Charges	343,776	343,776	
Total	<u>2,639,935</u>	<u>2,813,992</u>	<u>174,057</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

Exhibit B-1

	2021 Budget	2021 Actual	Variance Positive (Negative)
Investment Earnings	200,000	73,237	
Total	<u>200,000</u>	<u>73,237</u>	<u>(126,763)</u>
Miscellaneous			
Proceeds from sales of assets/insurance claims	55,000	107,325	
Donations	14,000	10,193	
Miscellaneous	34,000	25,667	
Total	<u>103,000</u>	<u>143,185</u>	<u>40,185</u>
Total Revenues	<u>62,386,726</u>	<u>68,044,850</u>	<u>5,658,124</u>
Expenditures			
General Government:			
Governing Body	361,023	344,368	
County Manager	486,005	454,535	
Finance	652,578	612,909	
Human Resources	231,775	225,934	
Nondepartmental	686,166	681,608	
Tax Administration	1,032,270	1,026,302	
Tax Collector	623,695	632,531	
Register of Deeds	402,560	340,943	
Elections	459,254	390,776	
Public Buildings	1,919,339	1,546,136	
Court Facilities	278,600	252,135	
Total General Government	<u>7,133,265</u>	<u>6,508,177</u>	<u>625,088</u>
Public safety:			
Sheriff	6,104,697	5,865,577	
Jail	2,226,043	1,970,604	
Emergency Communications	1,201,460	1,122,701	
Emergency Management	436,473	426,721	
Fire Protection	123,340	121,558	
Ambulance/rescue services	10,000	10,000	
Animal Control	402,656	375,794	
Emergency Medical Services	2,757,828	2,688,694	
Medical Examiner	40,000	41,200	
Total Public Safety	<u>13,302,497</u>	<u>12,622,849</u>	<u>679,648</u>
Economic and Physical Development:			
Planning	298,058	263,173	
Economic Development	317,728	307,761	
Cooperative Extension	270,129	264,322	
Soil/Water Conservation	158,093	147,497	
Total Economic and Physical Develop	<u>1,044,008</u>	<u>982,753</u>	<u>61,255</u>

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Human services:			
Administration - general	340,240	370,588	
AIDS control / STD	309,284	271,232	
TB Program	52,973	46,876	
Immunization	2,167,607	1,581,430	
Health Promotion	212,462	190,728	
Child Health	595,890	533,047	
Maternal Health	348,323	333,266	
WIC - administration	340,120	325,291	
Environmental Health	624,478	609,666	
Family Planning	332,644	295,349	
Jail Health	214,226	206,511	
Healthy Living	122,540	120,408	
Other Health Programs	347,389	312,481	
Total	6,008,176	5,196,873	811,303
Mental Health and Transportation:			
General Appropriation	157,000	157,000	
Alcohol Rehabilitation	20,000	31,818	
Beaufort County Development Center	55,000	55,000	
NC Elderly Handicapped Transportation/Other	81,868	-	
Passages Counseling Services	50,000	28,803	
Total	363,868	272,621	91,247
Social Services			
Administration	7,662,362	7,225,334	
State In-Home Aging Services	486,662	400,100	
Medical Assistance	110,000	88,547	
Energy Assistance	820,077	758,724	
County Provided Assistance	428,000	424,145	
Transportation	302,570	193,750	
Child Support Enforcement	786,000	828,183	
Aid to the Blind Program	11,229	7,761	
Foster Care	1,327,494	1,207,573	
Work First Program	88,400	50,083	
Total	12,022,794	11,184,200	838,594
Other Human Services			
Veterans Services	71,346	72,832	
Youth Services	281,187	280,351	
Total	352,533	353,183	(650)
Total Human Services	18,747,371	17,006,877	1,740,494

Beaufort County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation	80,065	69,266	
Library and Museum	224,631	224,631	
Special Appropriation	175,500	152,500	
Total Cultural and Recreational	480,196	446,397	33,799
Education:			
Public School			
Current Expense	14,587,140	14,587,140	
Capital Outlay	1,270,878	1,270,878	
Community College			
Current Expense	2,697,118	2,697,118	
Capital Outlay	240,000	240,000	
Total Education	18,795,136	18,795,136	-
Debt service:			
Principal	2,259,834	1,919,670	
Interest and fees	605,763	610,664	
Total debt service	2,865,597	2,530,334	335,263
Total Expenditures	62,368,070	58,892,523	3,475,547
Revenue over (under) expenditures	18,656	9,152,327	9,133,671
Other financing sources (uses):			
Refunding bonds issued	80,000	9,807,000	9,727,000
Payment to refunded bond escrow agent	-	(9,726,970)	(9,726,970)
USDA Loan Refinanced	-	(2,659,142)	(2,659,142)
Installment Proceeds - Refinanced USDA Loan	-	2,669,249	2,669,249
Transfers (to) from other funds:			
Revaluation Fund	(162,050)	(162,050)	-
Capital Project - Capital Reserve	(55,000)	(55,000)	-
Capital Project - Facility Improvements Project Fund	(575,000)	(329,350)	245,650
Special Revenue - Economic Development Fund	(80,000)	(80,000)	-
Special Revenue - Emergency Telephone	(78,790)	(78,790)	-
Special Revenue - CARES Act Fund	24,995	24,996	1
Appropriated Fund Balance	1,040,543	-	(1,040,543)
Contingency	(213,354)	-	213,354
Total other financing sources (uses)	(18,656)	(590,057)	(571,401)
Net change in fund balance	\$ -	8,562,270	\$ 8,562,270
Fund balance, beginning of year		24,804,015	
Fund balance, end of year		\$ 33,366,285	

Beaufort County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenue			
Investment Earnings	\$ -	\$ 898	\$ 898
Total Revenue	<u>-</u>	<u>898</u>	<u>898</u>
Other financing sources (uses):			
Transfer in - General Fund	162,050	162,050	-
Transfer in - Revaluation Project Fund	-	-	-
Transfer out - Revaluation Project	-	-	-
To fund balance for future reval	(162,050)	-	162,050
Total other financing sources (uses)	<u>-</u>	<u>162,050</u>	<u>162,050</u>
Net change in fund balance	<u>\$ -</u>	162,948	<u>\$ 162,948</u>
Fund balance, beginning		<u>499,123</u>	
Fund balance, ending		<u>\$ 662,071</u>	

NON-MAJOR GOVERNMENTAL FUNDS

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

Beaufort County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and investments	\$ 3,626,839	\$ 1,086,561	\$ 4,713,400
Taxes receivable (net)	191,008	-	191,008
Accounts receivable (net)	92,266	5,495	97,761
Due from other funds	2,436,630	-	2,436,630
Total assets	<u>\$ 6,346,743</u>	<u>\$ 1,092,056</u>	<u>\$ 7,438,799</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 539,597	\$ 6,707	\$ 546,304
Due to other funds	9,227	5,532	14,759
Total liabilities	<u>548,824</u>	<u>12,239</u>	<u>561,063</u>
DEFERRED INFLOWS OF RESOURCES	<u>191,008</u>	<u>-</u>	<u>191,008</u>
Fund balances:			
Nonspendable			
Advance to General Fund	2,436,630	-	2,436,630
Restricted:			
Stabilization by State Statute	35,648	5,495	41,143
General Government	-	54,619	54,619
Economic Development	157,061	-	157,061
Human Services	2,448,595	-	2,448,595
Public Safety	539,276	-	539,276
Committed	-	1,025,235	1,025,235
Unassigned	(10,299)	(5,532)	(15,831)
Total fund balances	<u>5,606,911</u>	<u>1,079,817</u>	<u>6,686,728</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,346,743</u>	<u>\$ 1,092,056</u>	<u>\$ 7,438,799</u>

Beaufort County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 3,923,979	\$ -	\$ 3,923,979
Restricted intergovernmental	2,222,967	388,182	2,611,149
Sales and services	1,137,184	-	1,137,184
Other	132,643	256	132,899
Investment Earnings	3,402	361	3,763
Total revenues	<u>7,420,175</u>	<u>388,799</u>	<u>7,808,974</u>
Expenditures:			
Current:			
General government	89,983	-	89,983
Public safety	6,167,815	772,048	6,939,863
Health and human services	747,726	-	747,726
Economic and physical development	211,988	901,148	1,113,136
Total Expenditures	<u>7,217,512</u>	<u>1,673,196</u>	<u>8,890,708</u>
Revenues over (under) expenditures	<u>202,663</u>	<u>(1,284,397)</u>	<u>(1,081,734)</u>
Other financing sources (uses):			
Transfers in (out)	<u>133,794</u>	<u>384,350</u>	<u>518,144</u>
Total other financing sources (uses)	<u>133,794</u>	<u>384,350</u>	<u>518,144</u>
Net change in fund balance	336,457	(900,047)	(563,590)
Fund balances, beginning, as previously reported	5,119,045	1,979,864	7,098,909
Prior period restatement - change in accounting principle	<u>151,409</u>	<u>-</u>	<u>151,409</u>
Fund balances, beginning, as restated	<u>5,270,454</u>	<u>1,979,864</u>	<u>7,250,318</u>
Fund balances, ending	<u>\$ 5,606,911</u>	<u>\$ 1,079,817</u>	<u>\$ 6,686,728</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2021

Exhibit C-3

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund
ASSETS						
Cash and investments	\$ 35,398	\$ 102,477	\$ 395,164	\$ 449,140	\$ 96,044	\$ 2,274,202
Restricted Cash	-	-	-	-	-	-
Taxes receivable (net)	-	-	191,008	-	-	-
Accounts receivable (net)	-	-	-	25,349	-	-
Due from other funds	-	-	-	-	-	2,436,630
Total assets	<u>\$ 35,398</u>	<u>\$ 102,477</u>	<u>\$ 586,172</u>	<u>\$ 474,489</u>	<u>\$ 96,044</u>	<u>\$ 4,710,832</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,939	\$ 13,261	\$ 395,164	\$ 1,696	\$ 4,212	\$ -
Due to other funds	-	-	-	-	-	-
Unspent CARES Act Funding	-	-	-	-	-	-
Total liabilities	<u>3,939</u>	<u>13,261</u>	<u>395,164</u>	<u>1,696</u>	<u>4,212</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
	-	-	191,008	-	-	-
Fund Balances:						
Nonspendable:						
Advance to General Fund	-	-	-	-	-	2,436,630
Restricted:						
Stabilization by State Statute	-	-	-	25,349	-	-
Economic Development	-	89,216	-	-	-	-
Human Services	31,459	-	-	-	-	2,274,202
Public Safety	-	-	-	447,444	91,832	-
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>31,459</u>	<u>89,216</u>	<u>-</u>	<u>472,793</u>	<u>91,832</u>	<u>4,710,832</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,398</u>	<u>\$ 102,477</u>	<u>\$ 586,172</u>	<u>\$ 474,489</u>	<u>\$ 96,044</u>	<u>\$ 4,710,832</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2021

	CARES Act Fund	One NC Grant	NC Housing Finance Grant	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund
ASSETS							
Cash and investments	\$ -	\$ 4,283	\$ -	\$ 16,275	\$ 155,988	\$ 25,413	\$ 22,042
Restricted Cash	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	10,299	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 4,283</u>	<u>\$ 10,299</u>	<u>\$ 16,275</u>	<u>\$ 155,988</u>	<u>\$ 25,413</u>	<u>\$ 22,042</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 6,866	\$ -	\$ 13,054	\$ -	\$ 168
Due to other funds	-	-	3,433	-	-	-	-
Unspent CARES Act Funding	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,299</u>	<u>-</u>	<u>13,054</u>	<u>-</u>	<u>168</u>
DEFERRED INFLOWS OF RESOURCES							
<u>-</u>							
Fund Balances:							
Nonspendable:							
Advance to General Fund	-	-	-	-	-	-	-
Restricted:							
Stabilization by State Statute	-	-	10,299	-	-	-	-
Economic Development	-	4,283	-	16,275	-	25,413	21,874
Human Services	-	-	-	-	142,934	-	-
Public Safety	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	(10,299)	-	-	-	-
Total fund balances	<u>-</u>	<u>4,283</u>	<u>-</u>	<u>16,275</u>	<u>142,934</u>	<u>25,413</u>	<u>21,874</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 4,283</u>	<u>\$ 10,299</u>	<u>\$ 16,275</u>	<u>\$ 155,988</u>	<u>\$ 25,413</u>	<u>\$ 22,042</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2021

	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund	CARES Act Grant - Elections	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and investments	\$ 50,413	\$ -	\$ -	\$ -	\$ 3,626,839
Restricted Cash	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	191,008
Accounts receivable (net)	50,782	5,000	-	836	92,266
Due from other funds	-	-	-	-	2,436,630
Total assets	<u>\$ 101,195</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 836</u>	<u>\$ 6,346,743</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 101,195	\$ -	\$ -	\$ 42	\$ 539,597
Due to other funds	-	5,000	-	794	9,227
Unspent CARES Act Funding	-	-	-	-	-
Total liabilities	<u>101,195</u>	<u>5,000</u>	<u>-</u>	<u>836</u>	<u>548,824</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,008</u>
Fund Balances:					
Nonspendable:					
Advance to General Fund	-	-	-	-	2,436,630
Restricted:					
Stabilization by State Statute	-	-	-	-	35,648
Economic Development	-	-	-	-	157,061
Human Services	-	-	-	-	2,448,595
Public Safety	-	-	-	-	539,276
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(10,299)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,606,911</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 101,195</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 836</u>	<u>\$ 6,346,743</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	HCCBG Aging	Economic Development	Fire and Rescue Tax Districts	Emergency Telephone System	State and Federal Seizures	Healthcare Reserve Fund
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ 3,923,979	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	304,189	34,427	-
Sales and Services	-	-	-	-	-	-
Other	78,309	10,000	-	-	7,958	31,376
Investment Earnings	54	-	-	360	153	2,835
Total revenues	<u>78,363</u>	<u>10,000</u>	<u>3,923,979</u>	<u>304,549</u>	<u>42,538</u>	<u>34,211</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	3,923,979	167,283	93,300	-
Health and human services	63,237	-	-	-	-	-
Economic and physical development	-	23,261	-	-	-	-
Total expenditures	<u>63,237</u>	<u>23,261</u>	<u>3,923,979</u>	<u>167,283</u>	<u>93,300</u>	<u>-</u>
Revenues over (under) expenditures	15,126	(13,261)	-	137,266	(50,762)	34,211
Other financing sources (uses):						
Transfers in (out)	-	80,000	-	78,790	-	-
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>78,790</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,126	66,739	-	216,056	(50,762)	34,211
Fund balances, beginning, as previously reported	16,333	22,477	-	256,737	142,594	4,676,621
Prior period restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning, as restated	<u>16,333</u>	<u>22,477</u>	<u>-</u>	<u>256,737</u>	<u>142,594</u>	<u>4,676,621</u>
Fund balances, ending	<u>\$ 31,459</u>	<u>\$ 89,216</u>	<u>\$ -</u>	<u>\$ 472,793</u>	<u>\$ 91,832</u>	<u>\$ 4,710,832</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	CARES Act Fund	One NC Grant	NC Housing Finance Grant	Economic Development Initiatives	Representative Payee Fund	4H Fund	Cooperative Extension Fund
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	481,666	-	132,694	16,275	716,147	-	-
Sales and Services	-	-	-	-	-	26,463	31,724
Other	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-
Total revenues	<u>481,666</u>	<u>-</u>	<u>132,694</u>	<u>16,275</u>	<u>716,147</u>	<u>26,463</u>	<u>31,724</u>
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	456,670	-	-	-	-	-	-
Health and human services	-	-	-	-	684,489	-	-
Economic and physical development	-	-	132,694	-	-	23,922	27,111
Total expenditures	<u>456,670</u>	<u>-</u>	<u>132,694</u>	<u>-</u>	<u>684,489</u>	<u>23,922</u>	<u>27,111</u>
Revenues over (under) expenditures	24,996	-	-	16,275	31,658	2,541	4,613
Other financing sources (uses):							
Transfers in (out)	<u>(24,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(24,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	16,275	31,658	2,541	4,613
Fund balances, beginning, as previously reported	-	4,283	-	-	-	-	-
Prior period restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,276</u>	<u>22,872</u>	<u>17,261</u>
Fund balances, beginning, as restated	<u>-</u>	<u>4,283</u>	<u>-</u>	<u>-</u>	<u>111,276</u>	<u>22,872</u>	<u>17,261</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 4,283</u>	<u>\$ -</u>	<u>\$ 16,275</u>	<u>\$ 142,934</u>	<u>\$ 25,413</u>	<u>\$ 21,874</u>

Beaufort County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	EMS Billing & Collections Fund	CDBG - River Breeze Fund	ADFPTF - USDA Grant Fund	CARES Act Grant - Elections	Total Nonmajor Special Revenue Funds
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,923,979
Restricted intergovernmental	447,586	-	-	89,983	2,222,967
Sales and Services	1,078,997	-	-	-	1,137,184
Other	-	5,000	-	-	132,643
Investment Earnings	-	-	-	-	3,402
Total revenues	<u>1,526,583</u>	<u>5,000</u>	<u>-</u>	<u>89,983</u>	<u>7,420,175</u>
Expenditures:					
General government	-	-	-	89,983	89,983
Public safety	1,526,583	-	-	-	6,167,815
Health and human services	-	-	-	-	747,726
Economic and physical development	-	5,000	-	-	211,988
Total expenditures	<u>1,526,583</u>	<u>5,000</u>	<u>-</u>	<u>89,983</u>	<u>7,217,512</u>
Revenues over (under) expenditures	-	-	-	-	202,663
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	133,794
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,794</u>
Net change in fund balances	-	-	-	-	336,457
Fund balances, beginning, as previously reported	-	-	-	-	5,119,045
Prior period restatement - change in accounting principle	-	-	-	-	151,409
Fund balances, beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,270,454</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,606,911</u>

Beaufort County, North Carolina
HCCBG Aging Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Other Income	\$ 60,332	\$ 78,309	\$ 17,977
Investment Earnings	-	54	54
Total revenues	<u>60,332</u>	<u>78,363</u>	<u>18,031</u>
Expenditures:			
Health and Human Services	<u>72,657</u>	<u>63,237</u>	<u>9,420</u>
Total expenditures	<u>72,657</u>	<u>63,237</u>	<u>9,420</u>
Revenues over (under) expenditures	<u>(12,325)</u>	<u>15,126</u>	<u>27,451</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	-	-	-
Fund Balance Appropriated	<u>12,325</u>	-	<u>(12,325)</u>
Total other financing sources (uses)	<u>12,325</u>	<u>-</u>	<u>(12,325)</u>
Net change in fund balance	<u>\$ -</u>	<u>15,126</u>	<u>\$ 15,126</u>
Fund balance, beginning		<u>16,333</u>	
Fund balance, ending		<u>\$ 31,459</u>	

Beaufort County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues			
Duke Energy	\$ 10,000	\$ 10,000	\$ -
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:			
Economic and physical development	90,000	23,261	66,739
Total expenditures	<u>90,000</u>	<u>23,261</u>	<u>66,739</u>
Revenues over (under) expenditures	<u>(80,000)</u>	<u>(13,261)</u>	<u>66,739</u>
Other Financing Sources (Uses)			
Transfer in - General Fund	80,000	80,000	-
Total other financing sources (uses)	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	66,739	<u>\$ 66,739</u>
Fund balance, beginning		<u>22,477</u>	
Fund balance, ending		<u>\$ 89,216</u>	

Beaufort County, North Carolina
Fire and Rescue Tax District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Ad valorem tax	\$ 3,727,285	\$ 3,923,979	\$ 196,694
Total revenues	<u>3,727,285</u>	<u>3,923,979</u>	<u>196,694</u>
Expenditures:			
Public safety expenditures	3,727,285	3,923,979	(196,694)
Total expenditures	<u>3,727,285</u>	<u>3,923,979</u>	<u>(196,694)</u>
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

Beaufort County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 304,189	\$ 304,189	\$ -
Investment Earnings	-	360	360
Total revenues	<u>304,189</u>	<u>304,549</u>	<u>360</u>
Expenditures:			
Public Safety :			
Implemental functions	80,891	35,632	45,259
Telephone	89,000	62,306	26,694
Software maintenance	60,500	60,210	290
Hardware maintenance	20,000	7,310	12,690
Training	5,000	1,825	3,175
Capital outlay	68,189	-	68,189
Other expenses	2,000	-	2,000
Total expenditures	<u>325,580</u>	<u>167,283</u>	<u>158,297</u>
Revenues over (under) expenditures	<u>(21,391)</u>	<u>137,266</u>	<u>158,657</u>
Other financing sources (uses):			
Fund balance appropriated	(57,399)	-	57,399
Transfers In	78,790	78,790	-
Total other financing sources (uses)	<u>21,391</u>	<u>78,790</u>	<u>57,399</u>
Net change in fund balance	<u>\$ -</u>	216,056	<u>\$ 216,056</u>
Fund balance, beginning		<u>256,737</u>	
Fund balance, ending		<u>\$ 472,793</u>	

Beaufort County, North Carolina
State and Federal Seizures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 30,000	\$ 34,427	\$ 4,427
Miscellaneous	4,000	7,958	3,958
Investment Earnings	-	153	153
Total revenues	<u>34,000</u>	<u>42,538</u>	<u>8,538</u>
Expenditures:			
Public safety expenditures	<u>159,058</u>	<u>93,300</u>	<u>65,758</u>
Total expenditures	<u>159,058</u>	<u>93,300</u>	<u>65,758</u>
Revenues over (under) expenditures	<u>(125,058)</u>	<u>(50,762)</u>	<u>74,296</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>125,058</u>	-	<u>(125,058)</u>
Total other financing sources (uses)	<u>125,058</u>	-	<u>(125,058)</u>
Net change in fund balance	<u>\$ -</u>	<u>(50,762)</u>	<u>\$ (50,762)</u>
Fund balance, beginning		<u>142,594</u>	
Fund balance, ending		<u>\$ 91,832</u>	

Beaufort County, North Carolina
Healthcare Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	Variance Positive (Negative)
Revenues:			
Other income	\$ -	\$ -	\$ -
Principal payments received	340,164	340,163	(1)
Interest payment received	31,377	31,376	(1)
Investment Earnings	-	2,835	2,835
Total Revenues	<u>371,541</u>	<u>374,374</u>	<u>2,833</u>
Expenditures:			
Economic and physical development	371,541	-	371,541
Total Expenditures	<u>371,541</u>	<u>-</u>	<u>371,541</u>
Revenues over (under) expenditures	<u>-</u>	<u>374,374</u>	<u>374,374</u>
Other financing sources (uses):			
Transfer to General Fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	374,374	<u>\$ 374,374</u>
Reconciling Item			
Principal paid on intergovernment loan		(340,163)	
Fund balance, beginning		<u>4,676,621</u>	
Fund balance, ending		<u>\$ 4,710,832</u>	

Beaufort County, North Carolina
CARES Act Funding
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues:					
Restricted intergovernmental - CARES Act Funding	\$ -	\$ -	\$ 481,666	\$ 481,666	\$ 481,666
Total revenues	-	-	481,666	481,666	481,666
Expenditures					
Public Safety					
Town of Aurora	-	-	-	-	-
Town of Bath	8,781	-	8,781	8,781	-
Town of Belhaven	57,535	-	57,535	57,535	-
Town of Chocowinity	28,713	-	28,713	28,713	-
Town of Pantego	1	-	-	-	1
City of Washington	346,046	-	346,046	346,046	-
Washington Park	15,595	-	15,595	15,595	-
Total expenditures	456,671	-	456,670	456,670	1
Revenues over (under) expenditures	(456,671)	-	24,996	24,996	481,667
Other Financing Sources (Uses):					
Transfer from General Fund	481,666	-	-	-	(481,666)
Transfer to General Fund	(24,995)	-	(24,996)	(24,996)	(1)
Total other financing sources (uses)	456,671	-	(24,996)	(24,996)	(481,667)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, end			\$ -		

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, 2021

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

Beaufort County, North Carolina
NC Housing Finance Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Housing Finance Agency Grant	\$ 390,865	\$ 14,261	\$ 132,694	\$ 146,955	\$ (243,910)
Total revenues	<u>390,865</u>	<u>14,261</u>	<u>132,694</u>	<u>146,955</u>	<u>(243,910)</u>
Expenditures					
Economic and physical development	390,865	14,261	132,694	146,955	243,910
Total expenditures	<u>390,865</u>	<u>14,261</u>	<u>132,694</u>	<u>146,955</u>	<u>243,910</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Economic Development Initiatives
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

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

Beaufort County, North Carolina
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ 149,452</u>	<u>\$ 716,147</u>	<u>\$ 566,695</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>149,452</u>	<u>684,489</u>	<u>(535,037)</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>31,658</u>	<u>\$ 31,658</u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>111,276</u>	
Fund balance, beginning, as restated		<u>111,276</u>	
Fund balance, ending		<u>\$ 142,934</u>	

Beaufort County, North Carolina
4H Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services:			
Livestock Show and Sale	\$ 20,000	\$ 24,716	\$ 4,716
Summer Campting	5,000	-	(5,000)
4H Clubs	3,723	-	(3,723)
4H Programming	5,000	1,747	(3,253)
Total Revenues	<u>33,723</u>	<u>26,463</u>	<u>(7,260)</u>
Expenditures:			
Economic and Physical Development			
Livestock Show and Sale	20,000	19,943	57
Summer Campting	5,000	-	5,000
4H Clubs	3,723	120	3,603
4H Programming	5,000	3,859	1,141
Total Expenditures	<u>33,723</u>	<u>23,922</u>	<u>9,801</u>
Net change in fund balance	<u>\$ -</u>	2,541	<u>\$ 2,541</u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>22,872</u>	
Fund balance, beginning, as restated		<u>22,872</u>	
Fund balance, ending		<u>\$ 25,413</u>	

Beaufort County, North Carolina
Cooperative Extension Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services:			
Agriculture Programming	\$ 25,298	\$ 23,045	\$ (2,253)
Horticulture Programming	5,000	261	(4,739)
Master Gardeners	3,500	4,349	849
Family & Consumer Scient Programs	4,000	4,069	69
Total Revenues	<u>37,798</u>	<u>31,724</u>	<u>(6,074)</u>
Expenditures:			
Economic and Physical Development			
Agriculture Programming	25,298	20,061	5,237
Horticulture Programming	5,000	299	4,701
Master Gardeners	3,500	3,307	193
Family & Consumer Scient Programs	4,000	3,444	556
Total Expenditures	<u>37,798</u>	<u>27,111</u>	<u>10,687</u>
Net change in fund balance	<u>\$ -</u>	4,613	<u>\$ 4,613</u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>17,261</u>	
Fund balance, beginning, as restated		<u>17,261</u>	
Fund balance, ending		<u>\$ 21,874</u>	

Beaufort County, North Carolina
EMS Billing and Collections Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services:			
EMS Revenues	\$ 1,682,000	\$ 1,078,997	\$ (603,003)
Restricted Intergovernmental:			
Medicaid Cost Settlement	447,589	447,586	(3)
Total Revenues	<u>2,129,589</u>	<u>1,526,583</u>	<u>(603,006)</u>
Expenditures:			
Public Safety			
Emergency Medical Service	1,696,428	1,093,425	603,003
Medicaid Cost Settlement	433,161	433,158	3
Total Expenditures	<u>2,129,589</u>	<u>1,526,583</u>	<u>603,006</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>-</u>	
Fund balance, beginning, as restated		-	
Fund balance, ending		<u>\$ -</u>	

Beaufort County, North Carolina
CDBG - River Breeze Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

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

Beaufort County, North Carolina
ADFPTF - USDA Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

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

Beaufort County, North Carolina
CARES Act Grant - Elections
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CARES Act Grant - Elections	\$ 90,372	\$ -	\$ 89,983	\$ 89,983	\$ (389)
Total revenues	<u>90,372</u>	<u>-</u>	<u>89,983</u>	<u>89,983</u>	<u>389</u>
Expenditures:					
General Government					
COVID Base Funding	30,000	-	29,611	29,611	389
COVID One Stop Voting Funding	43,286	-	43,286	43,286	-
COVID Remaining Funding	17,086	-	17,086	17,086	-
Total expenditures	<u>90,372</u>	<u>-</u>	<u>89,983</u>	<u>89,983</u>	<u>389</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
American Rescue Plan Act
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
American Rescue Plan	\$ 9,195,499	\$ -	\$ -	\$ -	\$ (9,195,499)
Total revenues	<u>9,195,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,195,499</u>
Expenditures:					
Economic and physical development					
American Rescue Plan Expense	9,195,499	-	-	-	9,195,499
Total expenditures	<u>9,195,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,195,499</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>		

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, 2021**

Exhibit D-1

	FY 17/18 Capital Improvements	FEMA Flood Mitigation 2015-017	FEMA Hazard Mitigation 2016-003	Hazard Mitigation 2016-004	Hazard Mitigation 2016-005	Stream Debris Removal
ASSETS						
Cash and Investments	\$ 4,131	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net)	-	-	-	5,495	-	-
Total assets	<u>\$ 4,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,495</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,495	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,495</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statue	-	-	-	5,495	-	-
General Government	-	-	-	-	-	-
Committed	4,131	-	-	-	-	-
Unassigned	-	-	-	(5,495)	-	-
Total fund balances	<u>4,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,495</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Balance Sheets
June 30, 2021

Exhibit D-1

	Jail Locking System Improvements	Capital Reserve Fund	Facility Improvements Project Fund	Voting System Project Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and Investments	\$ 263,177	\$ -	\$ 489,634	\$ 329,619	\$ 1,086,561
Accounts receivable (net)	-	-	-	-	5,495
Total assets	<u>\$ 263,177</u>	<u>\$ -</u>	<u>\$ 489,634</u>	<u>\$ 329,619</u>	<u>\$ 1,092,056</u>
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,891	\$ -	\$ 4,816	\$ -	\$ 6,707
Due to other funds	-	37	-	-	5,532
Total liabilities	<u>1,891</u>	<u>37</u>	<u>4,816</u>	<u>-</u>	<u>12,239</u>
Fund balances:					
Restricted:					
Stabilization by State Statue	-	-	-	-	5,495
General Government	-	-	-	54,619	54,619
Committed	261,286	-	484,818	275,000	1,025,235
Unassigned	-	(37)	-	-	(5,532)
Total fund balances	<u>261,286</u>	<u>(37)</u>	<u>484,818</u>	<u>329,619</u>	<u>1,079,817</u>
Total liabilities and fund balances	<u>\$ 263,177</u>	<u>\$ -</u>	<u>\$ 489,634</u>	<u>\$ 329,619</u>	<u>\$ 1,092,056</u>

Beaufort County, North Carolina
Non-Major Capital Projects Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2021

	FY 17/18 Capital Improvements	FEMA Flood Mitigation 2015-017	FEMA Hazard Mitigation 2016-003	Hazard Mitigation 2016-004	Hazard Mitigation 2016-005	Stream Debris Removal
Revenues:						
Restricted intergovernmental	\$ -	\$ -	-	\$ -	\$ 208,842	\$ 124,721
Investment earnings	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,842</u>	<u>124,721</u>
Expenditures:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Economic and physical development	-	-	-	-	208,842	124,721
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,842</u>	<u>124,721</u>
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Transfers in (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning	<u>4,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021**

	Jail Locking System Improvements	Capital Reserve Fund	Facility Improvements Project Fund	Voting System Project Fund	Total Nonmajor Capital Projects Funds
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 54,619	\$ 388,182
Investment earnings	-	361	-	-	361
Other	256	-	-	-	256
Total revenues	<u>256</u>	<u>361</u>	<u>-</u>	<u>54,619</u>	<u>388,799</u>
Expenditures:					
General government	-	-	-	-	-
Public Safety	772,048	-	-	-	772,048
Economic and physical development	-	-	567,585	-	901,148
Total expenditures	<u>772,048</u>	<u>-</u>	<u>567,585</u>	<u>-</u>	<u>1,673,196</u>
Revenues over (under) expenditures	(771,792)	361	(567,585)	54,619	(1,284,397)
Other financing sources (uses):					
Transfers in (out)	-	(220,000)	329,350	275,000	384,350
Total other financing sources (uses)	<u>-</u>	<u>(220,000)</u>	<u>329,350</u>	<u>275,000</u>	<u>384,350</u>
Net change in fund balances	(771,792)	(219,639)	(238,235)	329,619	(900,047)
Fund balances, beginning	<u>1,033,078</u>	<u>219,602</u>	<u>723,053</u>	<u>-</u>	<u>1,979,864</u>
Fund balances, ending	<u>\$ 261,286</u>	<u>\$ (37)</u>	<u>\$ 484,818</u>	<u>\$ 329,619</u>	<u>\$ 1,079,817</u>

Beaufort County, North Carolina
FY 17/18 Capital Improvements Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

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

Beaufort County, North Carolina
FEMA Flood Mitigation 2015-017 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual		Total to Date	Completed Project	Variance Positive (Negative)
		Prior Years	Current Year			
Revenues:						
Restricted intergovernmental - FMA-PJ-04-NC-2015-017	\$ 557,645	\$ 513,565	\$ -	\$ 513,565	\$ (513,565)	\$ (44,080)
Owner's contributions	61,961	57,062	-	57,062	(57,062)	(4,899)
Total revenues	<u>619,606</u>	<u>570,627</u>	<u>-</u>	<u>570,627</u>	<u>(570,627)</u>	<u>(48,979)</u>
Expenditures:						
Economic and physical development	619,606	570,627	-	570,627	(570,627)	48,979
Total expenditures	<u>619,606</u>	<u>570,627</u>	<u>-</u>	<u>570,627</u>	<u>(570,627)</u>	<u>48,979</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>			
Fund balance, end			<u>\$ -</u>			

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-003 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - FMA- PJ-04-NC-2016-003	\$ 215,760	\$ 214,216	\$ -	\$ 214,216	\$ (1,544)
Total revenues	<u>215,760</u>	<u>214,216</u>	<u>-</u>	<u>214,216</u>	<u>(1,544)</u>
Expenditures:					
Economic and physical development	215,760	214,216	-	214,216	1,544
Total expenditures	<u>215,760</u>	<u>214,216</u>	<u>-</u>	<u>214,216</u>	<u>1,544</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-004 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental - FMA-PJ-					
04-NC-2016-004	\$ 73,015	\$ 5,495	\$ -	\$ 5,495	\$ (67,520)
Total revenues	<u>73,015</u>	<u>5,495</u>	<u>-</u>	<u>5,495</u>	<u>(67,520)</u>
Expenditures:					
Economic and physical development	73,015	5,495	-	5,495	67,520
Total expenditures	<u>73,015</u>	<u>5,495</u>	<u>-</u>	<u>5,495</u>	<u>67,520</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
FEMA Flood Mitigation 2016-005 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental - FMA-PJ-					
04-NC-2016-005	\$ 539,590	\$ 191,693	\$ 208,842	\$ 400,535	\$ (139,055)
Total revenues	<u>539,590</u>	<u>191,693</u>	<u>208,842</u>	<u>400,535</u>	<u>(139,055)</u>
Expenditures:					
Economic and physical development	539,590	191,693	208,842	400,535	139,055
Total expenditures	<u>539,590</u>	<u>191,693</u>	<u>208,842</u>	<u>400,535</u>	<u>139,055</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
NC Department of Agriculture - 17175404	\$ 311,909	\$ 186,941	\$ 89,321	\$ 276,262	\$ (35,647)
Storm Debris Removal - 190914057	334,554	-	35,400	35,400	(299,154)
Total revenues	<u>646,463</u>	<u>186,941</u>	<u>124,721</u>	<u>311,662</u>	<u>(334,801)</u>
Expenditures					
Economic and physical development					
Stream debris removal - 17175404	311,909	186,941	89,321	276,262	35,647
Stream debris removal - 190914057	334,554	-	35,400	35,400	299,154
Total expenditures	<u>646,463</u>	<u>186,941</u>	<u>124,721</u>	<u>311,662</u>	<u>334,801</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, end			<u>\$ -</u>		

Beaufort County, North Carolina
Jail Locking System Improvements
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	-	-	256	256	256
Total revenues	-	-	256	256	256
Expenditures					
Public Safety					
Permit Prep Fees	25,000	-	-	-	25,000
Capital Improvement	798,000	400,401	366,824	767,225	30,775
Safekeeping Capacity	1,415,710	887,531	405,224	1,292,755	122,955
Contingency	82,300	-	-	-	82,300
Total expenditures	2,321,010	1,287,932	772,048	2,059,980	261,030
Other Financing Sources (Uses)					
Transfer from General Fund	2,321,010	2,321,010	-	2,321,010	-
Total Other Financing Sources (Uses)	2,321,010	2,321,010	-	2,321,010	-
Net change in fund balance	\$ -	\$ 1,033,078	(771,792)	\$ 261,286	\$ 261,286
Fund balance, beginning			1,033,078		
Fund balance, end			\$ 261,286		

Beaufort County, North Carolina
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 361	\$ 361
Total revenues	<u>-</u>	<u>361</u>	<u>361</u>
Expenditures			
Economic and physical development			
Capital outlay	55,000	-	55,000
Total expenditures	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Revenues over (under) expenditures	<u>(55,000)</u>	<u>361</u>	<u>55,361</u>
Other Financing Source (Uses)			
Transfer from General Fund	55,000	55,000	-
Transfer to Voting System Capital Project Fund	(275,000)	(275,000)	-
Appropriated Fund Balance	275,000	-	(275,000)
Total other financing source (uses)	<u>55,000</u>	<u>(220,000)</u>	<u>(275,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(219,639)</u>	<u>\$ (219,639)</u>
Fund balance, beginning		<u>219,602</u>	
Fund balance, end		<u>\$ (37)</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, 2021

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Economic and Physical Development					
Courthouse Capital Improvement	663,650	34,480	514,027	548,507	115,143
ADA Improvements	86,878	4,040	925	4,965	81,913
Courthouse	180,063	2,040	-	2,040	178,023
CH Annex / BHM	-	1,010	-	1,010	(1,010)
Old Jail	-	1,010	-	1,010	(1,010)
Oakland Building	-	1,010	-	1,010	(1,010)
Administration Building	-	1,010	-	1,010	(1,010)
Seaboard Building	-	1,010	-	1,010	(1,010)
Tideland Mental Health	-	1,010	-	1,010	(1,010)
EOC	-	1,010	-	1,010	(1,010)
Immediate Repairs and Int Upfit	70,122	45,311	146	45,457	24,665
Farm Services Building	-	4,656	-	4,656	(4,656)
Tideland Building Improvements	46,987	-	46,987	46,987	-
Financial Services Center Improvements	102,300	-	5,500	5,500	96,800
Contingency	-	-	-	-	-
Total expenditures	<u>1,150,000</u>	<u>97,597</u>	<u>567,585</u>	<u>665,182</u>	<u>484,818</u>
Revenues over (under) expenditures	<u>(1,150,000)</u>	<u>(97,597)</u>	<u>(567,585)</u>	<u>(665,182)</u>	<u>484,818</u>
Other Financing Source (Uses)					
Transfer from General Fund	<u>1,150,000</u>	<u>820,650</u>	<u>329,350</u>	<u>1,150,000</u>	<u>-</u>
Total other financing source (uses)	<u>1,150,000</u>	<u>820,650</u>	<u>329,350</u>	<u>1,150,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 723,053</u>	<u>(238,235)</u>	<u>\$ 484,818</u>	<u>\$ 484,818</u>
Fund balance, beginning			<u>723,053</u>		
Fund balance, end			<u>\$ 484,818</u>		

Beaufort County, North Carolina
Voting System Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
HAVA Grant	\$ 54,619	\$ -	\$ 54,619	\$ 54,619	\$ -
Total revenues	<u>54,619</u>	<u>-</u>	<u>54,619</u>	<u>54,619</u>	<u>-</u>
Expenditures					
General Government					
Capital Outlay	329,619	-	-	-	329,619
Total expenditures	<u>329,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,619</u>
Other Financing Sources (Uses)					
Transfer from Capital Reserve	275,000	-	275,000	275,000	-
Total Other Financing Sources (Uses)	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	329,619	<u>\$ 329,619</u>	<u>\$ 329,619</u>
Fund balance, beginning			<u>-</u>		
Fund balance, end			<u>\$ 329,619</u>		

ENTERPRISE FUND

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 Fiscal Year Ended June 30, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Solid waste fees	\$ 3,773,235	\$ 3,806,903	\$
Scrap tire disposal fees	70,795	74,386	
White goods disposal fees	20,500	25,162	
Solid waste disposal fees	32,975	32,697	
Interest/tax collections	39,000	55,416	
Hurricane Reimbursement	-	-	
Total operating revenues	<u>3,936,505</u>	<u>3,994,564</u>	<u>58,059</u>
Nonoperating Revenues:			
Rent	7,656	6,174	
Investment Earnings	2,000	1,931	
Total nonoperating revenues	<u>9,656</u>	<u>8,105</u>	<u>(1,551)</u>
Expenditures:			
Administration:			
Salaries and Employee Benefits	50,978	37,338	
Computer Support	3,500	2,000	
Contract Services	36,149	2,700	
Insurance and Bonds	750	750	
Other Expenses	1,000	368	
Telephone	2,200	1,313	
Administrative Cost to General Fund	87,699	87,699	
Total	<u>182,276</u>	<u>132,168</u>	<u>50,108</u>
Solid waste fees and expenses			
Landfill	1,251,040	1,257,547	
Transfer station	1,487,020	1,484,152	
Convenience	578,020	551,318	
Disposal fees	146,755	146,319	
Maintenance	305,013	139,258	
Hurricane expenses	-	-	
Total	<u>3,767,848</u>	<u>3,578,594</u>	<u>189,254</u>
Budgetary appropriations:			
Debt Service	-	-	-
Total Expenditures	<u>3,950,124</u>	<u>3,710,762</u>	<u>239,362</u>
Revenues over (under) Expenditures	<u>(3,963)</u>	<u>291,907</u>	<u>295,870</u>

Beaufort County, North Carolina
Solid Waste Fund
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfer in - General Fund	-	-	-
Transfer from Solid Waste project	-	-	-
Transfer out - Solid Waste project	-	-	-
Appropriated Fund Balance	<u>3,963</u>	-	<u>(3,963)</u>
Total Other Financing Sources (Uses)	<u>3,963</u>	-	<u>(3,963)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	\$ 291,907	\$ <u>291,907</u>
Reconciliation form budgetary basis (modified) accrual to full accrual:			
Depreciation		(827)	
Professional Services (from E-1a)		-	
Professional Services (from E-1b)		-	
Transfers from other funds (E-1b)		-	
Transfers to other funds (E-1b)		-	
Total Reconciling Items		<u>(827)</u>	
Change in net position		\$ <u>291,080</u>	

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2021

Exhibit E-2

	2021 Budget	2021 Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water Sales	\$ 7,470,351	\$ 7,958,941	\$
Tap on fees	142,000	223,941	
Miscellaneous	226,500	231,537	
Total operating revenues	<u>7,838,851</u>	<u>8,414,419</u>	<u>575,568</u>
Nonoperating revenues:			
Interest Earned on Investments	40,000	13,302	
Total Nonoperating Revenues	<u>40,000</u>	<u>13,302</u>	<u>(26,698)</u>
Total Revenues	<u>7,878,851</u>	<u>8,427,721</u>	<u>548,870</u>
Expenditures:			
Administration:			
Supplies	3,500	3,572	
Telephone	44,000	41,149	
Travel	82,001	64,498	
Utilities	200,890	201,990	
Computer support	76,940	71,106	
Other administration expenses	219,000	225,050	
Total	<u>626,331</u>	<u>607,365</u>	<u>18,966</u>
Water treatment and distribution			
Salaries and employee benefits	1,423,266	1,392,438	
Water purchase	1,095,000	1,021,714	
Supplies	379,808	347,387	
Maintenance	384,756	339,867	
Hurricane Matthew expenses	23	23	
Other expenses	434,942	460,007	
Administrative Cost to General Fund	256,077	256,077	
Total	<u>3,973,872</u>	<u>3,817,513</u>	<u>156,359</u>
Budgetary appropriations:			
Capital outlay	180,930	73,742	
Principal payment on long term debt	410,000	410,000	
Interest, fees, and amortization	929,582	880,986	
Total	<u>1,520,512</u>	<u>1,364,728</u>	<u>155,784</u>
Total Expenditures	<u>6,120,715</u>	<u>5,789,606</u>	<u>331,109</u>
Revenues over (under) Expenditures	<u>1,758,136</u>	<u>2,638,115</u>	<u>879,979</u>

Beaufort County, North Carolina
Water District Fund - Consolidated
Statement of Revenues and Expenditures
Budget and Actual (Non GAAP)
For The Fiscal Year Ended June 30, 2021

Exhibit E-2

	2021 Budget	2021 Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers In - Projects	-	-	-
Transfers out - Projects	(80,243)	(80,243)	-
Loan Proceeds	161,630	-	(161,630)
County Contribution to Escrow Fund	(1,994,150)	(1,994,149)	1
Total Other Financing Sources (Uses)	(1,912,763)	(2,074,392)	(161,629)
Fund Balance Appropriated	154,627	-	(154,627)
Revenues and other financing sources (uses) over expenditures	\$ -	\$ 563,723	\$ 563,723

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

Revenues over Expenditures and other financing sources	\$ <u>563,723</u>
Depreciation	(2,228,560)
Amortization	73,527
Debt principal	410,000
Refunding bonds issued	(31,410,000)
Payments to refunded bond escrow agent	33,075,505
Deferred Charges on Refunding	307,083
Capital outlay	38,599
Increase (decrease) in deferred outflows of resources - pension	44,839
(Increase) decrease in net pension liability	(99,945)
(Increase) decrease in deferred inflows of resources - pension	(9,441)
Increase (decrease) in deferred outflows of resources - OPEB	107,319
(Increase) decrease in total OPEB liability	(148,434)
(Increase) decrease in deferred inflows of resources - OPEB	(81,807)
(Increase) decrease in accrued vacation payable	(13,640)
Capital contributions (Project Funds)	1,936,694
Investment Earnings (Project Funds)	18
Transfers In (Out) (Project Funds)	80,243
Total reconciling items	2,082,000
Change in net position	\$ <u>2,645,723</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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0090	\$ 401,100	\$ 8,216	\$ 92,454	\$ 100,670	\$ (300,430)
Total revenues	<u>401,100</u>	<u>8,216</u>	<u>92,454</u>	<u>100,670</u>	<u>(300,430)</u>
Expenditures					
Construction - Contract No. 1	350,000	-	130,500	130,500	219,500
Planning and engineering prior to construction	42,300	-	12,960	12,960	29,340
Technical services during construction	92,700	-	21,701	21,701	70,999
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>10,954</u>	<u>170,296</u>	<u>181,250</u>	<u>353,550</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(2,738)</u>	<u>(77,842)</u>	<u>(80,580)</u>	<u>53,120</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	2,738	77,842	80,580	(53,120)
Total other financing source (uses)	<u>133,700</u>	<u>2,738</u>	<u>77,842</u>	<u>80,580</u>	<u>(53,120)</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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0010	\$ 1,453,500	\$ 23,422	\$ 1,115,964	\$ 1,139,386	\$ (314,114)
Sales tax refunds	15,000	-	-	-	(15,000)
Total revenues	<u>1,468,500</u>	<u>23,422</u>	<u>1,115,964</u>	<u>1,139,386</u>	<u>(329,114)</u>
Expenditures					
Construction - Contract No. 1	1,704,000	1,000	1,350,263	1,351,263	352,737
Planning and engineering prior to construction	136,700	28,991	87,244	116,235	20,465
Technical services during construction	138,582	-	93,951	93,951	44,631
Administration	7,405	1,239	-	1,239	6,166
Closing fees	31,493	-	31,493	31,493	-
Land purchase	-	-	-	-	-
Contingency	41,313	-	-	-	41,313
Total expenditures	<u>2,059,493</u>	<u>31,230</u>	<u>1,562,951</u>	<u>1,594,181</u>	<u>465,312</u>
Revenues over (under) expenditures	<u>(590,993)</u>	<u>(7,808)</u>	<u>(446,987)</u>	<u>(454,795)</u>	<u>136,198</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	484,500	7,808	-	7,808	(476,692)
Transfers In	106,493	75,000	31,493	106,493	-
Total other financing source (uses)	<u>590,993</u>	<u>82,808</u>	<u>31,493</u>	<u>114,301</u>	<u>(476,692)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ (415,494)</u>	<u>\$ (340,494)</u>	<u>\$ (340,494)</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, 2021

	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	\$ 19,763	\$ 174,161	\$193,924	\$ (2,056,076)
Sales tax refund	30,000	-	-	-	(30,000)
Total revenues	<u>2,280,000</u>	<u>19,763</u>	<u>174,161</u>	<u>193,924</u>	<u>(2,086,076)</u>
Expenditures					
Construction - Contract No. 1	1,108,191	-	-	-	1,108,191
Construction - Contract No. 2	1,346,205	-	-	-	1,346,205
Planning and engineering prior to construction	212,840	25,000	183,465	208,465	4,375
Technical services during construction	302,140	376	-	376	301,764
Administration	6,000	974	-	974	5,026
Land purchase	-	-	-	-	-
Closing fees	48,750	-	48,750	48,750	-
Contingency	54,624	-	-	-	54,624
Total expenditures	<u>3,078,750</u>	<u>26,350</u>	<u>232,215</u>	<u>258,565</u>	<u>2,820,185</u>
Revenues over (under) expenditures	<u>(798,750)</u>	<u>(6,587)</u>	<u>(58,054)</u>	<u>(64,641)</u>	<u>734,109</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	750,000	6,587	-	6,587	(743,413)
Transfers from Other Funds	48,750	-	48,750	48,750	-
Total other financing source (uses)	<u>798,750</u>	<u>6,587</u>	<u>48,750</u>	<u>55,337</u>	<u>(743,413)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,304)</u>	<u>\$ (9,304)</u>	<u>\$ (9,304)</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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0091	\$ 733,500	\$ 8,220	\$ 175,345	\$ 183,565	\$ (549,935)
Total revenues	<u>733,500</u>	<u>8,220</u>	<u>175,345</u>	<u>183,565</u>	<u>(549,935)</u>
Expenditures					
Construction - Contract No. 1	700,000	-	260,978	260,978	439,022
Planning and engineering prior to construction	76,600	-	25,920	25,920	50,680
Technical services during construction	116,600	-	14,648	14,648	101,952
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>10,960</u>	<u>310,358</u>	<u>321,318</u>	<u>656,682</u>
Revenues over (under) expenditures	<u>(244,500)</u>	<u>(2,740)</u>	<u>(135,013)</u>	<u>(137,753)</u>	<u>106,747</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	244,500	2,740	135,013	137,753	(106,747)
Total other financing source (uses)	<u>244,500</u>	<u>2,740</u>	<u>135,013</u>	<u>137,753</u>	<u>(106,747)</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, 2021

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant -					
H-SRP-D-17-0085	\$ 401,100	\$ 8,216	\$ 90,652	\$ 98,868	\$ (302,232)
Total revenues	<u>401,100</u>	<u>8,216</u>	<u>90,652</u>	<u>98,868</u>	<u>(302,232)</u>
Expenditures					
Construction - Contract No. 1	350,000	-	138,102	138,102	211,898
Planning and engineering prior to					
construction	42,300	-	13,608	13,608	28,692
Technical services during construction	93,700	-	13,348	13,348	80,352
Administration	13,000	10,955	-	10,955	2,045
Land purchase	1,000	-	-	-	1,000
Contingency	26,110	-	-	-	26,110
Other	8,690	-	5,273	5,273	3,417
Total expenditures	<u>534,800</u>	<u>10,955</u>	<u>170,331</u>	<u>181,286</u>	<u>353,514</u>
Revenues over (under) expenditures	<u>(133,700)</u>	<u>(2,739)</u>	<u>(79,679)</u>	<u>(82,418)</u>	<u>51,282</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	133,700	2,739	79,679	82,418	(51,282)
Total other financing source (uses)	<u>133,700</u>	<u>2,739</u>	<u>79,679</u>	<u>82,418</u>	<u>(51,282)</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, 2021

	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	\$ 5,000	\$ 347	\$ 5,347	\$ (1,109,653)
Total revenues	<u>1,115,000</u>	<u>5,000</u>	<u>347</u>	<u>5,347</u>	<u>(1,109,653)</u>
Expenditures					
Construction - Contract No. 1	1,650,000	-	-	-	1,650,000
Planning and engineering prior to construction	159,200	-	-	-	159,200
Technical services during construction	242,800	-	-	-	242,800
Administration	13,100	10,000	695	10,695	2,405
Land purchase	1,000	-	-	-	1,000
Contingency	124,875	-	-	-	124,875
Other	39,025	-	-	-	39,025
Total expenditures	<u>2,230,000</u>	<u>10,000</u>	<u>695</u>	<u>10,695</u>	<u>2,219,305</u>
Revenues over (under) expenditures	<u>(1,115,000)</u>	<u>(5,000)</u>	<u>(348)</u>	<u>(5,348)</u>	<u>1,109,652</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	1,115,000	5,000	-	5,000	(1,110,000)
Total other financing source (uses)	<u>1,115,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(1,110,000)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (348)</u>	<u>\$ (348)</u>	<u>\$ (348)</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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State Drinking Water Reserve Grant - H-SRP-D-17-0089	\$ 504,000	\$ 7,500	\$ 525	\$ 8,025	\$ (495,975)
Total revenues	<u>504,000</u>	<u>7,500</u>	<u>525</u>	<u>8,025</u>	<u>(495,975)</u>
Expenditures					
Construction - Contract No. 1	450,000	-	-	-	450,000
Planning and engineering prior to construction	52,500	-	-	-	52,500
Technical services during construction	110,600	-	-	-	110,600
Administration	13,000	10,000	700	10,700	2,300
Land purchase	1,000	-	-	-	1,000
Contingency	33,980	-	-	-	33,980
Other	10,920	-	-	-	10,920
Total expenditures	<u>672,000</u>	<u>10,000</u>	<u>700</u>	<u>10,700</u>	<u>661,300</u>
Revenues over (under) expenditures	<u>(168,000)</u>	<u>(2,500)</u>	<u>(175)</u>	<u>(2,675)</u>	<u>165,325</u>
Other Financing Source (Uses)					
DWSRF Revolving Loan	168,000	2,500	-	2,500	\$ (165,500)
Total other financing source (uses)	<u>168,000</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>(165,500)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175)</u>	<u>\$ (175)</u>	<u>\$ (175)</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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Sales tax refunds	\$ 212,558	\$ 152,372	\$ -	\$ 152,372	\$ (60,186)
Investment Earnings	-	86,880	18	86,898	86,898
Miscellaneous Revenue	-	16,519	-	16,519	16,519
Total revenues	<u>212,558</u>	<u>255,771</u>	<u>18</u>	<u>255,789</u>	<u>43,231</u>
Expenditures					
System improvements	4,388,698	4,355,502	12,013	4,367,515	21,183
Program management	237,985	218,691	-	218,691	19,294
Other fees/charges	5,000	1,250	-	1,250	3,750
Contingency	80,875	-	-	-	80,875
Total expenditures	<u>4,712,558</u>	<u>4,575,443</u>	<u>12,013</u>	<u>4,587,456</u>	<u>125,102</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>(4,319,672)</u>	<u>(11,995)</u>	<u>(4,331,667)</u>	<u>168,333</u>
Other Financing Source (Uses)					
Installment proceeds	4,500,000	4,500,000	-	4,500,000	-
Total other financing source (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 180,328</u>	<u>\$ (11,995)</u>	<u>\$ 168,333</u>	<u>\$ 168,333</u>

Beaufort County, North Carolina
Northside Generator Fund - Phase II - Water Districts I, II, III, IV, and V
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Golden Leaf Foundation Grant	\$ 366,465	\$ 36,597	\$ 295,463	\$ 332,060	\$ (34,405)
Total Revenues	<u>366,465</u>	<u>36,597</u>	<u>295,463</u>	<u>332,060</u>	<u>(34,405)</u>
Expenditures					
Engineering	52,532	9,237	34,149	43,386	9,146
Construction	313,933	27,360	261,314	288,674	25,259
Total expenditures	<u>366,465</u>	<u>36,597</u>	<u>295,463</u>	<u>332,060</u>	<u>34,405</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Swan Point Mobile Home Park - Water Districts
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

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

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, 2021

Exhibit F-1

	Municipal Tax Fund	Drainage Assessment Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 75,247	\$ 176	\$ 14,589	\$ 90,012
Taxes receivable for other governments, net	376,146	6,926	-	383,072
Total assets	<u>451,393</u>	<u>7,102</u>	<u>14,589</u>	<u>473,084</u>
LIABILITIES				
Accounts payable and accrued liabilities	75,247	176	-	75,423
Due to other governments	-	-	-	-
Total liabilities	<u>75,247</u>	<u>176</u>	<u>-</u>	<u>75,423</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other	376,146	6,926	14,589	397,661
Total net position	<u>\$ 376,146</u>	<u>\$ 6,926</u>	<u>\$ 14,589</u>	<u>\$ 397,661</u>

Beaufort County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

Exhibit F-2

	<u>Municipal Tax Fund</u>	<u>Drainage Assessment Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Ad valorem taxes for other governments	\$ 6,346,286	\$ -	\$ -	\$ 6,346,286
Collections on behalf of inmates	-	-	159,661	159,661
Drainage assessments	-	350,978	-	350,978
Total additions	<u>6,346,286</u>	<u>350,978</u>	<u>159,661</u>	<u>6,856,925</u>
DEDUCTIONS				
Tax distributions to other governments	6,395,776	348,917	-	6,744,693
Payments on behalf of inmates	-	-	148,810	148,810
Total deductions	<u>6,395,776</u>	<u>348,917</u>	<u>148,810</u>	<u>6,893,503</u>
Net increase (decrease) in fiduciary net position	(49,490)	2,061	10,851	(36,578)
Net position, beginning, as previously reported	-	-	-	-
Prior period restatement - change in accounting principle	425,636	4,865	3,738	434,239
Net position, beginning, as restated	<u>425,636</u>	<u>4,865</u>	<u>3,738</u>	<u>434,239</u>
Net position, ending	<u>\$ 376,146</u>	<u>\$ 6,926</u>	<u>\$ 14,589</u>	<u>\$ 397,661</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, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 38,307,868	\$ 37,685,992	\$ 621,876
2019-2020	707,896	-	370,912	336,984
2018-2019	320,508	-	105,055	215,453
2017-2018	191,497	-	51,580	139,917
2016-2017	140,554	-	28,086	112,468
2015-2016	100,573	-	11,096	89,477
2014-2015	82,830	-	10,237	72,593
2013-2014	116,473	-	10,029	106,444
2012-2013	130,817	-	9,010	121,807
2011-2012	105,434	-	3,626	101,808
2010-2011	85,834	-	85,834	-
Totals	<u>\$ 1,982,416</u>	<u>\$ 38,307,868</u>	<u>\$ 38,371,457</u>	<u>\$ 1,918,827</u>
				<u>570,208</u>
				<u>\$ 1,348,619</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund			\$ 38,552,966	
Reconciling items:				
Interest collected				(283,545)
Taxes written off				83,582
Refunds				17,878
Miscellaneous				576
Total Collections and Credits			<u>\$ 38,371,457</u>	

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2021

	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	\$ 6,009,201,732	0.635	\$ 38,158,431	\$ 34,705,101	\$ 3,453,330
Total	6,009,201,732		38,158,431	34,705,101	3,453,330
Discoveries	23,533,386	0.635	149,437	149,437	-
Totals	<u>\$ 6,032,735,118</u>				
Net levy			38,307,868	34,854,538	3,453,330
Current year's taxes collected			<u>37,685,992</u>	<u>34,232,662</u>	<u>3,453,330</u>
Uncollected taxes at June 30, 2021			<u>\$ 621,876</u>	<u>\$ 621,876</u>	<u>\$ -</u>
Current levy collection percentage			<u>98.38%</u>	<u>98.22%</u>	<u>100.00%</u>

Beaufort County, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2021

Taxpayer	Type of Business	Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company Inc.	Phosphate Mining/Acid Production	\$ 1,008,420,804	16.72%
Weyerhaeuser Co	Tree Farm Operation	111,992,001	1.86%
Purified Acid Partnership	Acid Production	57,133,968	0.95%
Wilkinson Solar LLC	Solar Farm	37,954,578	0.63%
Caterpillar Financial Services Corp	Equipment Leasing	16,045,223	0.27%
FPI Carolinas, LLC	Agriculture	14,084,413	0.23%
Gregory Poole Leasing LLC	Equipment Rental	16,505,195	0.27%
VFS Leasing Co	Leasing	15,767,568	0.26%
Iconic Marine Group	Boat Manufacturer	12,341,872	0.20%
Victory Square LLC	Real Estate	12,796,804	0.21%

COMPLIANCE SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beaufort County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Beaufort County basic financial statements, and have issued our report thereon dated October 29, 2021.

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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaufort County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 29, 2021



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Beaufort County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Beaufort County's major federal programs for the year ended June 30, 2021. Beaufort County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Beaufort County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Implementation Act*. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beaufort County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Beaufort County's compliance.

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Opinion on Each Major Federal Program

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Beaufort County internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-001, 2021-002, 2021-003 and 2021-004] that we consider to be significant deficiencies.

Beaufort County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the OMB 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
October 29, 2021



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Beaufort County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Beaufort County's major state programs for the year ended June 30, 2021. Beaufort County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Beaufort County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Beaufort County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Beaufort County's compliance.

Members

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Opinion on Each Major State Program

In our opinion, Beaufort County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Beaufort County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2021-001, 2021-002, 2021-003 and 2021-004] that we consider to be significant deficiencies.

Beaufort County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Beaufort County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 29, 2021

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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>CFDA #</u>	<u>Program Name</u>
21.019	Coronavirus Relief Fund
93.558	TANF Cluster
93.568	Low-Income Home Energy Assistance
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? _X_yes ___no

State Awards

Internal control over major State programs:

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

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

Identification of major State programs:

<u>Program Name</u>
Medical Assistance Program
Connect NC Bond

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA# 93.778

Finding: 2021-001

SIGNIFICANT DEFICENCY

Eligibility

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

Condition: There were 5 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

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

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-001.

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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

US Department of Health and Human Services

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

Finding: 2021-002

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There were 5 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-002.
Cause:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

US Department of Health and Human Services

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

Finding: 2021-003

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.
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**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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

Condition:	There were 3 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA# 93.778

Finding: 2021-004

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 8 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.

**Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials The County agrees with the finding.
and planned corrective
actions:

Section IV. State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICENCY: Finding 2021-001, 2021-002, 2021-003 and 2021-004 also apply to State requirements and State Awards.



**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2021**

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Question Costs

Finding 2020-001

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Supervisors will be second partying records internally to ensure accuracy of cases. All applications will be reviewed and recertifications will be monitored on a rotation basis. Findings from second party reviews will be reviewed with worker to monitor a pattern for errors and will review policy guidelines to ensure worker is knowledgeable of policy requirements. Training will be provided to ensure all files, have accurate information entry to include correct household composition and correct income calculations. Supervisors will provide training to ensure workers are aware of proper documentation required to support eligibility decisions made.

Proposed completion date: Training will be provided the week of November 15 2021, to review findings and corrective action items. Trainings will continue every week to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews. There was one Internal Control error cited with a review date from a prior fiscal year. Staff continue to be trained on errors, however, challenges with audits will continue when cases are being reviewed from prior fiscal years.

Finding 2020-002

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Supervisors will be second partying records internally to ensure accuracy of cases. All applications will be reviewed and recertifications will be monitored on a rotation basis. Findings from second party reviews will be reviewed with the worker to monitor a pattern for errors and will review policy guidelines to ensure worker is knowledgeable of policy requirements. Training will also be provided to ensure cases requiring IV-D Cooperation are meeting policy guidelines. Supervisors will provide training to ensure workers are aware of proper documentation required to support eligibility decisions made.

Proposed completion date: Records will be second partyed monthly to ensure accuracy of case files. Training will be provided the week of November 15, 2021, to review findings and corrective action items. Trainings will continue every week to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews. There were three Internal Control errors cited for a review date from a prior fiscal year. Staff continue to be trained on errors, however, challenges with audits will continue when cases are being reviewed from prior fiscal years.



**BEAUFORT COUNTY
NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2021**

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

Finding 2020-003

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Supervisors will be second partying records internally to ensure accuracy of cases. All applications will be reviewed and recertifications will be monitored on a rotation basis. Findings from second party reviews will be reviewed with the worker to monitor a pattern for errors and will review policy guidelines to ensure worker is knowledgeable of policy requirements. Training will also be provided to ensure case records contain documentation that verifications have been completed and available reports match verifications. Countable resources should be calculated correctly and agree with amounts entered, into NCFAS. Supervisors will provide training to ensure workers are aware of proper documentation required to support eligibility decisions made.

Proposed completion date: Records will be second partyed monthly to ensure accuracy of case files. Training will be provided the week of November 15, 2021, to review findings and corrective action items. Trainings will continue every week to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews. There were three Internal Control errors cited for a review date from a prior fiscal year. Staff continue to be trained on errors, however, challenges with audits will continue when cases are being reviewed from prior fiscal years.

Finding 2020-004

Name of contact person: Amy Alligood, Income Maintenance Administrator

Corrective Action: Supervisors will be second partying records internally to ensure accuracy of cases. All applications will be reviewed and recertifications will be monitored on a rotation basis. Findings from second party reviews will be reviewed with the worker to monitor a pattern for errors and will review policy guidelines to ensure worker is knowledgeable of policy requirements. Training will also be provided to ensure all files, include online verifications, work number searches, register of deeds search, documented resources of income and ensure those amounts agree to information entered in NCFAS. Supervisors will provide training to ensure workers are aware of proper documentation required to support eligibility decisions made.

Proposed completion date: Records will be second partyed monthly to ensure accuracy of case files. Training will be provided the week of November 15, 2021, to review findings and corrective action items. Trainings will continue every week to review policy changes, NCF AST updates as well as common errors that may be found during second party reviews. There were seven errors cited for a review date from a prior fiscal year. Staff continue to be trained on errors, however, challenges with audits will continue when cases are being reviewed from prior fiscal years.

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2021-001, 2021-002, 2021-003 and 2021-004 also apply to State Award Findings.

**Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021**

Finding: 2020-001

Status: This finding is not corrected, repeated as 2021-001

Finding: 2020-002

Status: This finding is not corrected, repeated as 2021-002

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>FEDERAL AWARDS</u>						
<u>U.S. Department of Agriculture</u>						
Passed through N. C. Department of Health and Human Services Division of Public Health Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		\$ 309,545	\$ -	\$ -	\$ -
Passed through N.C. Department of Health and Human Services Division of Social Services Administration: State Administrative Matching Grants for Supplemental Nutrition Assist. Program Total U.S. Department of Agriculture	10.561		547,415	-	-	547,415
			856,960	-	-	547,415
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		1,234,149	-	481,666	-
Passed-through N.C. Health and Human Services Division of Public Health Coronavirus Relief Fund Total Coronavirus Relief Fund Total U.S. Department of Treasury	21.019		71,811	-	-	-
			1,305,960	-	481,666	-
			1,305,960	-	481,666	-
<u>U. S. Department of Housing and Urban Development</u>						
Passed-through NC Housing Finance Agency Essential Single Family Rehabilitation Loan Pool Total U. S. Department of Housing and Urban Development	14.239		132,694	-	-	-
			132,694	-	-	-
<u>U. S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections COVID-19 HAVA Election Security Grants Total U. S. Department of Housing and Urban Development	94.404		89,983	-	-	-
			89,983	-	-	-
<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 Affordable Care Act (ACA) Personal Responsibility Education Program Project Grants and Cooperative Agreements for Tuberculosis Control Programs Family Planning Services COVID-19 Immunization Cooperation Agreements Immunization Cooperation Agreements Total Immunization Cooperation Agreements COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.069 93.092 93.116 93.217 93.268 93.268 93.323 93.323		34,719 111,256 50 39,402 53,937 25,049 78,986 27,886 136,261 164,147 39,999	- - - - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - - -

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		26,000	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		62,551	42,857	-	-
Temporary Assistance for Needy Families (TANF) Cluster						
Division of Social Services						
TANF - Work First	93.558		838,857	-	-	583,205
Division of Public Health						
TANF - Work First	93.558		8,195	-	-	-
Total TANF Cluster			847,052	-	-	583,205
Family Preservation	93.556		35,845	-	-	-
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		617,067	121,996	-	357,284
Adoption Assistance	93.659		8,854	-	-	8,853
Foster Care	N/A		32,700	-	-	-
Total Foster Care and Adoption Cluster			658,621	121,996	-	366,137
Child Support Enforcement	93.563		584,473	521	-	300,571
Low-Income Home Energy Assistance						
Administration	93.568		43,260	-	-	-
Energy Assistance Payments	93.568		333,751	-	-	-
Crisis Intervention Program	93.568		205,942	-	-	-
COVID-19 LIEAP	93.568		212,492	-	-	-
COVID-19 LIEAP Admin	93.568		15,289	-	-	-
Total Low-Income Home Energy Assistance			810,734	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		6,290	-	-	2,097
Total Stephanie Tubbs Jones Child Welfare Services Program						
Chafee Foster Care Independence Program	93.674		4,831	1,208	-	-
SSBG - Other Service and Training	93.667		291,763	-	-	97,254
Division of Aging and Adult Services:						
Division of Social Services						
SSBG - In Home Service	93.667		9,506	-	-	1,358
CPS TANF to SSBG	93.667		39,094	-	-	-
Total Social Service Block Grant			340,363	-	-	98,612
Division of Child Development and Early Education						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services						
Childcare Development Mandatory and						
Match Fund - Administration	93.596		87,479	-	-	-
Total Subsidized Child Care			87,479	-	-	-
Passed through Mid-East Commission						
Division of Aging and Adult Services						
COVID-19 Family Caregiver	93.052		59,239	-	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		99,487	5,852	-	-
COVID-19 Special Programs for the Aging - Title III B	93.044		18,935	-	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		229,252	10,128	-	-
COVID-19 Special Programs for the Aging - Title III C	93.045		127,629	-	-	-
Nutrition Services Incentive Program	93.053		19,731	-	-	-
Total Aging Cluster			495,034	15,980	-	-
Medical Assistance Program	93.778		1,297,099	3,023	-	578,722
State Children's Insurance Program - N.C. Health Choice	93.767		19,880	932	-	2,944
Total U.S. Department of Health and Human Services			5,834,757	186,517	-	1,932,288
<u>U.S. Department of Homeland Security</u>						
Passed through N.C. Department of Public Safety						
Division of Emergency Management:						
Flood Mitigation Assistance - FMA2016-05	97.029		208,842	-	-	-
Emergency Management Performacne Grant	97.042		39,530	-	-	-
Homeland Security Grant Program	97.067		3,720	-	-	-
Total U.S. Department of Homeland Security			252,092	-	-	-
Total Federal Awards			\$ 8,472,446	\$ 186,517	\$ 481,666	\$ 2,479,703
<u>STATE AWARDS</u>						
<u>N.C. Department of Health and Human Services</u>						
Division of Public Health						
Food and Lodging Fees			\$ -	\$ 12,955	\$ -	\$ -
Aid to Counties			-	84,054	-	-
General Communicable Disease Control			-	2,684	-	-
Child Health			-	844	-	-
HIV/STD State			-	3,923	-	-
Intergrated Targeted Testing Services (ITTS)			-	38,718	-	-
Healthy Community Activities			-	3,747	-	-
STD Drugs			-	793	-	-
Breast and Cervical Cancer Program			-	8,775	-	-
School Nurse Funding Initiative			-	250,000	-	-
Healthy Beginnings			-	78,920	-	-
Family Plannning - State			-	41,440	-	-
Maternal Health (HMHC)			-	22,304	-	-
Women's Health Service Fund			-	7,681	-	-
TB Control			-	25,721	-	-
Community Health Grant			-	100,000	-	-
Total Division of Public Health			-	682,559	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	31,398	-	-
APS/CPS CARE COVID 19			-	79,601	-	-
AFDC Incent/Prog Integrity			-	-	-	-
County Funded Programs			-	-	-	1,478,877
Emergency Assist Private			-	6,418	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Non-Allocating County Cost			-	-	-	519,233
CSE Disaster Non-Reimbursable			-	-	-	-
Extended FC/MAX NON IV-E			-	8,242	-	-
Extended FC>20 Stipend			-	1,000	-	-
F/C at Risk Mazximization			-	5,470	-	1,963
COVID-19 FC Stipend			-	48,800	-	-
SFHF Maximization			-	58,647	-	58,647
State Foster Home			-	117,806	-	117,805
Total Division of Social Services			-	357,382	-	2,176,525
Passed-Through the Mid-East Commission						
Division of Aging and Adult Services:						
State Appropriation - Access			-	10,789	-	-
State Appropriation - In-Home Services			-	162,120	-	-
State Appropriation - Home Delivered Meals			-	3,177	-	-
Total Division of Aging			-	176,086	-	-
Total N.C. Department of Health and Human Services			-	1,216,027	-	2,176,525
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	220,624	-	-
Division of Emergency Management						
Criminal Justice Partnership Program			-	28,803	-	-
Total Agency N.C. Department of Public Safety			-	249,427	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Spay Neuter Program			-	14,625	-	-
Soil and Water Tech Assistance Grant			-	28,652	-	-
Stream Debris Removal			-	89,321	-	-
Total N.C. Department of Agriculture and Consumer Services			-	132,598	-	-
<u>N.C. Department of Environment Quality</u>						
Division of Waste Management						
Scrap Tire Fund - SWMGMT			-	3,575	-	-
Division of Water Infrastructure						
Connect NC Bond H-SRP-D-17-0090		DEQ-30	-	173,034	-	-
Connect NC Bond H-SRP-D-17-0010		DEQ-30	-	1,562,951	-	-
Connect NC Bond H-SRP-D-17-0019		DEQ-30	-	183,465	-	-
Connect NC Bond H-SRP-D-17-0091		DEQ-30	-	313,098	-	-
Connect NC Bond H-SRP-D-17-0085		DEQ-30	-	173,070	-	-
Connect NC Bond H-SRP-D-17-0093		DEQ-30	-	695	-	-
Connect NC Bond H-SRP-D-17-0089		DEQ-30	-	700	-	-
Total Connect NC Bond			-	2,407,013	-	-
Total N.C. Department of Enviroment Quality			-	2,410,588	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Grant - Infrastructure Grant			-	295,463	-	-
Total N.C. Department of Commerce			-	295,463	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	477,000	-	-
Total N.C. Department of Public Instruction			-	477,000	-	-
<u>N.C. Department of Administration</u>						
Veteran Services			-	2,084	-	-
Total N.C. Department of Public Instruction			-	2,084	-	-

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program title	Federal	State/ Pass-through	Federal Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
	AL# CFDA Number	Grantor's Number				
<u>N.C. State Board of Elections</u>						
One-Stop Voting Funding			-	38,785	-	-
Total N.C Department of Public Instruction			-	38,785	-	-
Total State Assistance			\$ -	\$ 4,821,972	\$ -	\$ 2,176,525
Total Assistance Federal and State Assistance			\$ 8,472,446	\$ 5,008,489	\$ 481,666	\$ 4,656,228

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, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Beaufort County, it is not intended to and does not present the financial position, changes in net position or cash flows of Beaufort County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Loans Outstanding

Beaufort County had the following loan balances outstanding at June 30, 2021 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, 2021 consist of:

<u>Program Title</u>	<u>AL#/ CFDA No.</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Connect NC Bond H-SRP-D-17-0090	N/A	H-SRP-D-17-0090	\$ 80,580
Connect NC Bond H-SRP-D-17-0091	N/A	H-SRP-D-17-0091	\$ 137,753
Connect NC Bond H-SRP-D-17-0085	N/A	H-SRP-D-17-0085	\$ 82,418

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.

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Food and Nutrition Services	10.551	\$ 22,636,836	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	840,139	-
Medical Assistance Program	93.778	74,133,208	29,958,439
Children's Health Insurance Program	93.767	940,982	182,667
IV-E Adopt & Vendor	93.659	768,724	139,134
TANF Payments & Penalties	93.558	224,069	-
CWS Adopt, Vendor, Guard	N/A	-	175,731
SAA/SAD HB 1030	N/A	-	159,033
SC/SA Domiciliary Care	N/A	-	409,638