

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2005

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Financial Section



CERTIFIED PUBLIC ACCOUNTANTS

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

4024 Oleander Drive, Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872
Fax (910) 395-4872

Offices:
Wilmington, NC
Elizabethtown, NC
Whiteville, NC

Independent Auditor's Report

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaufort County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission which represents 34.27 percent, 55.45 percent, and 97.13 percent respectively, of the assets, net assets and revenues of the governmental activities and business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission is based solely on the reports 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 of material misstatement. The financial statements of the Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaufort County, North Carolina as of June 30, 2005, 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2005 on our consideration of Beaufort County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, the schedules of funding progress and employer contributions and the notes to the required schedules for the Law Enforcement Officers' Special Separation Allowance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We, and the other auditors, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Beaufort County, North Carolina. The introductory information, combining and individual nonmajor fund statements and schedules, and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us and other auditors in the audit of basic financial statements and, accordingly, we express no opinion on them.

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

Thompson, Price, Scott, Adams & Co., P.A.
November 15, 2005

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Management's Discussion and Analysis

As management of Beaufort County, we offer readers of Beaufort County's financial statements this narrative overview and analysis of the financial activities of Beaufort County for the fiscal year ended June 30, 2005. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

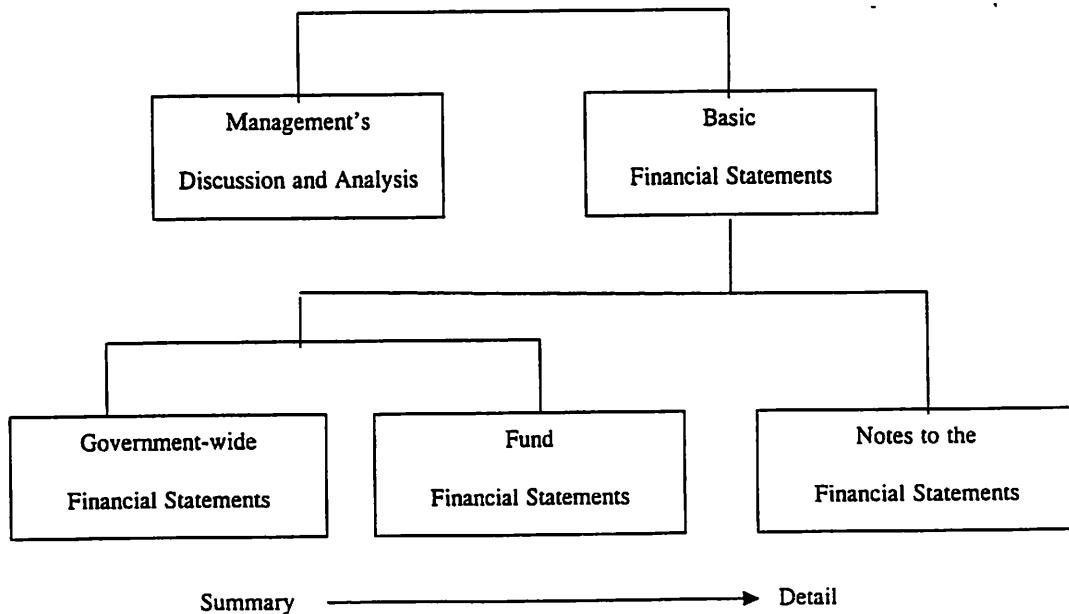
Financial Highlights

- The assets of Beaufort County exceeded its liabilities at the close of the fiscal year by \$43,850,770 (*net assets*).
- The County's total net assets for governmental activities and Business-type activities were \$17,136,936 and \$26,713,834 respectively.
- At the close of the current fiscal year, Beaufort County's governmental funds reported combined ending fund balances of \$ 33,963,494, an increase of \$17,411,440 in comparison with the prior year. Approximately 90 percent of this total amount, or \$30,376,169, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14,343,672, or 35 percent of total general fund expenditures for the fiscal year.
- Beaufort County's total debt changed by \$14,932,742 during the current fiscal year. The key factors in this decrease were the ongoing payments of all debt and issuance of new bonds.

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 different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Beaufort County. 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. There are four parts to the Fund Financial Statements: 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.

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. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage 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. These include the water and sewer and landfill services offered by Beaufort County. The final category is the component units. Beaufort County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members. Also, the ABC Board is important to the County because the Board is required to distribute 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 activities or objectives. 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 General Statutes or the County's budget ordinance. All of the funds of Beaufort County can be divided into two categories: governmental funds and proprietary 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 Assets 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Beaufort County has one kind of proprietary funds. *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 sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets 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 one agency fund.

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 pages 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 of this report.

Government-Wide Financial Analysis

BEAUFORT COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2004	2005	2004	2005	2005
Current and other assets	\$ 24,970,458	\$ 41,421,388	\$ 2,375,884	\$ 2,719,430	\$ 44,140,818
Capital assets	4,139,030	5,029,177	63,524,409	68,086,143	73,115,320
Total assets	29,109,488	46,450,565	65,900,293	70,805,573	117,256,138
Long-term liabilities outstanding	10,366,018	25,788,009	43,866,402	42,968,488	68,756,497
Other liabilities	3,985,122	3,525,620	378,134	1,123,251	4,648,871
Total liabilities	14,351,140	29,313,629	44,244,536	44,091,739	73,405,368
Net assets:					
Invested in capital assets, net of related debt	3,093,343	(4,880,769)	20,606,042	26,014,262	21,133,493
Restricted	34,448	-	-	-	-
Unrestricted	11,630,557	22,017,705	1,049,715	699,572	22,717,277
Total net assets	\$ 14,758,348	\$ 17,136,936	\$ 21,655,757	\$ 26,713,834	\$ 43,850,770

Beaufort County's Net Assets

Figure 2

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Beaufort County exceeded liabilities by \$43,850,770 as of June 30, 2005. The County's net assets increased by \$7,436,665 for the fiscal year ended June 30, 2005. One of the largest portions reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. 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. The remaining balance of \$22,717,277 is unrestricted.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 94.82%.
- Increased charges for services revenue due to growth in the County.

Figure 3

BEAUFORT COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2004	2005	2004	2005	2005
Revenues:					
Program revenues:					
Charges for services	\$ 4,197,141	\$ 3,608,399	\$ 3,544,450	\$ 3,970,190	\$ 7,578,589
Operating grants and contributions	8,356,772	9,039,503	-	-	9,039,503
Capital grants and contributions	2,239,767	870,623	3,727,742	4,903,131	5,773,754
General revenues:					
Property taxes	22,573,015	22,650,614	-	-	22,650,614
Other taxes	8,296,660	9,685,562	-	-	9,685,562
Grants and contributions not restricted to specific programs	1,175,879	-	-	-	-
Other	213,609	597,793	104,801	40,976	638,769
Total revenues	47,052,843	46,452,494	7,376,993	8,914,297	55,366,791
Expenses:					
General government	3,663,168	3,987,899	-	-	3,987,899
Public safety	6,122,041	6,338,106	-	-	6,338,106
Economic and physical development	2,666,498	3,588,588	-	-	3,588,588
Human services	15,025,814	15,564,509	-	-	15,564,509
Cultural and recreation	192,477	248,417	-	-	248,417
Education	10,609,396	11,093,706	-	-	11,093,706
Interest on long-term debt	539,246	476,245	-	-	476,245
Environmental Protection	2,955,767	2,776,446	-	-	2,776,446
Water and sewer	-	-	3,477,918	3,856,220	3,856,220
Total expenses	41,774,407	44,073,916	3,477,918	3,856,220	47,930,136
Increase in net assets before transfers and special items	-	-	-	-	-
Transfers	(108,292)	-	-	-	-
Increase in net assets	5,170,144	2,378,588	3,899,075	5,058,077	7,436,665
Net assets, July 1	9,588,204	14,758,348	17,756,685	21,655,757	36,414,105
Net assets, June 30	\$ 14,758,348	\$ 17,136,936	\$ 21,655,757	\$ 26,713,834	\$ 43,850,770

Governmental activities: Governmental activities increased the County's net assets by \$2,378,588, thereby accounting for 32% of the total growth in the net assets of Beaufort County. Key elements of this increase are as follows:

- Solid cost cutting strategies
- Maintenance of the County's high tax collection rate of 94.82%

Business-type activities: Business-type activities increased Beaufort County's net assets by \$5,058,077, accounting for 68% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Water and sewer fee collections and grant revenues that helped cover the cost of providing the service

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, unreserved fund balance 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, unreserved fund balance of the General Fund was \$14,892,927, while total fund balance reached \$17,892,927. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 35 percent of total General Fund expenditures, while total fund balance represents 43 percent of that same amount.

At June 30, 2005, the governmental funds of Beaufort County reported a combined fund balance of \$33,963,494, a \$17,411,411 increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

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. Total amendments to the General Fund increase revenues by only \$727,032.

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 assets of the Water and Sewer District equaled \$699,572. The total growth in net assets was \$5,058,077. Other factors' concerning the finances of this fund has already been addressed in the discussion of Beaufort County's business-type activities.

Capital Asset and Debt Administration

Capital assets: Beaufort County's capital assets for its governmental and business - type activities as of June 30, 2005, totals \$73,115,320 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- New Phone System
- Base Station
- New Vehicles

BEAUFORT COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total
	2004	2005	2004	2005	2005
Land	\$ 1,601,367	\$ 1,601,367	\$ 75,961	\$ 75,961	\$ 1,677,328
Buildings and system Improvements other than buildings	2,292,574	2,101,063	11,210,025	10,985,824	13,086,887
Equipment and vehicles	-	-	-	-	-
Infrastructure	245,089	434,104	108,462	169,050	603,154
Construction in progress	-	892,643	52,129,961	56,855,308	57,747,951
Total	\$ 4,139,030	\$ 5,029,177	\$ 63,524,409	\$ 68,086,143	\$ 73,115,320

Figure 4

Additional information on the County's capital assets can be found in the notes to the financial statements of this audited financial report.

Long-term Debt. As of June 30, 2005, Beaufort County had total bonded debt outstanding of \$61,068,300 all of which is debt backed by the full faith and credit of the County.

Beaufort County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total
	2004	2005	2004	2005	2005
General obligation bonds	\$ 2,355,000	\$ 18,365,000	\$ 43,103,800	\$ 42,703,300	\$ 61,068,300

General Obligation and Revenue Bonds

Figure 5

Beaufort County's total debt increased by \$14,932,742 during the past fiscal year, primarily due to the issuance of bonds.

As mentioned in the financial highlights section of this document, Beaufort County maintained its A bond rating from Moody's Investor Service. This bond rating is a clear indication of the sound financial condition of Beaufort County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

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 \$261,711,396. The County has no in bonds authorized but un-issued at June 30, 2005.

Additional information regarding Beaufort County's long-term debt can be found in the notes to the financial statements of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The County is enjoying a low unemployment rate.
- Retail vacancy rates are low.

Budget Highlights for the Fiscal Year Ending June 30, 2006

Governmental Activities: Property taxes (benefiting from the economic growth) and revenues from permits and fees are expected to lead the increase in revenue projections. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to remain constant.

Business - ty pe Activities: The water and sewer rates in the County will remain constant. Revenues should increase along with increased usage. General operating expenses will increase to cover increased personnel costs, costs of material, supplies, and other operating expenses.

Requests for Information

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

County Manager
121 West 3rd Street
Washington, NC 27889

Basic Financial Statements

Government-Wide Financial Statements

Beaufort County, North Carolina
Statement of Net Assets
June 30, 2005

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Warren Field Commission	Beaufort County Hospital Inc.	Beaufort County ABC Board
ASSETS						
Cash and cash equivalents	\$ 18,474,345	\$ 694,650	\$ 19,168,995	\$ 83,666	\$ 2,478,099	\$ 445,547
Receivables (net)	7,367,098	739,358	8,106,456	27,724	12,056,207	-
Due from other governments	-	-	-	-	-	-
Other assets	-	-	-	-	799,521	132
Inventories	-	-	-	-	1,983,925	317,300
Prepaid items	-	-	-	-	222,163	1,201
Internal balances	413,100	(413,100)	-	-	-	-
Restricted cash and cash equivalents	15,166,845	1,285,422	16,452,267	54,695	-	-
Capital assets:						
Land, improvements, and construction in progress	2,494,010	-	2,494,010	-	1,212,230	-
Other capital assets, net of depreciation	2,535,167	68,086,143	70,621,310	1,821,364	18,089,214	327,119
Total capital assets	5,029,177	68,086,143	73,115,320	1,821,364	19,301,444	327,119
Total assets	46,450,565	70,392,473	116,843,038	1,987,449	36,841,359	1,091,299
LIABILITIES						
Accounts payable and accrued expenses	2,580,435	56,852	2,637,287	92,540	7,698,035	299,301
Unearned revenue	945,185	-	945,185	-	-	-
Accrued interest payable	-	-	-	-	64,179	-
Customer deposits	-	131,274	131,274	-	-	-
Liabilities to be paid from restricted assets	-	104,540	104,540	-	-	-
Long-term liabilities:						
Due within one year	1,665,443	521,025	2,186,468	-	1,553,485	-
Due in more than one year	24,122,566	42,864,948	66,987,514	-	5,920,108	-
Total liabilities	29,313,629	43,678,639	72,992,268	92,540	15,235,807	299,301
NET ASSETS						
Invested in capital assets, net of related debt	(4,880,769)	26,014,262	21,133,493	1,821,364	11,827,851	-
Restricted for:						
Register of Deeds	31,997	-	31,997	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted (deficit)	21,985,708	699,572	22,685,280	73,545	9,777,701	791,998
Total net assets	\$ 17,136,936	\$ 26,713,834	\$ 43,850,770	\$ 1,894,909	\$ 21,605,552	\$ 791,998

Beaufort County, North Carolina
Statement of Activities
For the Year Ended June 30, 2005

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 3,987,889	\$ 952,841	\$ 963,585	\$ -
Public safety	6,338,106	654,144	368,380	-
Cultural and recreation	248,417	-	-	-
Economic and physical development	3,588,588	-	-	870,623
Human services	15,564,509	490,559	7,598,562	-
Education	11,093,706	-	-	-
Environmental protection	2,776,446	1,510,855	108,976	-
Interest on long-term debt	476,245	-	-	-
Total governmental activities	<u>44,073,906</u>	<u>3,608,399</u>	<u>9,039,503</u>	<u>870,623</u>
Business-type activities:				
Water	3,865,995	3,979,965	-	4,903,131
Total business-type activities	<u>3,865,995</u>	<u>3,979,965</u>	<u>-</u>	<u>4,903,131</u>
	<u>\$ 47,939,901</u>	<u>\$ 7,588,364</u>	<u>\$ 9,039,503</u>	<u>\$ 5,773,754</u>
Component units:				
Hospital	\$ 45,542,461	\$ 47,672,353	\$ -	\$ -
Warren Field Commission	193,907	59,856	-	-
ABC Board	829,365	830,087	-	-
Total component units	<u>\$ 46,565,733</u>	<u>\$ 48,562,296</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, unrestricted

Transfers

Total general revenues, special items, and transfers

Change in net assets

Net assets-beginning

Net assets-ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Warren Field Commission	Beaufort County Hospital Inc.	Beaufort County ABC Board
\$ (2,071,463)	\$ -	\$ (2,071,463)	\$ -	\$ -	\$ -
(5,315,582)	-	(5,315,582)	-	-	-
(248,417)	-	(248,417)	-	-	-
(2,717,965)	-	(2,717,965)	-	-	-
(7,475,388)	-	(7,475,388)	-	-	-
(11,093,706)	-	(11,093,706)	-	-	-
(1,156,615)	-	(1,156,615)	-	-	-
(476,245)	-	(476,245)	-	-	-
<u>(30,555,381)</u>	<u>-</u>	<u>(30,555,381)</u>			
-	5,017,101	5,017,101			
-	5,017,101	5,017,101			
<u>\$ (30,555,381)</u>	<u>\$ 5,017,101</u>	<u>\$ (25,538,280)</u>			
			-	2,129,892	-
			(134,051)	-	-
			-	-	722
			<u>(134,051)</u>	<u>2,129,892</u>	<u>722</u>
22,650,614	-	22,650,614	-	-	-
9,092,262	-	9,092,262	-	-	-
593,300	-	593,300	-	-	-
-	-	-	110,407	245,388	-
569,534	40,976	610,510	357	12,990	2,580
28,259	-	28,259	-	186,139	-
-	-	-	-	-	-
<u>32,933,969</u>	<u>40,976</u>	<u>32,974,945</u>	<u>110,764</u>	<u>444,517</u>	<u>2,580</u>
2,378,588	5,058,077	7,436,665	(23,287)	2,574,409	3,302
14,758,348	21,655,757	36,414,105	1,918,196	19,031,143	788,696
<u>\$ 17,136,936</u>	<u>\$ 26,713,834</u>	<u>\$ 43,850,770</u>	<u>\$ 1,894,909</u>	<u>\$ 21,605,552</u>	<u>\$ 791,998</u>

Fund Financial Statements

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2005

	General	Public Schools	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 16,796,762	\$ 15,166,845	\$ 1,677,583	\$ 33,641,190
Receivables, net	5,631,384	-	188,033	5,819,417
Due from other governments	-	-	-	-
Due from other funds	1,096,398	-	-	1,096,398
Installment obligation receivable	945,185	-	-	945,185
Total assets	\$ 24,469,729	\$ 15,166,845	\$ 1,865,616	\$ 41,502,190
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	2,421,093	-	159,342	2,580,435
Miscellaneous liabilities	-	-	-	-
Due to other funds	-	-	657,585	657,585
Unearned revenue	-	-	-	-
Deferred revenue	4,155,709	-	144,967	4,300,676
Total liabilities	6,576,802	-	961,894	7,538,696
Fund balances:				
Reserved for:				
State statute	3,517,258	-	38,070	3,555,328
Register of Deeds	31,997	-	-	31,997
Unreserved	14,343,672	-	-	14,343,672
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	716,126	716,126
Capital projects funds	-	15,166,845	149,526	15,316,371
Total fund balances	17,892,927	15,166,845	903,722	33,963,494
Total liabilities and fund balances	\$ 24,469,729	\$ 15,166,845	\$ 1,865,616	

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

Accrued interest receivable less amount claimed as unearned.	576,783
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,029,177
Liabilities for earned but deferred revenues in fund statements.	3,355,491
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	(25,788,009)
Net assets of governmental activities	\$ 17,136,936

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2005

	<u>Major</u>			Total Governmental Funds
	<u>General Fund</u>	<u>Public Schools</u>	<u>Total Non-Major Funds</u>	
REVENUES				
Ad valorem taxes	\$ 21,973,594	\$ -	\$ 1,178,029	\$ 23,151,623
Local option sales taxes	9,092,262	-	-	9,092,262
Other taxes and licenses	347,133	-	-	347,133
Unrestricted intergovernmental	213,550	-	-	213,550
Restricted intergovernmental	8,817,127	-	1,186,094	10,003,221
Permits and fees	565,104	-	-	565,104
Sales and services	2,985,750	-	-	2,985,750
Investment earnings	318,989	131,776	47,239	498,004
Miscellaneous	75,846	-	21,009	96,855
Total revenues	<u>44,389,355</u>	<u>131,776</u>	<u>2,432,371</u>	<u>46,953,502</u>
EXPENDITURES				
Current:				
General government	3,866,238	-	-	3,866,238
Public safety	4,915,640	-	1,542,855	6,458,495
Economic and physical development	529,249	1,964,931	1,944,149	4,438,329
Human services	15,526,264	-	-	15,526,264
Cultural and recreational	248,417	-	-	248,417
Environmental protection	2,770,487	-	-	2,770,487
Intergovernmental:				
Education	11,093,373	-	333	11,093,706
Debt service:				
Principal	1,882,150	-	-	1,882,150
Interest	476,245	-	-	476,245
Total expenditures	<u>41,308,063</u>	<u>1,964,931</u>	<u>3,487,337</u>	<u>46,760,331</u>
Excess (deficiency) of revenues over expenditures	<u>3,081,292</u>	<u>(1,833,155)</u>	<u>(1,054,966)</u>	<u>193,171</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	45,707	45,707
Transfers to other funds	(45,707)	-	-	(45,707)
Debt issued	-	17,000,000	262,793	17,262,793
Installment purchase obligations issued	-	-	-	-
Transfers (to)/from Component Units	(44,524)	-	-	(44,524)
Sale of capital assets	-	-	-	-
Total other financing sources and uses	<u>(90,231)</u>	<u>17,000,000</u>	<u>308,500</u>	<u>17,218,269</u>
Net change in fund balance	2,991,061	15,166,845	(746,466)	17,411,440
Fund balances-beginning	14,901,866	-	1,650,188	16,552,054
Fund balances-ending	<u>\$ 17,892,927</u>	<u>\$ 15,166,845</u>	<u>\$ 903,722</u>	<u>\$ 33,963,494</u>

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

Beaufort County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2005

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

Net changes in fund balances - total governmental funds \$ 17,411,440

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 890,147

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (501,009)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (15,380,643)

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 governmental funds. (41,347)

Total changes in net assets of governmental activities \$ 2,378,588

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, 2005

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 20,862,149	\$ 20,989,594	\$ 21,973,594	\$ 984,000
Local option sales tax	8,258,288	8,258,288	9,092,262	833,974
Other taxes and licenses	213,000	213,000	347,133	134,133
Unrestricted intergovernmental	253,500	253,500	213,550	(39,950)
Restricted intergovernmental	8,359,437	8,849,691	8,817,127	(32,564)
Permits and fees	466,700	466,700	565,104	98,404
Sales and services	3,100,075	3,209,145	2,985,750	(223,395)
Investment earnings	50,000	50,000	318,989	268,989
Miscellaneous	63,500	63,763	75,846	12,083
Total revenues	<u>41,626,649</u>	<u>42,353,681</u>	<u>44,389,355</u>	<u>2,035,674</u>
Expenditures				
Current:				
General government	3,653,785	4,079,474	3,866,238	213,236
Public safety	4,699,087	4,999,268	4,915,640	83,628
Economic and physical development	555,820	570,553	529,249	41,304
Human services	16,365,834	16,524,575	15,526,264	998,311
Environmental protection	2,870,873	2,870,873	2,770,487	100,386
Cultural and recreational	272,917	250,917	248,417	2,500
Intergovernmental:				
Education	11,037,473	11,093,373	11,093,373	-
Debt service:				
Principal retirement	1,883,315	1,884,148	1,882,150	1,998
Interest and other charges	477,078	476,245	476,245	-
Total expenditures	<u>41,816,182</u>	<u>42,749,426</u>	<u>41,308,063</u>	<u>1,441,363</u>
Revenues over (under) expenditures	(189,533)	(395,745)	3,081,292	3,477,037
Other financing sources (uses):				
Transfers to other funds	-	(45,707)	(45,707)	
Transfers (to)/from Component Units	(54,239)	(54,329)	(44,524)	
Fund Balance Appropriated	243,772	495,781	-	
Total other financing sources (uses)	<u>189,533</u>	<u>395,745</u>	<u>(90,231)</u>	<u>(485,976)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	2,991,061	<u>\$ 2,991,061</u>
Fund balances:				
Beginning of year, July 1			14,901,866	
End of year, June 30			<u>\$ 17,892,927</u>	

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

Beaufort County, North Carolina
Statement of Net Assets
Proprietary Fund
June 30, 2005

	Water Districts
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 694,650
Receivables, net	739,358
Total current assets	1,434,008
Noncurrent assets:	
Restricted cash and cash equivalents	1,285,422
Capital assets:	
Land, improvements, and construction in progress	-
Other capital assets, net of depreciation	68,086,143
Total capital assets	68,086,143
Total noncurrent assets	69,371,565
Total assets	\$ 70,805,573
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 56,852
Customer deposits	131,274
Due to primary government	413,100
Notes payable	56,525
Bond Anticipation Notes	-
General obligation bonds payable	464,500
Total current liabilities	1,122,251
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Accounts payable	104,540
Compensated absences	28,670
Notes payable	597,478
General obligation bonds payable	42,238,800
Total noncurrent liabilities	42,969,488
Total liabilities	44,091,739
NET ASSETS	
Invested in capital assets, net of related debt	26,014,262
Unrestricted	699,572
Total net assets	\$ 26,713,834

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

Beaufort County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2005

	<u>Water Districts</u>
OPERATING REVENUES	
Charges for services	\$ 3,562,044
Water and sewer taps	137,360
Other Operating Revenues	280,561
Total operating revenues	3,979,965
OPERATING EXPENSES	
Administration	726,757
Water treatment	534,299
Water distribution	634,621
Depreciation	266,463
Total operating expenses	2,162,140
Operating income (loss)	1,817,825
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	40,976
Interest on Long-term Debt	(1,703,855)
Total nonoperating revenue (expenses)	(1,662,879)
Income (loss) before contributions and transfers	154,946
Transfers from other funds	-
Capital contributions	4,903,131
Change in net assets	5,058,077
Total net assets - beginning	21,655,757
Total net assets - ending	\$ 26,713,834

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, 2005

Exhibit 8

		Water Districts
Cash Flows from Operating Activities:		
Cash Received from Customers	\$	3,863,855
Cash Paid for Goods and Services and Employees		(2,131,356)
Other Operating Revenue		-
Net Cash Used by Operating Activities		1,732,499
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets		(4,740,696)
Principal Paid on Bond and Equipment Contracts		(489,250)
Interest Paid on Bonds and Equipment Contracts		(1,703,855)
Grants Received		4,903,131
Proceeds from Capital Leases, Bonds and Notes		-
Net Cash Used by Capital and Related Financing Activities		(2,030,670)
Cash Flows from Investing Activities:		
Interest on Investments		40,976
Net Increase (Decrease) in Cash and Cash Equivalents		(257,195)
Cash and Cash Equivalents, July 1		2,237,267
Cash and Cash Equivalents, June 30	\$	1,980,072

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

Water
Districts

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income	\$ <u>1,817,825</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	266,463
Changes in Assets and Liabilities:	
(Increase) Decrease	
in Receivables and other assets	(116,110)
in Due from other funds	-
Increase (Decrease)	
in Accounts Payable and Accrued Liabilities	(278,523)
in Accrued Vacation Payable	8,820
in Customer Deposits	<u>34,024</u>
Total Adjustments	<u>(85,326)</u>
Net cash provided by operating activities	\$ <u><u>1,732,499</u></u>

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

Beaufort County, North Carolina
Statement of Changes in Fiduciary Net Assets
Agency Funds
June 30, 2005

Exhibit 9

	Social Services	Inmate Account	Totals June 30, 2005
Assets			
Current Assets:			
Cash and Investments	\$ 33,332	\$ 6,474	\$ 39,806
Due from other funds	-	-	-
Total Assets	33,332	6,474	39,806
 Liabilities and Net Assets			
Miscellaneous liabilities	33,332	6,474	39,806
Net Assets	-	-	-
Total Liabilities and Net Assets	\$ 33,332	\$ 6,474	\$ 39,806

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

BEAUFORT COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2005
Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The accounting policies of Beaufort County, North Carolina (the "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 District (*the District*) exists to provide and maintain a water system for the county residents within the district. The District is reported as an enterprise fund in the County's financial statements. Beaufort County Hospital (*the Hospital*), which has a September 30 year-end, Beaufort County ABC Board (*the Board*) and Warren Field Airport Commission (*the Airport*), which each have a June 30 year-end, are presented as if they are separate proprietary funds of the County (discrete presentations). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
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 District	None issued
Beaufort County Hospital	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation which has leased the hospital facilities from the County for a period of 99 years. The County appoints the board of trustees for the Hospital. The County has also issued general obligation debt on behalf of the hospital.	Beaufort County Hospital 628 East 12th Street Washington, NC 27889
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 P.O. Box 552 Washington, NC 27889
Warren Field Airport Commission	Discrete	The Commission was empowered to operate, maintain, and improve Warren Field for the City and the County. The Commission is governed by a five member board; three from the County and two from the City.	Warren Field Airport Commission P.O. Box 610 Airport Road Washington, NC 27889

B. Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (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.

Notes to the financial statements

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

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

The County reports the following major governmental fund:

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 County reports the following major enterprise funds:

Beaufort County Water Districts I-VII Funds: These funds are used to account for the operations of the water districts within the County. All are major funds. The individual district statements are shown as supplementary statements.

The County reports the following fund types:

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains three Agency Funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; and the Inmate Fund which accounts for monies deposited with the Sheriff's Office.

Measurement Focus, Basis of Accounting

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 the 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Notes to the financial statements

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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Beaufort County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2004 to February 2005 apply to the fiscal year ended June 30, 2005. Uncollected taxes, which are billed during this period, are shown as a receivable on these financial statements. For those motor vehicles, which are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date, upon which the interest begins to accrue passed prior June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2005 because they are intended to finance the County's operations during the 2006 fiscal year.

Sales taxes 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 assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

The County has implemented GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments* and related standard. These new standards provide for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, the special revenue, (excluding grant and capital project funds), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the grant capital projects fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations of the functional level for all annually budgeted funds and at the object level for multi-year funds. Amendments are required for any revision that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. 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.

Notes to the financial statements

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

The County, the Hospital, the ABC Board, and the Airport's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and considered cash and cash equivalents. The ABC Board, the Hospital and the Airport consider demand deposits and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the Water District Serial Bonds are classified as restricted assets for the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

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, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2004. The county offers no discounts.

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

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

Notes to the financial statements

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. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution 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.

Other proprietary fund assets of the County are depreciated on a class life basis at the following rates:

Furniture & Office Equipment	10%
Automobiles & Light Trucks	30%

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

Buildings	25 years
Furniture & Equipment	5-10 years
Motor Vehicles	4 years

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

Buildings	10-25 years
Parking lots and road	10-25 years
Clearing & Excavation	25 years
Lighting, taxiways and runways	10-25 years
Fuel Tanks & Pumps	5-10 years
Equipment	5-10 years

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

Buildings	20 years
Equipment	10 years
Leasehold Improvements	10-20 years
Computers	3 years

8. 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 in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

9. Compensated Absences

The vacation policies of the County, the Hospital, and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policy of the County, the Hospital, and the ABC Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation

Notes to the financial statements

for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for Shelter - Portion of fund balance not available for appropriation because it represents the amount contributed towards construction of an animal shelter.

Reserved for Encumbrances - Portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

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

Unreserved

Designated for Subsequent Year's Expenditures - Portion of total fund balance available for appropriation, which has been designated for the adopted 2005-2006 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The government fund balance sheet included a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets.

Notes to the financial statements

The net adjustment of (\$16,826,558) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 16,286,497
Less accumulated depreciation	<u>(11,257,320)</u>
Net capital assets	5,029,177
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	576,783
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	3,355,491
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	(25,076,791)
Compensated absences	(521,875)
Accrued landfill charges payable	<u>(189,343)</u>
Total adjustment	<u>\$ (16,826,558)</u>

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 included a reconciliation between net changes in fund balance-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$15,032,852 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures in the fund statements but capitalized as assets in the statement of activities	\$ 1,336,319
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.	(446,172)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statement.	1,882,150
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.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(41,347)
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 effects only the government-wide statement of net assets.	(17,262,793)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/04	(4,433,283)
Recording of tax receipts deferred in the fund statement as of 6/30/05	3,932,274
Total adjustment	\$ <u>(15,032,852)</u>

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

The County's repurchase agreement is not in accordance with State law. State law [G.S. 159-30(c)(12)] requires that the security be delivered to the County or its safekeeping agent other than the provider of the repurchase agreement and the security must be in the County's name. The underlying security is held by the financial institution providing the transaction and is not in the County's name. The County will establish a custodial agreement with a separate financial institution that will hold the security in the County's name.

Notes to the financial statements

B. Deficit Fund Balance or Net Assets of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds and Account Groups

A. Assets

1. Deposits

All of the County's, the Hospital's, the ABC Board's and the Airport's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the Hospital's, the Airport's or the ABC Board's agents in these units names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the Hospital, the Airport and the ABC Board, these deposits are considered to be held by their agents in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, the Airport or the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, the Airport or the ABC Board under the Pooling Method, the potential exists for the under collateralization, 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 County, the Hospital, the ABC Board and the Airport do not have policies regarding custodial credit risk for deposits.

At June 30, 2005, the County's deposits had a carrying amount of \$4,704,709 and a bank balance of \$6,226,448. Of the bank balance, \$300,000 was covered by federal depository insurance, the remaining \$5,926,448 was covered by collateral and held under the Pooling Method.

At September 30, 2004, the Hospital's deposits had a carrying amount of \$2,478,099 and a bank balance of \$2,711,916. Of the bank balance, \$200,000 was covered by federal depository insurance; the remaining \$2,511,916 was covered by collateral held under the Pooling Method.

At June 30, 2005, the carry amount of deposits for Beaufort County ABC Board was \$445,547 and the bank balance was \$475,222. Of the bank balance, \$163,855 was covered by federal depository insurance and \$311,367 was collateralized under the Pooling Method.

At October 18, 2004, the Airport's deposits had a carrying amount of \$138,161 and a bank balance of \$145,347 with \$100,000 of the amount being covered by federal depository insurance, and \$45,347 collateralized under the Pooling Method.

Notes to the financial statements

2. Investments

Investment Type	Fair Value	Less than 6 Months	6-12 Months	1-3 Years
NCCMT - Cash Portfolio	\$ 30,916,553	N/A	N/A	N/A
Total	\$ 30,916,553	\$ -	\$ -	\$ -

As of June 30, 2005, the County had the following investments and maturities:

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

Credit Risk – The County has no policy regarding credit risk. The investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2005.

At June 30, 2005, the ABC Board had no money in the above type investments.

At September 30, 2004, the Beaufort County Hospital’s had no money in the above type investments.

At October 18, 2004, Warren Field Commission had no money in the above type 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
2003	675,687	99,326	775,013
2004	637,265	36,643	673,908
2005	637,265	36,236	673,501
Total	\$ 1,950,217	\$ 172,205	\$ 2,122,422

4. Receivables - Allowances for Doubtful Accounts

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

Notes to the financial statements

Fund		30-Jun-05
Property Taxes Receivable	General Fund	\$ 570,000
Accounts Receivable	Enterprise Fund	186,651
Total		<u>\$ 756,651</u>

Receivables at the government-wide level at June 30, 2005, were as follows:

	Accounts	Taxes & Related Accrued Interest	Fees	Due From Other Governments	Other	Total
Governmental Activities:						
General	\$ 1,621,667	\$ 4,357,307	\$ 13,872	\$ 1,736,297	\$ 19,922	\$ 7,749,06
Other Governmental	-	144,967	-	-	43,066	188.03
Total Receivables	1,621,667	4,502,274	13,872	1,736,297	62,988	7,937.09
Allowance for Doubt Accounts	-	(570,000)	-	-	-	(570.00)
Total Governmental Activities	<u>\$ 1,621,667</u>	<u>\$ 3,932,274</u>	<u>\$ 13,872</u>	<u>\$ 1,736,297</u>	<u>\$ 62,988</u>	<u>\$ 7,367.09</u>
Business-Type Activities						
Water Districts	\$ 926,009	\$ -	\$ -	\$ -	\$ -	\$ 926.00
Allowance for Doubtfull Accounts	(186,651)	-	-	-	-	(186.65)
Total Business-Type Activities	<u>\$ 739,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 739.35</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,601,367	\$ -	\$ -	\$ 1,601,367
Construction in progress	-	892,643	-	892,643
Total capital assets not being depreciated	<u>1,601,367</u>	<u>892,643</u>	<u>-</u>	<u>2,494,010</u>
Capital assets being depreciated:				
Buildings	9,434,171	-	-	9,434,171
Equipment and Vehicles	3,914,640	443,676	69,977	4,288,339
Total capital assets being depreciated	<u>13,348,811</u>	<u>443,676</u>	<u>69,977</u>	<u>13,722,510</u>

Notes to the financial statements

Less accumulated depreciation for:

Buildings	7,141,597	191,511	-	7,333,108
Equipment and vehicles	3,669,551	254,661	69,977	3,854,235
Total accumulated depreciation	<u>10,811,148</u>	<u>446,172</u>	<u>69,977</u>	<u>11,187,343</u>

Total capital assets being depreciated, net	<u>2,537,663</u>			<u>2,535,167</u>
Governmental activity capital assets, net	<u>\$ 4,139,030</u>			<u>\$ 5,029,177</u>

Primary Government

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

General government	\$ 216,854
Public safety	199,860
Environmental protection	2,541
Economic and physical development	3,886
Human services	23,031
Total depreciation expense	<u>\$ 446,172</u>

Business-type activities:

	Beginning Balances	Adjustments	Increases	Decreases	Ending Balances
Capital assets not being depreciated:					
Land	\$ 75,961	\$ -	\$ -	\$ -	\$ 75,961
Construction in progress	52,129,961	-	4,725,347	-	56,855,308
Total capital assets not being depreciated	<u>52,205,922</u>	<u>-</u>	<u>4,725,347</u>	<u>-</u>	<u>56,931,269</u>
Capital assets being depreciated:					
Plant and distribution	12,939,230	-	-	-	12,939,230
Furniture & maintenance equipment	204,226	-	61,646	-	265,872
Vehicles	113,725	-	41,204	-	154,929
Total capital assets being depreciated	<u>13,257,181</u>	<u>-</u>	<u>102,850</u>	<u>-</u>	<u>13,360,031</u>
Less accumulated depreciation for:					
Plant and distribution	1,729,205	-	224,201	-	1,953,406
Furniture & maintenance equipment	141,781	-	24,818	-	166,599
Vehicles	67,708	-	17,444	-	85,152
Total accumulated depreciation	<u>1,938,694</u>	<u>-</u>	<u>266,463</u>	<u>-</u>	<u>2,205,157</u>
Total capital assets being depreciated, net	<u>11,318,487</u>				<u>11,154,874</u>
Beaufort County Water District I-VII capital assets, net	<u>63,524,409</u>				<u>68,086,143</u>
Business-type activities capital assets, net	<u>\$ 63,790,872</u>				<u>\$ 68,086,143</u>

Construction commitments

The government has active construction projects as of June 30, 2005. The projects include the water district projects. At June 30, 2005, the government's had commitments with contractors.

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2005, was as follows:

Notes to the financial statements

	Useful Life	Cost	Accumulated Depreciation	Net
Land and Improvements	-	\$ 147,594	\$ -	\$ 147,594
Buildings	25 yrs	506,202	366,282	139,920
Furniture and Equipment	5-10 yrs	321,565	281,960	39,605
Motor Vehicles	4 yrs	15,277	15,277	-
Total		\$ 990,638	\$ 663,519	\$ 327,119

Activity for the Warren Airport Commission for the year ended October 18, 2004, was as follows:

	Beginnings Balances	Increases	Decreases and Adjustments	Transfers	Ending Balances
Business-type activities:					
Capital assets not being depreciated:					
Land and easement	\$ 577,232	\$ -	\$ -	\$ -	\$ 577,232
Construction in progress	94,467	-	-	(70,548)	23,919
Total capital assets not being depreciated	671,699	-	-	(70,548)	601,151
Capital assets being depreciated:					
Buildings	459,853	-	-	-	459,853
Parking lot and road	37,689	-	-	-	37,689
Clearing and excavation	2,730	-	-	-	2,730
Lighting, taxiways and runways	3,215,151	9,289	-	70,548	3,294,988
Fuel tanks and pumps	57,212	-	-	-	57,212
Equipment	468,947	-	-	-	468,947
Total capital assets being depreciated	4,241,582	9,289	-	70,548	4,321,419
Less accumulated depreciation for:					
Buildings	377,989	4,335	-	-	382,324
Parking lot and road	19,455	675	-	-	20,130
Clearing and excavation	2,207	36	-	-	2,243
Lighting, taxiways and runways	2,305,458	32,491	-	-	2,337,949
Fuel tanks and pumps	49,009	456	-	-	49,465
Equipment	298,750	10,345	-	-	309,095
Total accumulated depreciation	3,052,868	\$ 48,338	\$ -	\$ -	3,101,206
Total capital assets being depreciated, net	1,188,714				1,220,213
Commission capital assets, net	\$ 1,860,413				\$ 1,821,364

Activity for the Beaufort County Hospital for the year ended September 30, 2004, was as follows:

Please see the separately issued financial report of Beaufort County Hospital for a complete description of the Hospital's capital assets.

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2005, were as follows :

Notes to the financial statements

	Salaries and			Total
	Vendors	Benefits	Others	
Governmental Activities:				
General	\$ 1,384,809	\$ 125,280	\$ 911,004	\$ 2,421,093
Other Governmental	159,342	-	-	159,342
Total-governmental activities	\$ 1,544,151	\$ 125,280	\$ 911,004	\$ 2,580,435
Business-type Activities				
Water and Sewer Districts	\$ 56,852	\$ -	\$ -	\$ 56,852
Total - business-type activities	\$ 56,852	\$ -	\$ -	\$ 56,852

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description - Beaufort County and the ABC Board contributes to the statewide Local Government Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS's provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699, or by calling (919) 981-5454.

Funding Policy - Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.93% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.24% of annual covered payroll. The contribution requirements of members and of Beaufort County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2005, 2004, and 2003 were \$437,663, \$440,677 and \$435,819, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2005 was \$13,992. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2004, the Separation Allowance's membership consisted of:

Notes to the financial statements

Retirees Receiving Benefits	0
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	-
Active Plan Members	<u>46</u>
Total	<u>46</u>

(2) Summary of Significant Accounting Policies

Basis of Accounting – Financial statement for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

(3) Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. 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 annual required contribution for the current year was determined as part of the December 31, 2004 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.9% to 9.8% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2004 was 26 years.

3 Year Trend Information				
For Year Ended	Annual Pension Cost	Percentage of APC	Net Pension	
	(APC)	Contributed	Obligation	
2003	\$ 33,541	0.00%	\$ 116,734	
2004	\$ 33,926	0.00%	\$ 150,660	
2005	\$ 37,642	3.00%	\$ 187,171	

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officers 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, 2005 were \$244,658, which consisted of \$106,766 from the County and \$137,892 from the law enforcement officers.

Notes to the financial statements

d. Register of Deeds' Supplemental Pension Fund

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

Funding Policy - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the Fiscal year ended June 30, 2005, the County's required and actual contributions were \$14,073.

e. Other Post employment Benefits-Beaufort County

According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits.

Also, retirees can purchase coverage for their dependents at the County's group rates. The County obtains health care coverage through private insurers.

The County has elected to provide death benefits to employees 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 may not exceed \$20,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2005, the County made contributions to the State for death benefits of \$437,662. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 4.94% and 4.78% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

f. Beaufort County Hospital Pension Plan

Please see the separately issued financial report of Beaufort County Hospital for a complete description of the Hospital pension plan.

g. Warren Field Airport Commission

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

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

State and federal laws and regulations require the County to place a final cover on its Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Notes to the financial statements

Although closure and post closure care cost will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$189,343 reported as landfill post closure care liability at June 30, 2005 represents a cumulative amount reported to 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/ Unearned Revenues

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following:

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Taxes receivable, net (General)	\$ 2,428,407	\$ -
Taxes receivable, net (Special revenue)	144,967	-
Landfill taxes	782,117	-
Installment Obligation Receivable	945,185	945,185
Total	<u>\$ 4,300,676</u>	<u>\$ 945,185</u>

5. Risk Management

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

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

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

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

The Warren Filed Airport Commission is exposed to various risks of loss' related torts; theft of, damage to, and destruction to assets; errors and omissions; and natural disasters. The Airport carries commercial insurance for risks of loss. There have been no significant reductions in insurance coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2005, 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.

Notes to the financial statements

7. Long-term Obligations

a. Capital Leases

The Hospital has leased equipment used for professional and administrative services. Amortization of equipment acquired under capital leases is included in depreciation and amortization expense. The following classes of equipment have been accounted for as capital leases and the original costs are classified separately in the balance sheet.

Description	2004
Information systems	\$ 197,379
Laboratory	176,460
Radiology	2,043,316
CCU	214,390
Telephone system	136,638
Obstetric	101,716
Patient rooms	49,800
	<u>2,919,699</u>
Less allowance for depreciation	<u>2,206,467</u>
Total	<u>\$ 713,232</u>

At September 30, 2004, the future minimum payments under the Hospital's capital leases consist of the following:

Year Ending June 30	Principal Payments	Interest Payments
2005	238,250	55,891
2006	234,922	26,070
2007	78,252	2,104
Total minimum lease payments	-	-
Less: amount representing interest	-	-
Present value of the minimum lease payments	<u>\$ 551,424</u>	<u>\$ 84,065</u>

b. Installment Purchase

Beaufort County has entered into a loan agreement with Southern Bank for building expansions for Tideland Mental Health Center. The principal borrowed was \$1,700,000. The terms call for 25 annual payments of \$166,003 bearing interest at 5.20%.

Beaufort County has entered into a loan agreement with First South Bank for building an industry ready building. The principal borrowed will be \$1,000,000. The terms call for the Beaufort County Committee of 100 to pay the first two (2) years interest only payments. Thereafter, the County and the City of Washington will split payments in a 55% to 45% manner. At the end of the financing term the ownership of the building will be County (55%) City (45%). The interest rate will be between 4.25% and 8.00% for a period of twenty years. At June 30, 2005 the draw down on the note was \$262,793.

Beaufort County has entered into a loan agreement with Nations Bank in order to purchase and renovate a building to be used for the Health Department. The principal borrowed was \$2,000,000. The terms call for 8 annual payments of \$301,982 bearing interest at 4.40%.

Beaufort County has entered into a loan agreement with First Union Bank in order to purchase 122.22 acres for an

Notes to the financial statements

industrial park. The principal borrowed was \$1,100,000. The terms call for quarterly payments of \$34,375 bearing interest at 6.64% for eight years.

Beaufort County Water District III has entered into a loan agreement with the North Carolina Department of Environment, Health, and Natural Resources for construction of a water distribution system.

The total amount financed is \$485,995. The agreement requires equal annual installments of \$24,300 plus interest at 5.85% for 20 years. This debt is included in the enterprise fund.

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

On January 12, 2000, the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. On June 29, 2001, the County of Beaufort entered into an additional loan for \$1,500,000, also for the Hospital's Expansion and Renovation Project. The Hospital will repay the County for the debt incurred on the Hospital's behalf in 60 quarterly installments of \$120,393 including interest at 5.18% annually. The first payment was made in July 2000. The Hospital will also repay the County for the second loan in 60 quarterly installments of \$36,001 including interest at 5.13% annually. As of September 30, 2004, the Hospital had drawn down on these loans by incurring project expenditures of \$6,947,248. The County of Beaufort had contributed the remaining \$165,859 to cover the costs in excess of the loans.

For Beaufort County, the future minimum payments as of June 30, 2005 in the Governmental Activities and for the Business Type Activities are as follows:

Year Ending June 30,	Business Type Activities		Governmental Activities		Total
	Principal	Interest	Principal	Interest	
2006	56,525	28,005	900,443	313,497	1,298,470
2007	56,525	25,566	662,662	281,268	1,026,021
2008	56,525	23,137	688,395	248,315	1,016,372
2009	56,525	19,626	716,507	213,888	1,006,546
2010	56,525	17,139	642,375	176,772	892,811
2011-2015	282,625	48,950	2,961,919	411,138	3,704,632
2016-2020	88,753	3,442	139,490	4,513	236,198
Total	\$ 654,003	\$ 165,865	\$ 6,711,791	\$ 1,649,391	\$ 9,181,050

Notes Payable

Bank of America

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

The Hospital issued an installment note payable to the Bank on February 15, 1999. This note is payable in monthly installments of \$2,985.43 including interest at 6.75% annually. This note is secured by real estate located adjacent to the Hospital. The proceeds of this note were used for operating cash flow.

The Hospital issued an installment note payable to the Bank on July 28, 1998. This note is payable in monthly installments of \$7,269.08 including interest at 4.10% annually. This note is secured by real estate located adjacent to the Hospital. The proceeds of this note were used to purchase approximately 16.4 acres of unimproved real estate adjacent to the Hospital. Of that original tract, the Hospital sold 2.6 acres for purposes of medical office development in fiscal year ended September 30, 2000.

Notes to the financial statements

First Citizens Bank and Trust

The Hospital entered into an installment purchase contract with the Bank, on December 8, 1999. The contract requires 60 monthly installments of \$7,480 including interest at 4.79% annually. This contract enabled the Hospital to purchase a multipurpose x-ray machine that also serves as the securities for this agreement.

The Hospital entered into an installment purchase contract with the Bank, in October 2001. The contract requires 60 monthly installments of \$7,987 including interest at 4.36% annually. This contract enabled the Hospital to purchase an X-ray system for diagnostic angiography programs that also serves as the security for this agreement.

The Hospital entered into an installment purchase contract with the Bank, in June 2003. The contract requires 60 monthly installments of \$13,252 including interest at 3.35% annually. This contract enabled the Hospital to purchase an X-ray system for diagnostic angiography programs that also serves as the security for this agreement.

Wachovia Leasing Corporation

The Hospital entered into an installment purchase contract with Wachovia Leasing Corporation on June 21, 2000. The contract requires 59 monthly installments of \$4,839 including interest at 5.64% annually. This contract enabled the Hospital to purchase a 450D EPS System that also serves as the security for this agreement.

County of Beaufort

On November 8, 1999, the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. On June 13, 2001, the County of Beaufort secured an additional loan for \$1,500,000 to be used for the Hospital's Expansion and Renovation Project.

The Hospital will repay the County for the debt incurred on the Hospital's behalf in 60 quarterly installments of \$120,393 including interest at 5.18% annually. The Hospital will also repay the County for the second loan in 60 quarterly installments of \$36,001 including interest at 5.13% annually. As of September 30, 2004, the Hospital had been advanced on these loans \$6,500,000 for project expenditures. The County of Beaufort contributed capital, provided by the interest earned on the \$6.5 million during the construction period, to cover costs in excess of the loans in the amounts of \$0 and \$344,897 for the years ended September 30, 2004 and 2003, respectively.

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

2005	706,424
2006	758,513
2007	669,743
2008	565,476
2009	-
Thereafter	-
Total Payable	2,700,156
Less Current Maturities	-
Long Term Portion	<u>\$ 2,700,156</u>

Notes to the financial statements

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2005:

	Balance 07/01/04	Additions	Retirements	Balance 6/30/2005	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 2,355,000	\$ 17,000,000	\$ (990,000)	\$ 18,365,000	\$ 765,000
Installment Purchases	7,341,148	262,793	(892,150)	6,711,791	900,443
Compensated Absences	480,527	41,348	-	521,875	-
Landfill Postclosure Care	189,343	-	-	189,343	-
Total	\$ 10,366,018	\$ 17,304,141	\$ (1,882,150)	\$ 25,788,009	\$ 1,665,443

	Balance 07/01/04	Additions	Retirements	Balance 6/30/2005	Current Portion
Business Type Activities:					
General Obligation Bonds	\$ 43,103,800	\$ -	\$ (400,500)	\$ 42,703,300	\$ 464,500
Installment Purchases	742,752	-	(88,749)	654,003	56,525
Total	\$ 43,846,552	\$ -	\$ (489,249)	\$ 43,357,303	\$ 521,025

At June 30, 2005, Beaufort County had a legal debt margin of \$261,711,396.

- d. General Obligations Indebtedness- All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Beaufort County Water Districts issue general obligations bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water District Funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

Notes to the financial statements

The County's general obligation bonds payable at June 30, 2005 are comprised of the following individual issues:

Serviced by the County's General Fund

\$200,000 1991 Community College Serial bonds, due on May 1 in installments ranging from \$50,000 to \$200,000, through May 2009; interest ranging from 6.4% to 6.5%	\$ 800,000
\$17,000,000 2005 School bonds, dated April 1 2005 and maturing annually April 1, \$600,000 2007 to 2009, inclusive, and \$800,000 2010 to 2028, inclusive; bearing interest payable on October 1 and April 1, ranging from 4.00% to 6.00%	\$ 17,000,000
\$9,405,000 1998 Refunding bonds, due on February 1 in installments ranging from \$1,095,000 to \$565,000 through February 2006; interest ranging from 4.0% to 4.4%	\$ 565,000
Total	<u>\$ 18,365,000</u>

Serviced by Water District I:

\$3,138,000 2001A Water Serial Bond due in annual installments; beginning in 2004; from \$33,000 to \$118,000 through June 1, 2041; interest at 4.875%	\$ 3,071,000
\$2,329,300 2001B Water Serial Bond due in annual installments; beginning in 2004; from \$24,500 to \$98,000 through June 1, 2041; interest at 4.875%	\$ 2,279,800

Serviced by Water District II Long Acre West:

\$4,226,000 1998 Water Serial Bond due in annual installments; beginning in 1998; from \$39,500 to \$158,000 through June 1, 2034; interest at 6.125%	\$ 3,776,500
\$434,000 1998 Water Serial Bond due in annual installments, beginning in 1998; from \$4,500 to \$18,000 through June 1, 2034; interest at 6.125%	\$ 389,000

Serviced by Water District III Long Acre East:

\$3,728,000 1998 Serial Bonds due in annual installments; beginning in 1998; from \$35,000 to \$140,000 through June 1, 2034; interest at 6.125%	\$ 3,333,000
\$381,000 1991 Serial Bonds due in annual installments; beginning in 1998; from \$4,000 to \$16,000 through June 1, 2034; interest at 5.625%	\$ 342,000
\$1,304,000 1998 Water Serial Bonds due in annual installments; beginning in 1999; from \$13,500 to \$54,000 through June 1, 2036; with interest only for 1998 & 1999; interest at 5.625%	\$ 1,195,000
\$197,000 1998 Water Serial Bonds due in annual installments; beginning in 1999; from \$2,500 to \$10,000 through June 1, 2036; with interest only for 1998 & 1999; interest at 5.375%	\$ 179,500

Notes to the financial statements

Serviced by Water District IV Bath:

\$3,042,000 1999 Water Serial Bonds due in annual installments; beginning in 1999; from \$33,000 to \$132,000 through June 1, 2038; with interest only for 1999 & 2000; interest at 4.75% \$ 2,901,000

\$4,491,000 1998A Water Serial Bond due in annual installments; beginning in 1999; from \$48,500 to \$194,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 4,227,500

\$909,000 1998B Water Serial Bond due in annual installments; beginning in 1999; from \$11,000 to \$40,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 852,500

Serviced by Water District V Pantego:

\$3,223,000 1998A Water Serial Bond due in annual installments; beginning in 1999; from \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 3,073,500

\$777,000 1998B Water Serial Bond due in annual installments; beginning in 1999; from \$9,000 to \$36,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 730,000

Serviced by Water District VII Richland:

\$2,692,000 Series A 1999 Water Bonds due in annual installments; beginning in 1999; from \$28,500 to \$114,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 2,536,500

\$3,308,000 Series B 1999 Water Bonds due in annual installments; beginning in 1999; from \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 & 2000 \$ 3,116,500

Serviced by Water District VI Chocowinity/Richland:

\$2,804,000 2005A Water Serial Bonds due in annual installments; beginning in 2007; from \$30,000 to \$120,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 2,804,000

\$3,535,000 2005B Water Serial Bonds due in annual installments; beginning in 2007; from \$38,000 to \$150,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 3,535,000

\$4,361,000 2005C Water Serial Bonds due in annual installments; beginning in 2007; from \$47,000 to \$188,000 through June 1, 2044; with interest only for 2005 & 2006; interest at 4.50% \$ 4,361,000

Total \$ 42,703,300

Notes to the financial statements

Annual debt service requirements to maturity for the County's and the District's general obligation bonds and bond anticipation notes are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	765,000	835,460	464,500	2,124,076
2007	800,000	797,600	604,500	2,098,431
2008	1,000,000	761,600	635,500	2,069,122
2009	600,000	686,600	665,000	2,037,078
2010	800,000	650,600	698,000	2,003,249
2011-2015	4,000,000	2,693,000	4,039,000	9,446,285
2016-2020	4,000,000	1,892,000	5,143,000	8,301,074
2021-2025	4,000,000	1,060,000	6,406,000	6,876,493
2026-2030	2,400,000	214,800	7,531,000	5,128,995
2031-2035	-	-	8,330,500	3,123,112
2036-2040	-	-	6,255,000	1,228,962
2041-2045	-	-	1,931,300	195,439
Total	\$ 18,365,000	\$ 8,316,860	\$ 42,703,300	\$ 44,632,316

IV. Joint Ventures

The County participates in a joint venture to operate BHM Regional Library with three other local governments. Beaufort County appoints three members of the nine-member board of the Library. The County has an on-going financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding.

None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2005. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$119,640 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library offices, at 158 N Market Street, Washington, NC 27889.

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

The County has an ongoing financial responsibility for the community college because of the statutory responsibility to provide funding for the community college's facilities. The County contributed \$1,272,570 and \$358,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2005. In addition, the County made debt service payments of \$100,000 during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2005. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

The County, in conjunction with four other counties, participates in the Tideland Mental Health Center. The County Commissioners appoint four members to the twenty-member board of the Center. In addition, one County Commissioner also serves on the Center's board. The Center, a multi-county public mental health authority, is a separate and distinct subdivision charged by State law with the responsibility of providing services for drug and mental health prevention, treatment and rehabilitation services. The County contributed \$167,000 to the Center during fiscal year ended June 30, 2005. Complete financial statements for the Center can be obtained from the Center's administrative offices at 1308 Highland Drive, Washington, NC 27889.

Notes to the financial statements

In the adoption of a Memorandum of Understanding, dated October 18, 2004, between the City Council of the City of Washington and the County Commissioners of Beaufort County, the County stated that it intended to relinquish its one-half ownership in Warren Field Airport and convey the same to the City of Washington. Based upon this Memorandum of Understanding, the management of the airport became the responsibility of the City of Washington as of October 19, 2004. The financial accountability of the airport management for the remainder of fiscal year 2004-2005 can be found in the City of Washington's Comprehensive Annual Financial Report. The final acquisition agreement between the City and County was signed on March 7, 2005.

V. Jointly Governed Organization

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East 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 \$11,240 to the Council during the fiscal year ended June 30, 2005.

VI. 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, which 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.

	Federal	State
Food Stamp Program	\$ 5,344,654	\$ -
TANF Aid to Families with Dependent Children	10,511	-
Medicial Assistance Program	41,510,788	20,024,922
Special Supplemental Food Program for Women, Infants and Children	1,133,013	-
Energy Assistance Payment	136,223	-
CWS Adopt Subsidy & Vendor	13,971	3,671
IV-E Adopt Subsidy & Vendor	276,201	76,692
Special Assistance-Aged & Disabled	-	480,524
IV-E Foster Home	421,446	57,849
State Foster Home	16,289	96,177

VII. Summary Disclosure of Significant Commitments and Contingencies

1. Federal and State Assisted Programs

The County and Warren Field Airport Commission have received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies 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.

VIII. Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2005 of approximately \$2,921,039, which accounted for approximately 13.81% of net property tax levied.

Required Supplemental Financial Data

Beaufort County, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
31-Dec-91	-	68,172	68,172	0.0%	515,292	13.23%
31-Dec-92	-	72,119	72,119	0.0%	553,888	13.02%
31-Dec-93	-	87,049	87,049	0.0%	737,811	11.80%
31-Dec-94	-	90,208	90,208	0.0%	794,597	11.35%
31-Dec-95	-	113,791	113,791	0.0%	844,751	13.47%
31-Dec-96	-	126,204	126,204	0.0%	865,459	14.58%
31-Dec-97	-	114,269	114,269	0.0%	955,671	11.96%
31-Dec-98	-	167,493	167,493	0.0%	998,974	16.77%
31-Dec-99	-	151,963	151,963	0.0%	1,207,616	12.58%
31-Dec-00	-	227,746	227,746	0.0%	1,211,699	18.80%
31-Dec-01	-	221,078	221,078	0.0%	1,318,945	16.76%
31-Dec-02	-	197,573	197,573	0.0%	1,319,836	14.97%
31-Dec-04	-	231,208	231,208	0.0%	1,322,765	17.48%
31-Dec-05	-	284,787	284,787	0.0%	1,403,511	18.87%

**Beaufort County, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Employer Contributions**

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation End of Year</u>
2003	33,541	0.00%	116,734
2004	33,926	0.00%	150,660
2005	37,642	0.00%	187,171

Notes to the Required Schedules:

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

Valuation Date	December 31, 2004
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	5.9%-9.8%
Includes Inflation at	3.75%
Cost of Living Adjustments	N/A

Combining and Individual Fund Statements and Schedules

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, 2005

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 21,534,544	\$
Penalties and Interest		439,050	
Total	<u>20,989,594</u>	<u>21,973,594</u>	<u>984,000</u>
Local Option Sales Taxes:			
Article 39 One Percent		3,804,040	
Article 40 One - Half of One Percent		1,838,220	
Article 42 One - Half of One Percent		1,823,987	
Article 44 One - Half of One Percent		1,626,015	
Total	<u>8,258,288</u>	<u>9,092,262</u>	<u>833,974</u>
Other Taxes and Licenses:			
Documentary stamps		204,659	
Scrap tire disposal tax		65,504	
White goods disposal tax		43,472	
Privilege tax		9,292	
Rental vehicles receipt tax		24,206	
Total	<u>213,000</u>	<u>347,133</u>	<u>134,133</u>
Unrestricted Intergovernmental:			
Beer and wine tax		140,309	
Other		73,241	
Total	<u>253,500</u>	<u>213,550</u>	<u>(39,950)</u>
Restricted Intergovernmental:			
State and Federal Grants		7,868,578	
Loan reimbursements		869,136	
FEMA disaster funds		65,090	
ABC Tax		14,323	
Total	<u>8,849,691</u>	<u>8,817,127</u>	<u>(32,564)</u>
Permits and Fees:			
Building Permits and Inspection Fees		135,797	
Register of Deeds		272,145	
Other		157,162	
Total	<u>466,700</u>	<u>565,104</u>	<u>98,404</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, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sales and Services:			
Rent and Concessions		155,066	
Rescue squad		38,152	
Prisoners' reimbursements		68,233	
Court costs		72,039	
Environmental Health Fees		86,096	
IV-D Deputy travel		49,279	
Patient fees - Nursing home & Health Dept.		490,559	
School resource officer		113,400	
Animal control fees		7,751	
Candidate fees		8,998	
Sheriff's fees		39,635	
Lanfill fees/charges		1,510,855	
Collection fees		243,376	
Cable fees		102,311	
Total	<u>3,209,145</u>	<u>2,985,750</u>	<u>(223,395)</u>
Investment Earnings	<u>50,000</u>	<u>318,989</u>	<u>268,989</u>
Miscellaneous:			
Sale of Assets/Insurance Claims		68,597	
Donations		1,385	
Miscellaneous		5,864	
Total	<u>63,763</u>	<u>75,846</u>	<u>12,083</u>
TOTAL REVENUES	<u>42,353,681</u>	<u>44,389,355</u>	<u>2,035,674</u>
Expenditures:			
General Government:			
Governing body		95,173	
County manager		765,367	
Finance		261,223	
Tax administration		917,409	
Legal		239,052	
Register of deeds		264,124	
Elections		235,278	
Public buildings		855,630	
Court facilities		232,982	
Total general government	<u>4,079,474</u>	<u>3,866,238</u>	<u>213,236</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Safety:			
Sheriff		2,449,549	
Jail		1,158,464	
Criminal justice partnership		64,254	
Emergency communications		346,847	
Emergency management		305,460	
Fire protection		97,000	
Inspections		231,215	
Ambulance/Rescue service		105,102	
Animal control		130,399	
Medical examiner		27,350	
Total	<u>4,999,268</u>	<u>4,915,640</u>	<u>83,628</u>
Economic and physical development:			
Economic development		247,411	
Agricultural extension		180,580	
Soil/water conservation		101,258	
Total	<u>570,553</u>	<u>529,249</u>	<u>41,304</u>
Human services:			
Administration - general		286,697	
Aids control		34,713	
TB program		40,725	
Immunization		122,580	
Health promotion		144,190	
Child health		225,293	
Maternal health		426,427	
WIC - Administration		198,355	
Enviromental health		500,694	
Family planning		310,247	
Other health programs		125,947	
Total human services	<u>2,664,452</u>	<u>2,415,868</u>	<u>248,584</u>
Mental Health:			
General appropriation		150,000	
Alcohol rehab		27,000	
Total	<u>177,000</u>	<u>177,000</u>	<u>-</u>
Beaufort County Develop Center	<u>50,000</u>	<u>50,000</u>	<u>-</u>
NC Elderly handicapped transportation	<u>50,618</u>	<u>50,618</u>	<u>-</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Social services:			
Administration		3,740,966	
State In-Home Aging Services		490,127	
Day care		2,371,777	
Medical assistance		3,481,533	
Energy assistance		142,292	
County provided assistance		2,571	
Transportation		45,000	
Child support enforcement		681,102	
Aid to the blind program		12,140	
Special assistance		480,524	
Foster care		383,927	
Work first program		82,917	
Total	<u>12,186,733</u>	<u>11,914,876</u>	<u>271,857</u>
Other human services			
County home		687,168	
Veterans services		34,441	
Youth services		196,293	
Total	<u>1,395,772</u>	<u>917,902</u>	<u>477,870</u>
Total Social Services	<u>13,582,505</u>	<u>12,832,778</u>	<u>749,727</u>
Total Human Services	<u>16,524,575</u>	<u>15,526,264</u>	<u>998,311</u>
Cultural and Recreational:			
Recreation		43,477	
Library and museum		124,340	
Special Appropriations		80,600	
Total Cultural and Recreational	<u>250,917</u>	<u>248,417</u>	<u>2,500</u>
Environmental protection:			
Solid waste	<u>2,870,873</u>	<u>2,770,487</u>	<u>100,386</u>
Education:			
Public Schools:			
Current Expense		8,428,283	
Capital Outlay		1,034,520	
Community Colleges:			
Current Expense		1,272,570	
Capital Outlay		358,000	
Total Education	<u>11,093,373</u>	<u>11,093,373</u>	<u>-</u>
Debt Service:			
Principal Retirement		1,882,150	
Interest and Fees		476,245	
Total Debt Service	<u>2,360,393</u>	<u>2,358,395</u>	<u>1,998</u>
TOTAL EXPENDITURES	<u>42,749,426</u>	<u>41,308,063</u>	<u>1,441,363</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues over Expenditures	<u>(395,745)</u>	<u>3,081,292</u>	<u>3,477,037</u>
Other financing sources (uses):			
Proceeds From Capital Leases	-	-	
Fund Balance Appropriated	495,781	-	
Operating Transfers (to)/from Other Funds:			
Capital Projects	-	-	
Special revenue fund - federal & state seizure fund	-	-	
Special revenue fund - industrial recruitment	(45,707)	(45,707)	
Operating Transfers (to)/from Component Units	-	-	
Beaufort County ABC Board	-	37,546	
Warren Field Airport Commission	(54,329)	(82,070)	
Total Other Financing Sources (Uses)	<u>395,745</u>	<u>(90,231)</u>	<u>(485,976)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	2,991,061	<u>\$ 2,991,061</u>
Fund balances:			
Beginning of year, July 1		<u>14,901,866</u>	
End of year, June 30		<u>\$ 17,892,927</u>	

Beaufort County, North Carolina
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2005

	<u>Revaluation</u>	<u>Economic Development</u>	<u>Washington Administrative Unit</u>	<u>Fire Tax Districts</u>	<u>Arbitrage Reserve</u>	<u>E911 Service</u>
Assets:						
Cash and Cash Equivalents	\$ 11,701	\$ 45,538	\$ -	\$ -	\$ -	\$ 403,688
Accounts Receivable	-	4,665	-	-	-	31,844
Taxes Receivable (Net)	-	-	11,311	133,656	-	-
Due from other funds	-	-	-	-	-	-
Total Assets	<u>\$ 11,701</u>	<u>\$ 50,203</u>	<u>\$ 11,311</u>	<u>\$ 133,656</u>	<u>\$ -</u>	<u>\$ 435,532</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ 3,633	\$ -	\$ -	\$ -	\$ 102
Due to other funds	-	1,453	-	-	-	22,131
Deferred Revenue	-	-	11,311	133,656	-	-
Total Liabilities	<u>-</u>	<u>5,086</u>	<u>11,311</u>	<u>133,656</u>	<u>-</u>	<u>22,233</u>
Fund Balances:						
Reserved by State Statute Designated for Subsequent Year's Expenditures	-	-	-	-	-	31,844
Undesignated	<u>11,701</u>	<u>45,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,455</u>
Total Fund Balances	<u>11,701</u>	<u>45,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,299</u>
Total Liabilities and Fund Balances	<u>\$ 11,701</u>	<u>\$ 50,203</u>	<u>\$ 11,311</u>	<u>\$ 133,656</u>	<u>\$ -</u>	<u>\$ 435,532</u>

<u>NC Housing Finance Agency</u>	<u>Hazardous Mitigation</u>	<u>Disaster Relief Initiative</u>	<u>NC Disaster Relief Initiative</u>	<u>Capital Reserve</u>	<u>Industrial Recruitment</u>	<u>State & Federal Seizures</u>	<u>2004 CDBG Fund</u>	<u>2001 CDBG Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 26,162	\$ 2,121	\$ 68,936	\$ (3,799)	\$ 326,285	\$ -	\$ 68,684	\$ (33,618)	\$ (75,632)	\$ 840,066
-	-	-	-	-	-	6,226	-	-	42,735
-	-	-	-	-	-	-	-	-	144,967
-	-	-	-	-	-	-	-	-	-
<u>\$ 26,162</u>	<u>\$ 2,121</u>	<u>\$ 68,936</u>	<u>\$ (3,799)</u>	<u>\$ 326,285</u>	<u>\$ -</u>	<u>\$ 74,910</u>	<u>\$ (33,618)</u>	<u>\$ (75,632)</u>	<u>\$ 1,027,768</u>
\$ -	\$ -	\$ 94,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,235
-	-	-	-	-	-	6,786	-	-	30,370
-	-	-	-	-	-	-	-	-	144,967
-	-	94,500	-	-	-	6,786	-	-	273,572
-	-	-	-	-	-	6,226	-	-	38,070
26,162	2,121	(25,564)	(3,799)	326,285	-	61,898	(33,618)	(75,632)	716,126
<u>26,162</u>	<u>2,121</u>	<u>(25,564)</u>	<u>(3,799)</u>	<u>326,285</u>	<u>-</u>	<u>68,124</u>	<u>(33,618)</u>	<u>(75,632)</u>	<u>754,196</u>
<u>\$ 26,162</u>	<u>\$ 2,121</u>	<u>\$ 68,936</u>	<u>\$ (3,799)</u>	<u>\$ 326,285</u>	<u>\$ -</u>	<u>\$ 74,910</u>	<u>\$ (33,618)</u>	<u>\$ (75,632)</u>	<u>\$ 1,027,768</u>

Fountain Power Boats Water/Sewer	NC Crisis Housing	HMGP Buyout	HMGP Bonnie	Hospital Renovations	Delta City Sewer	Hurricane	Pantego Sewer	Economic Development	Animal Shelter	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 14,394	\$ 220	\$ (17,250)	\$ 62,872	\$ 57,352	\$ (9,897)	\$ -	\$ 262,793	\$ 467,033	\$ 837,517	\$ 1,677,583
-	-	-	-	-	-	-	-	-	331	331	43,066
-	-	-	-	-	-	-	-	-	-	-	144,967
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 14,394</u>	<u>\$ 220</u>	<u>\$ (17,250)</u>	<u>\$ 62,872</u>	<u>\$ 57,352</u>	<u>\$ (9,897)</u>	<u>\$ -</u>	<u>\$ 262,793</u>	<u>\$ 467,364</u>	<u>\$ 837,848</u>	<u>\$ 1,865,616</u>
\$ -	\$ -	\$ -	\$ -	\$ 45,394	\$ -	\$ -	\$ -	\$ -	\$ 15,713	\$ 61,107	\$ 159,342
-	-	-	-	-	-	-	-	627,215	-	627,215	657,585
-	-	-	-	-	-	-	-	-	-	-	144,967
-	-	-	-	45,394	-	-	-	627,215	15,713	688,322	961,894
-	-	-	-	-	-	-	-	-	-	-	38,070
-	-	-	-	-	-	-	-	-	-	-	-
-	14,394	220	(17,250)	17,478	57,352	(9,897)	-	(364,422)	451,651	149,526	865,652
-	14,394	220	(17,250)	17,478	57,352	(9,897)	-	(364,422)	451,651	149,526	903,722
<u>\$ -</u>	<u>\$ 14,394</u>	<u>\$ 220</u>	<u>\$ (17,250)</u>	<u>\$ 62,872</u>	<u>\$ 57,352</u>	<u>\$ (9,897)</u>	<u>\$ -</u>	<u>\$ 262,793</u>	<u>\$ 467,364</u>	<u>\$ 837,848</u>	<u>\$ 1,865,616</u>

Beaufort County, North Carolina
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2005

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service	NC Housing Finance Agency
Revenues:							
Ad Valorem Taxes	\$ -	\$ -	\$ 333	\$ 1,177,696	\$ -	\$ -	\$ -
Investment Earnings	-	749	-	-	2,777	-	-
Sales Tax Revenue	-	-	-	-	-	-	-
Restricted Intergovernmental	-	300,124	-	-	-	315,471	-
Other	-	16,730	-	-	-	-	-
Total revenues	<u>-</u>	<u>317,603</u>	<u>333</u>	<u>1,177,696</u>	<u>2,777</u>	<u>315,471</u>	<u>-</u>
Expenditures:							
Current:							
Public Safety	-	-	-	1,177,696	-	259,220	-
Education	-	-	333	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Economic and Physical Development	-	288,300	-	-	156,891	-	-
Total Expenditures	<u>-</u>	<u>288,300</u>	<u>333</u>	<u>1,177,696</u>	<u>156,891</u>	<u>259,220</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>29,303</u>	<u>-</u>	<u>-</u>	<u>(154,114)</u>	<u>56,251</u>	<u>-</u>
Other Financing Sources:							
Transfers In	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-
From Primary Government	-	-	-	-	-	-	-
Proceeds from Debt Issuance	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>29,303</u>	<u>-</u>	<u>-</u>	<u>(154,114)</u>	<u>56,251</u>	<u>-</u>
Fund balances:							
Beginning of Year, July 1	<u>11,701</u>	<u>15,814</u>	<u>-</u>	<u>-</u>	<u>154,114</u>	<u>357,048</u>	<u>26,162</u>
End of year, June 30	<u>\$ 11,701</u>	<u>\$ 45,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,299</u>	<u>\$ 26,162</u>

Hazardous Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Industrial Recruitment	State & Federal Seizures	2004 CDBG Fund	2001 CDBG Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178,029
-	-	-	6,991	-	-	-	-	10,517
-	-	-	-	-	-	-	-	-
-	-	-	-	-	120,986	353,557	-	1,090,138
-	-	-	-	-	2,629	-	-	19,359
-	-	-	6,991	-	123,615	353,557	-	2,298,043
-	-	-	-	-	105,939	-	-	1,542,855
-	-	-	-	-	-	-	-	333
-	-	-	-	-	-	-	-	-
-	-	-	-	45,707	-	387,175	15,790	893,863
-	-	-	-	45,707	105,939	387,175	15,790	2,437,051
-	-	-	6,991	(45,707)	17,676	(33,618)	(15,790)	(139,008)
-	-	-	-	45,707	-	-	-	45,707
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	45,707	-	-	-	45,707
-	-	-	6,991	-	17,676	(33,618)	(15,790)	(93,301)
2,121	(25,564)	(3,799)	319,294	-	50,448	-	(59,842)	847,497
\$ 2,121	\$ (25,564)	\$ (3,799)	\$ 326,285	\$ -	\$ 68,124	\$ (33,618)	\$ (75,632)	\$ 754,196

Fountain Power Boats Water/Sewer	NC Crisis Housing	HMGP Buyout	HMGP Bonnie	Hospital Renovations	Delta City Sewer	Hurricane	Pantego Sewer	Economic Development	Animal Shelter	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178,029
-	-	-	-	25,120	-	-	-	-	11,602	36,722	47,239
-	-	-	-	-	-	24,426	71,530	-	-	95,956	1,186,094
-	-	-	-	-	-	-	-	-	1,650	1,650	21,009
-	-	-	-	25,120	-	24,426	71,530	-	13,252	134,328	2,432,371
-	-	-	-	-	-	-	-	-	-	-	1,542,855
-	-	-	-	-	-	-	-	-	-	-	333
-	-	-	-	-	-	-	-	-	-	-	-
-	46,539	-	5,251	-	-	34,323	71,530	627,215	265,428	1,050,286	1,944,149
-	46,539	-	5,251	-	-	34,323	71,530	627,215	265,428	1,050,286	3,487,337
-	(46,539)	-	(5,251)	25,120	-	(9,897)	-	(627,215)	(252,176)	(915,958)	(1,054,966)
-	-	-	-	-	-	-	-	-	-	-	45,707
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	262,793	-	262,793	262,793
-	-	-	-	-	-	-	-	262,793	-	262,793	308,500
-	(46,539)	-	(5,251)	25,120	-	(9,897)	-	(364,422)	(252,176)	(653,165)	(746,466)
-	60,933	220	(11,999)	(7,642)	57,352	-	-	-	703,827	802,691	1,650,188
\$ -	\$ 14,394	\$ 220	\$ (17,250)	\$ 17,478	\$ 57,352	\$ (9,897)	\$ -	\$ (364,422)	\$ 451,651	\$ 149,526	\$ 903,722

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, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Miscellaneous	\$	\$ -	\$
Investment Earnings		-	
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Total Economic & Physical Development	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	-	-
Proceeds from Lease Purchase	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of Year, July 1		<u>11,701</u>	
End of Year, June 30		<u>\$ 11,701</u>	

Beaufort County, North Carolina
Economic Development
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 300,124	\$
Investment Earnings		749	
Other income		16,730	
Total revenues	<u>299,700</u>	<u>317,603</u>	<u>17,903</u>
Expenditures:			
Economic and Physical development		288,300	
Total Expenditures	<u>299,700</u>	<u>288,300</u>	<u>11,400</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>29,303</u>	<u>29,303</u>
Other Financing Sources (Uses):			
Proceeds from Installment Loan			
Operating Transfers in	-	-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>-</u>	<u>29,303</u>	<u>29,303</u>
Fund Balance Appropriated		<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>29,303</u>	<u>\$ 29,303</u>
Fund Balance:			
Beginning of Year, July 1		<u>15,814</u>	
End of Year, June 30		<u>\$ 45,117</u>	

Beaufort County, North Carolina
Washington Administrative Unit
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$ _____	\$ _____ 333	\$ _____ 333
Expenditures:			
Education - School current expense	_____	333	
Total Expenditures	_____	333	(333)
Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	-	-
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ _____ -	-	\$ _____ -
Fund Balance:			
Beginning of Year, July 1		_____ -	
End of Year, June 30		\$ _____ -	

Beaufort County, North Carolina
Fire District Funds (All Fire Districts)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad valorem taxes:			
Total Revenues	\$ 1,055,010	1,177,696	\$ 122,686
Expenditures:			
Public safety:			
Total Expenditures	1,055,010	1,177,696	(122,686)
Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Proceeds from Installment Loan	-	-	-
Transfer to General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	-	-
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		-	
End of Year, June 30		\$ -	

Beaufort County, North Carolina
Arbitrage Reserve
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Investment Earnings	\$ -	\$ 2,777	\$ 2,777
Expenditures	-	156,891	(156,891)
Revenues Over (Under) Expenditures	-	(154,114)	(154,114)
Other Financing Sources (Uses):			
Operating Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	(154,114)	(154,114)
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Transfer in(out)	-	-	-
Fund Balance Over (Under) Expenditures and Other Uses	\$ -	(154,114)	\$ (154,114)
Fund Balance:			
Beginning of Year, July 1		154,114	
End of Year, June 30		\$ -	

Beaufort County, North Carolina
E911 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Emergency Telephone System Charges		\$ 315,471	
Total Revenues	\$ 240,759	315,471	\$ 74,712
Expenditures:			
Public safety:			
E 911 Service		240,133	
Capital Outlay		19,087	
Total Expenditures	240,759	259,220	(18,461)
Revenues Over (Under) Expenditures	-	56,251	56,251
Other Financing Sources (Uses):			
Proceeds from Lease Purchase	-	-	-
Transfer to General Fund	-	-	-
Transfer from General Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	56,251	56,251
Fund Balance Appropriated		-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	56,251	\$ 56,251
Fund Balance:			
Beginning of Year, July 1		357,048	
End of Year, June 30		\$ 413,299	

Beaufort County, North Carolina
NC Housing Finance Agency
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental Emergency Management Grant	\$ 500,000	\$ 455,587	\$ -	\$ 455,587	\$ (44,413)
Total Revenues	<u>500,000</u>	<u>455,587</u>	<u>-</u>	<u>455,587</u>	<u>(44,413)</u>
Expenditures:					
Current:					
Economic and physical development	515,000	444,426	-	444,426	70,574
Revenues over expenditures	(15,000)	11,161	-	11,161	26,161
Other Financing Sources (Uses):					
Operating Transfer from General Fund	15,000	15,000	-	15,000	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 26,161	-	\$ 26,161	\$ 26,161
Fund balances:					
Beginning of year, July 1			<u>26,162</u>		
End of year, June 30			\$ <u>26,162</u>		

Beaufort County, North Carolina
Hazardous Mitigation
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental					
Emergency management & State grant	4,412,844	4,549,239	-	4,549,239	136,395
Total Revenues	<u>4,412,844</u>	<u>4,549,239</u>	<u>-</u>	<u>4,549,239</u>	<u>136,395</u>
Expenditures:					
Current:					
Economic and physical development:	4,412,844	4,547,118	-	4,547,118	(134,274)
Revenues over expenditures	-	2,121	-	2,121	2,121
Other Financing Sources (Uses):					
Residual Equity Transfer from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 2,121</u>	-	<u>\$ 2,121</u>	<u>\$ 2,121</u>
Fund balances:					
Beginning of year, July 1			2,121		
End of year, June 30			<u>\$ 2,121</u>		

Beaufort County, North Carolina
Disaster Relief Initiative Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental Interest Income	\$ 1,621,128	\$ 1,618,686	\$ -	\$ 1,618,686	\$ (2,442)
Total Revenues	<u>1,621,128</u>	<u>1,618,686</u>	<u>-</u>	<u>1,618,686</u>	<u>(2,442)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>1,201,128</u>	<u>1,234,250</u>	<u>-</u>	<u>1,234,250</u>	<u>(33,122)</u>
Revenues over expenditures	420,000	384,436	-	384,436	(35,564)
Other Financing Sources (Uses):					
Transfers to other funds	<u>(420,000)</u>	<u>(410,000)</u>	<u>-</u>	<u>(410,000)</u>	<u>(10,000)</u>
Total Other Financing Sources (Uses)	<u>(420,000)</u>	<u>(410,000)</u>	<u>-</u>	<u>(410,000)</u>	<u>(10,000)</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(25,564)</u>	-	\$ <u>(25,564)</u>	\$ <u>(25,564)</u>
Fund balances:					
Beginning of year, July 1			<u>(25,564)</u>		
End of year, June 30			\$ <u>(25,564)</u>		

Beaufort County, North Carolina
NC Disaster Relief Initiative Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental Interest Income	\$ 850,000	\$ 603,456	\$ -	\$ 603,456	\$ (246,544)
Total Revenues	<u>850,000</u>	<u>603,456</u>	<u>-</u>	<u>603,456</u>	<u>(246,544)</u>
Expenditures:					
Current:					
Economic and physical development:	850,000	847,255	-	847,255	2,745
Revenues over expenditures	-	(243,799)	-	(243,799)	(243,799)
Other Financing Sources (Uses):					
Transfers to other funds	-	240,000	-	240,000	(240,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>(240,000)</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (3,799)</u>	-	<u>\$ (3,799)</u>	<u>\$ (3,799)</u>
Fund balances:					
Beginning of year, July 1			<u>(3,799)</u>		
End of year, June 30			<u>\$ (3,799)</u>		

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, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Investment Earnings	\$ -	\$ 6,991	\$ 6,991
Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	6,991	6,991
Other Financing Sources (Uses):			
Operating Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	6,991	6,991
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	6,991	\$ 6,991
Fund Balance:			
Beginning of Year, July 1		319,294	
End of Year, June 30		\$ 326,285	

Beaufort County, North Carolina
CDBG Fund
01-C-0852
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 333,805	\$ -	\$ 333,805	\$ (66,195)
Restricted intergovernmental	700,000	751,827	-	751,827	51,827
Interest Income	-	-	-	-	-
Total Revenues	<u>1,100,000</u>	<u>1,085,632</u>	<u>-</u>	<u>1,085,632</u>	<u>(14,368)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>1,190,000</u>	<u>1,157,275</u>	<u>15,790</u>	<u>1,173,065</u>	<u>16,935</u>
Revenues over expenditures	(90,000)	(71,643)	(15,790)	(87,433)	2,567
Other Financing Sources (Uses):					
Local contribution	<u>90,000</u>	<u>11,801</u>	<u>-</u>	<u>11,801</u>	<u>78,199</u>
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>11,801</u>	<u>-</u>	<u>11,801</u>	<u>78,199</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (59,842)</u>	(15,790)	<u>\$ (75,632)</u>	<u>\$ (75,632)</u>
Fund balances:					
Beginning of year, July 1			<u>(59,842)</u>		
End of year, June 30			<u>\$ (75,632)</u>		

Beaufort County, North Carolina
CDBG Fund
04-C-1222
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ -	\$ 353,557	\$ 353,557	\$ (46,443)
Interest Income	-	-	-	-	-
Total Revenues	<u>400,000</u>	<u>-</u>	<u>353,557</u>	<u>353,557</u>	<u>(46,443)</u>
Expenditures:					
Current:					
Economic and physical development:	400,000	-	387,175	387,175	12,825
Revenues over expenditures	-	-	(33,618)	(33,618)	(33,618)
Other Financing Sources (Uses):					
Local contribution	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	(33,618)	<u>\$ (33,618)</u>	<u>\$ (33,618)</u>
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ (33,618)</u>		

Beaufort County, North Carolina
Industrial Recruitment
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ -	\$
Miscellaneous		-	
Investment Earnings		-	
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures		45,707	
Total Economic & Physical Development	<u>45,707</u>	<u>45,707</u>	<u>-</u>
Total Expenditures	<u>45,707</u>	<u>45,707</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(45,707)</u>	<u>(45,707)</u>	<u>-</u>
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	45,707	-
Proceeds from Lease Purchase	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>45,707</u>	<u>45,707</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	-	-
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance:			
Beginning of Year, July 1		<u>-</u>	
End of Year, June 30		\$ <u>-</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, 2005

	2005		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 120,986	\$
Miscellaneous		2,629	
Investment Earnings		-	
Total Revenue	-	<u>123,615</u>	<u>123,615</u>
Expenditures		105,939	
Total Economic & Physical Development	-	<u>105,939</u>	<u>(105,939)</u>
Total Expenditures	-	<u>105,939</u>	<u>(105,939)</u>
Revenues Over (Under) Expenditures	-	<u>17,676</u>	<u>17,676</u>
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	-	-
Proceeds from Lease Purchase	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	17,676	17,676
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$	17,676	\$
	<u>-</u>	<u>17,676</u>	<u>17,676</u>
Fund Balance:			
Beginning of Year, July 1		<u>50,448</u>	
End of Year, June 30		<u>\$ 68,124</u>	

Beaufort County, North Carolina
Capital Project Fund - Fountain Power Boats Water/Sewer
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Economic Development grant	\$ 925,000	\$ 397,844	\$ -	\$ 397,844	\$ (527,156)
CDBG Grant	432,512	431,648	-	431,648	(864)
Total Revenues	<u>1,357,512</u>	<u>829,492</u>	<u>-</u>	<u>829,492</u>	<u>(528,020)</u>
Expenditures					
Administration	42,800	39,781	-	39,781	3,019
Construction	1,314,712	789,711	-	789,711	525,001
Total Expenditures	<u>1,357,512</u>	<u>829,492</u>	<u>-</u>	<u>829,492</u>	<u>528,020</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

Beaufort County, North Carolina
Capital Project Fund - NC Crisis Housing
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
Revenues					
NC Crisis Housing	\$ 8,370,422	\$ 8,149,776	\$ -	\$ 8,149,776	\$ (220,646)
Investment Income	-	-	-	-	-
Total Revenues	<u>8,370,422</u>	<u>8,149,776</u>	<u>-</u>	<u>8,149,776</u>	<u>(220,646)</u>
Expenditures					
Economic & Physical Development:					
Administration	799,000	719,819	7,474	727,293	71,707
Rehabilitation	3,086,430	2,761,036	25,124	2,786,160	300,270
Replacement	4,104,570	4,304,084	-	4,304,084	(199,514)
Relocation	277,211	222,690	-	222,690	54,521
Other	103,211	81,214	13,941	95,155	8,056
Total Expenditures	<u>8,370,422</u>	<u>8,088,843</u>	<u>46,539</u>	<u>8,135,382</u>	<u>235,040</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>60,933</u>	<u>(46,539)</u>	<u>14,394</u>	<u>14,394</u>
Other financing sources:					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 60,933</u>	<u>(46,539)</u>	<u>\$ 14,394</u>	<u>\$ 14,394</u>
Fund balances:					
Beginning of year, July 1			<u>60,933</u>		
End of year, June 30			<u>\$ 14,394</u>		

Beaufort County, North Carolina
Capital Project Fund - HMGP Buyout
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ 337,844	\$ 222,739	\$ -	\$ 222,739	\$ (115,105)
Investment Income	-	-	-	-	-
Total Revenues	<u>337,844</u>	<u>222,739</u>	<u>-</u>	<u>222,739</u>	<u>(115,105)</u>
Expenditures					
Economic & Physical Development:					
Administration	16,088	13,763	-	13,763	2,325
Support	11,100	3,458	-	3,458	7,642
Acquisition	310,656	205,298	-	205,298	105,358
Total Expenditures	<u>337,844</u>	<u>222,519</u>	<u>-</u>	<u>222,519</u>	<u>115,325</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>220</u>	<u>-</u>	<u>220</u>	<u>220</u>
Other financing sources:					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 220</u>	<u>-</u>	<u>\$ 220</u>	<u>\$ 220</u>
Fund balances:					
Beginning of year, July 1			<u>220</u>		
End of year, June 30			<u>\$ 220</u>		

Beaufort County, North Carolina
Capital Project Fund - HMGP Bonnie
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ 1,392,222	\$ 1,388,392	\$ -	\$ 1,388,392	\$ (3,830)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,392,222</u>	<u>1,388,392</u>	<u>-</u>	<u>1,388,392</u>	<u>(3,830)</u>
Expenditures					
Economic & Physical Development:					
Administration	24,279	23,668	-	23,668	611
Survey/Easements	111,078	72,979	-	72,979	38,099
Relocation	18,150	10,450	-	10,450	7,700
Construction	1,238,715	1,293,294	5,251	1,298,545	(59,830)
Total Expenditures	<u>1,392,222</u>	<u>1,400,391</u>	<u>5,251</u>	<u>1,405,642</u>	<u>(13,420)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(11,999)</u>	<u>(5,251)</u>	<u>(17,250)</u>	<u>(17,250)</u>
Other financing sources:					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(5,251)</u>	<u>\$ (17,250)</u>	<u>\$ (17,250)</u>
Fund balances:					
Beginning of year, July 1			<u>(11,999)</u>		
End of year, June 30			<u>\$ (17,250)</u>		

Beaufort County, North Carolina
Capital Project Fund - Hospital Renovations
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	19,714	-	19,714	19,714
Investment Income	210,000	254,033	25,120	279,153	69,153
Total Revenues	<u>210,000</u>	<u>273,747</u>	<u>25,120</u>	<u>298,867</u>	<u>88,867</u>
Expenditures					
Economic & Physical Development:					
Construction	6,540,000	6,947,248	-	6,947,248	(407,248)
Contingency	170,000	-	-	-	170,000
Total Expenditures	<u>6,710,000</u>	<u>6,947,248</u>	<u>-</u>	<u>6,947,248</u>	<u>(237,248)</u>
Revenues Over (Under) Expenditures	<u>(6,500,000)</u>	<u>(6,673,501)</u>	<u>25,120</u>	<u>(6,648,381)</u>	<u>(148,381)</u>
Other financing sources:					
Transfer in	1,500,000	165,859	-	165,859	(1,334,141)
Proceeds from long term debt	5,000,000	6,500,000	-	6,500,000	1,500,000
Total Other Financing Sources (Uses)	<u>6,500,000</u>	<u>6,665,859</u>	<u>-</u>	<u>6,665,859</u>	<u>165,859</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (7,642)</u>	<u>25,120</u>	<u>\$ 17,478</u>	<u>\$ 17,478</u>
Fund balances:					
Beginning of year, July 1			<u>(7,642)</u>		
End of year, June 30			<u>\$ 17,478</u>		

Beaufort County, North Carolina
Capital Project Fund - Delta City Sewer
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ 1,719,365	\$ 1,228,349	\$ -	\$ 1,228,349	\$ (491,016)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,719,365</u>	<u>1,228,349</u>	<u>-</u>	<u>1,228,349</u>	<u>(491,016)</u>
Expenditures					
Economic & Physical Development:					
Construction	1,920,365	1,371,997	-	1,371,997	548,368
Contingency	-	-	-	-	-
Total Expenditures	<u>1,920,365</u>	<u>1,371,997</u>	<u>-</u>	<u>1,371,997</u>	<u>548,368</u>
Revenues Over (Under) Expenditures	<u>(201,000)</u>	<u>(143,648)</u>	<u>-</u>	<u>(143,648)</u>	<u>57,352</u>
Other financing sources:					
Local contribution	201,000	201,000	-	201,000	-
Total Other Financing Sources (Uses)	<u>201,000</u>	<u>201,000</u>	<u>-</u>	<u>201,000</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 57,352</u>	<u>-</u>	<u>\$ 57,352</u>	<u>\$ 57,352</u>
Fund balances:					
Beginning of year, July 1			<u>57,352</u>		
End of year, June 30			<u>\$ 57,352</u>		

Beaufort County, North Carolina
Hurricane Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2005

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental - HMGP	\$ 1,160,178	\$ -	\$ 24,426	\$ 24,426	\$ (1,135,752)
Restricted intergovernmental - CDBG	-	-	-	-	-
Interest Income	-	-	-	-	-
Total Revenues	<u>1,160,178</u>	<u>-</u>	<u>24,426</u>	<u>24,426</u>	<u>(1,135,752)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>1,160,178</u>	<u>-</u>	<u>34,323</u>	<u>34,323</u>	<u>1,125,855</u>
Revenues over expenditures	-	-	(9,897)	(9,897)	(9,897)
Other Financing Sources (Uses):					
Homeowners contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	(9,897)	<u>\$ (9,897)</u>	<u>\$ (9,897)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (9,897)</u>		

Beaufort County, North Carolina
Capital Project Fund - Public Schools
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Sale of Bonds	\$ 17,219,624	\$ -	\$ 17,000,000	\$ 17,000,000	\$ (219,624)
Investment Income	-	-	131,776	131,776	131,776
Total Revenues	<u>17,219,624</u>	<u>-</u>	<u>17,131,776</u>	<u>17,131,776</u>	<u>(87,848)</u>
Expenditures					
Economic & Physical Development:					
Construction	17,219,624	-	1,964,931	1,964,931	15,254,693
Total Expenditures	<u>17,219,624</u>	<u>-</u>	<u>1,964,931</u>	<u>1,964,931</u>	<u>15,254,693</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>15,166,845</u>	<u>15,166,845</u>	<u>15,166,845</u>
Other financing sources:					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>15,166,845</u>	<u>\$ 15,166,845</u>	<u>\$ 15,166,845</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 15,166,845</u>		

Beaufort County, North Carolina
Capital Project Fund - Industrial Ready Building
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Sale of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Economic & Physical Development:					
Construction	1,400,000	-	627,215	627,215	772,785
Total Expenditures	<u>1,400,000</u>	<u>-</u>	<u>627,215</u>	<u>627,215</u>	<u>772,785</u>
Revenues Over (Under) Expenditures	<u>(1,400,000)</u>	<u>-</u>	<u>(627,215)</u>	<u>(627,215)</u>	<u>772,785</u>
Other financing sources:					
Loan Proceeds	1,400,000	-	262,793	262,793	(1,137,207)
Total Other Financing Sources (Uses)	<u>1,400,000</u>	<u>-</u>	<u>262,793</u>	<u>262,793</u>	<u>(1,137,207)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	(364,422)	<u>\$ (364,422)</u>	<u>\$ (364,422)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (364,422)</u>		

Beaufort County, North Carolina
Capital Project Fund - Animal Shelter
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Donations	\$ -	\$ -	\$ 1,650	\$ 1,650	\$ 1,650
Investment Income	-	4,804	11,602	16,406	16,406
Total Revenues	<u>-</u>	<u>4,804</u>	<u>13,252</u>	<u>18,056</u>	<u>18,056</u>
Expenditures					
Economic & Physical Development:					
Construction	787,909	88,886	265,428	354,314	433,595
Contingency	-	-	-	-	-
Total Expenditures	<u>787,909</u>	<u>88,886</u>	<u>265,428</u>	<u>354,314</u>	<u>433,595</u>
Revenues Over (Under) Expenditures	<u>(787,909)</u>	<u>(84,082)</u>	<u>(252,176)</u>	<u>(336,258)</u>	<u>451,651</u>
Other financing sources:					
Transfer in from general fund	787,909	787,909	-	787,909	-
Total Other Financing Sources (Uses)	<u>787,909</u>	<u>787,909</u>	<u>-</u>	<u>787,909</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 703,827</u>	<u>(252,176)</u>	<u>\$ 451,651</u>	<u>\$ 451,651</u>
Fund balances:					
Beginning of year, July 1			<u>703,827</u>		
End of year, June 30			<u>\$ 451,651</u>		

Beaufort County, North Carolina
Capital Project Fund - Pantego Sewer
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grants	\$ 338,657	\$ -	\$ 71,530	\$ 71,530	\$ (267,127)
Investment Income	-	-	-	-	-
Total Revenues	<u>338,657</u>	<u>-</u>	<u>71,530</u>	<u>71,530</u>	<u>(267,127)</u>
Expenditures					
Economic & Physical Development:					
Construction	338,657	-	71,530	71,530	267,127
Total Expenditures	<u>338,657</u>	<u>-</u>	<u>71,530</u>	<u>71,530</u>	<u>267,127</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:					
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

Enterprise Funds

Beaufort County, North Carolina
Enterprise Fund
Combining Statement of Net Assets
June 30, 2005

	Water District I	Water District II	Water District III	Water District IV
Assets				
Current Assets:				
Cash and Investments	\$ 50,649	\$ 418,684	\$ 8,841	\$ (101,987)
Accounts Receivable (Net)	112,122	163,636	141,779	157,324
Due from other Water Districts	-	-	-	-
Due from General fund	-	-	-	-
Total Current Assets	<u>162,771</u>	<u>582,320</u>	<u>150,620</u>	<u>55,337</u>
Restricted assets:				
Cash	256,044	124,007	-	240,755
Capital Assets (Net)	<u>8,097,423</u>	<u>3,856,979</u>	<u>5,488,013</u>	<u>13,158,845</u>
Total Assets	<u>\$ 8,516,238</u>	<u>\$ 4,563,306</u>	<u>\$ 5,638,633</u>	<u>\$ 13,454,937</u>
Liabilities and Fund Equities				
Current Liabilities:				
Accounts Payable & Accrued Expenses	\$ 6,365	\$ 9,144	\$ 22,536	\$ 9,392
Accounts payable from restricted assets	-	-	12,589	-
Due to other Water Districts	-	-	-	-
Due to General Fund	729	1,057	200,968	1,094
Customer Deposits	20,100	30,800	22,850	25,500
Notes payable	-	-	24,300	-
Bond \Long-term Debt - Current Maturities	61,500	73,000	85,500	113,000
Total Current Liabilities	<u>88,694</u>	<u>114,001</u>	<u>368,743</u>	<u>148,986</u>
Other Liabilities:				
Compensated Abscenses Payable	3,159	4,584	4,289	4,748
Notes payable	-	-	242,998	-
Bonds\Long-term Debt - Noncurrent	5,289,300	4,092,500	4,964,000	7,868,000
Total Other Liabilities	<u>5,292,459</u>	<u>4,097,084</u>	<u>5,211,287</u>	<u>7,872,748</u>
Total Liabilities	<u>5,381,153</u>	<u>4,211,085</u>	<u>5,580,030</u>	<u>8,021,734</u>
Net Assets:				
Invested in Capital Assets, net of related debt	3,002,667	(184,514)	171,215	5,418,600
Unrestricted	132,418	536,735	(112,612)	14,603
Total Fund Equities	<u>3,135,085</u>	<u>352,221</u>	<u>58,603</u>	<u>5,433,203</u>
Total Liabilities and Fund Equities	<u>\$ 8,516,238</u>	<u>\$ 4,563,306</u>	<u>\$ 5,638,633</u>	<u>\$ 13,454,937</u>

Water District V	Water District VI	Water District VII	Totals
\$ (112,232)	\$ 557,241	\$ (126,546)	\$ 694,650
80,851	68,871	14,775	739,358
-	-	-	-
-	-	-	-
<u>(31,381)</u>	<u>626,112</u>	<u>(111,771)</u>	<u>1,434,008</u>
-	569,789	94,827	1,285,422
<u>9,108,120</u>	<u>19,037,088</u>	<u>9,339,675</u>	<u>68,086,143</u>
<u>\$ 9,076,739</u>	<u>\$ 20,232,989</u>	<u>\$ 9,322,731</u>	<u>\$ 70,805,573</u>
\$ 4,268	\$ 3,220	\$ 1,927	\$ 56,852
-	91,951	-	104,540
-	-	-	-
519	1,404	207,329	413,100
9,875	9,599	12,550	131,274
32,225	-	-	56,525
52,000	-	79,500	464,500
<u>98,887</u>	<u>106,174</u>	<u>301,306</u>	<u>1,226,791</u>
2,259	5,935	3,696	28,670
354,480	-	-	597,478
<u>3,751,500</u>	<u>10,700,000</u>	<u>5,573,500</u>	<u>42,238,800</u>
<u>4,108,239</u>	<u>10,705,935</u>	<u>5,577,196</u>	<u>42,864,948</u>
<u>4,207,126</u>	<u>10,812,109</u>	<u>5,878,502</u>	<u>44,091,739</u>
4,917,915	8,906,877	3,781,502	26,014,262
(48,302)	514,003	(337,273)	699,572
<u>4,869,613</u>	<u>9,420,880</u>	<u>3,444,229</u>	<u>26,713,834</u>
<u>\$ 9,076,739</u>	<u>\$ 20,232,989</u>	<u>\$ 9,322,731</u>	<u>\$ 70,805,573</u>

Beaufort County, North Carolina
Enterprise Fund
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
For The Fiscal Year Ended June 30, 2005

	Water District <u>I</u>	Water District <u>II</u>	Water District <u>III</u>	Water District <u>IV</u>	Water District <u>V</u>
Operating revenues:					
Charges for Services	\$ 434,441	\$ 641,519	\$ 646,197	\$ 646,989	\$ 301,909
Water Taps	16,450	16,550	25,335	29,550	4,850
Other Operating Revenues	12,365	19,882	27,628	67,515	29,658
Total Operating Revenues	<u>463,256</u>	<u>677,951</u>	<u>699,160</u>	<u>744,054</u>	<u>336,417</u>
Operating expenses:					
Salaries and benefits	78,108	114,576	106,937	118,338	56,145
Water purchase and billing	80,185	116,749	108,541	118,312	52,718
Water operations and maintenance	69,927	93,145	87,035	112,162	45,342
Depreciation	4,323	83,858	109,281	9,022	32,664
Total operating expenses	<u>232,543</u>	<u>408,328</u>	<u>411,794</u>	<u>357,834</u>	<u>186,869</u>
Total Operating Income (Loss)	<u>230,713</u>	<u>269,623</u>	<u>287,366</u>	<u>386,220</u>	<u>149,548</u>
Nonoperating Revenues(Expenses):					
Sale of Assets	-	-	-	-	-
Grants	189,214	-	34,545	60,340	-
Transfer In (out)	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Loan reimbursement	-	-	-	-	-
Interest Earned on Investments	6,104	9,697	4,799	6,836	2,601
Interest on Long-term Debt	<u>(263,728)</u>	<u>(257,358)</u>	<u>(321,064)</u>	<u>(384,156)</u>	<u>(205,421)</u>
Total Nonoperating Revenues (Expenses)	<u>(68,410)</u>	<u>(247,661)</u>	<u>(281,720)</u>	<u>(316,980)</u>	<u>(202,820)</u>
Net income	162,303	21,962	5,646	69,240	(53,272)
Net Assets, beginning of year	<u>2,972,782</u>	<u>330,259</u>	<u>52,957</u>	<u>5,363,963</u>	<u>4,922,885</u>
Net Assets, end of year	<u>\$ 3,135,085</u>	<u>\$ 352,221</u>	<u>\$ 58,603</u>	<u>\$ 5,433,203</u>	<u>\$ 4,869,613</u>

Water District VI	Water District VII	June 30, 2005
\$ 477,787	\$ 413,202	\$ 3,562,044
30,475	14,150	137,360
57,134	66,379	280,561
<u>565,396</u>	<u>493,731</u>	<u>3,979,965</u>
160,670	91,983	726,757
43,243	14,551	534,299
130,996	96,014	634,621
21,025	6,290	266,463
<u>355,934</u>	<u>208,838</u>	<u>2,162,140</u>
<u>209,462</u>	<u>284,893</u>	<u>1,817,825</u>
-	-	-
4,512,797	106,235	4,903,131
-	-	-
-	-	-
-	-	-
7,294	3,645	40,976
<u>-</u>	<u>(272,128)</u>	<u>(1,703,855)</u>
<u>4,520,091</u>	<u>(162,248)</u>	<u>3,240,252</u>
4,729,553	122,645	5,058,077
<u>4,691,327</u>	<u>3,321,584</u>	<u>21,655,757</u>
<u>\$ 9,420,880</u>	<u>\$ 3,444,229</u>	<u>\$ 26,713,834</u>

Beaufort County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2005

	Water District I	Water District II	Water District III	Water District IV	Water District V
Cash Flows From Operating Activities:					
Cash Received from Customers/others	\$ 448,038	\$ 651,399	\$ 677,118	\$ 718,064	\$ 331,528
Cash Paid for Goods, Services, & Employees	(254,306)	(368,266)	(353,424)	(404,289)	(203,492)
Net Cash Provided by (Used for) Operating Activities	<u>193,732</u>	<u>283,133</u>	<u>323,694</u>	<u>313,775</u>	<u>128,036</u>
Cash Flows from Noncapital Financing Activities:					
Loan reimbursements	-	-	-	-	-
Operating Transfers In/(Out)	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(150,825)	(15,764)	(49,662)	(76,462)	(10,666)
Other financing activities	-	-	-	-	-
Principal Paid on Bond Maturities and Capital Leases	(59,000)	(68,500)	(104,800)	(106,500)	(74,450)
Interest Paid on Bond/Note Maturities and Capital Leases	(263,728)	(257,358)	(321,064)	(384,156)	(205,421)
Proceeds of Capital Leases, Bonds and Notes	-	-	-	-	-
Grants	189,214	-	34,545	60,340	-
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>(284,339)</u>	<u>(341,622)</u>	<u>(440,981)</u>	<u>(506,778)</u>	<u>(290,537)</u>
Cash Flows from Investing Activities:					
Interest on investments	6,104	9,697	4,799	6,836	2,601
Net Increase (Decrease) in Cash and Cash Equivalents	(84,503)	(48,792)	(112,488)	(186,167)	(159,900)
Cash and cash equivalents, July 1	391,196	591,483	121,329	324,935	47,668
Cash and cash equivalents, June 30	<u>\$ 306,693</u>	<u>\$ 542,691</u>	<u>\$ 8,841</u>	<u>\$ 138,768</u>	<u>\$ (112,232)</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Activities:					
Operating Income (Loss)	\$ 230,713	\$ 269,623	\$ 287,366	\$ 386,220	\$ 149,548
Adjustments to Reconcile Operating Income to Net Cash Provided					
Operating Activities:					
Depreciation	4,323	83,858	109,281	9,022	32,664
Changes in Assets and Liabilities:					
(Increase) Decrease					
in Accounts Receivable	(15,218)	(26,552)	(22,042)	(25,990)	(4,889)
in Due from other funds	-	-	-	-	-
Increase (Decrease)					
in Accounts Payable & accrued liabilities	(21,279)	(33,346)	(42,016)	(43,361)	(42,392)
in Due to other funds	(10,654)	(16,657)	(15,414)	(17,242)	(8,941)
in Customer Deposits	5,200	5,500	5,850	4,425	1,875
in Compensated absences payable	647	707	669	701	171
Total Adjustments	<u>(36,981)</u>	<u>13,510</u>	<u>36,328</u>	<u>(72,445)</u>	<u>(21,512)</u>
Net Cash Provided by Operating Activities	<u>\$ 193,732</u>	<u>\$ 283,133</u>	<u>\$ 323,694</u>	<u>\$ 313,775</u>	<u>\$ 128,036</u>

Water District VI	Water District VII	Totals June 30, 2005
\$ 497,211	\$ 540,497	\$ 3,863,855
<u>(238,834)</u>	<u>(308,745)</u>	<u>(2,131,356)</u>
258,377	231,752	1,732,499
-	-	-
-	-	-
-	-	-
(4,313,873)	(123,444)	(4,740,696)
-	-	-
-	(76,000)	(489,250)
-	(272,128)	(1,703,855)
-	-	-
<u>4,512,797</u>	<u>106,235</u>	<u>4,903,131</u>
198,924	(365,337)	(2,030,670)
7,294	3,645	40,976
464,595	(129,940)	(257,195)
<u>662,435</u>	<u>98,221</u>	<u>2,237,267</u>
\$ <u>1,127,030</u>	\$ <u>(31,719)</u>	\$ <u>1,980,072</u>
\$ 209,462	\$ 284,893	\$ 1,817,825
21,025	6,290	266,463
(68,185)	46,766	(116,110)
-	-	-
86,174	(98,872)	(195,092)
(2,067)	(12,456)	(83,431)
6,799	4,375	34,024
5,169	756	8,820
<u>48,915</u>	<u>(53,141)</u>	<u>(85,326)</u>
\$ <u>258,377</u>	\$ <u>231,752</u>	\$ <u>1,732,499</u>

Beaufort County, North Carolina
Enterprise Fund - Water District I
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 434,441	\$
Tap on Fees		16,450	
Miscellaneous		12,365	
Total Operating Revenues	<u>434,000</u>	<u>463,256</u>	<u>29,256</u>
Nonoperating Revenues			
Interest on Investments	<u>1,000</u>	<u>6,104</u>	<u>5,104</u>
Total Revenues	<u>435,000</u>	<u>469,360</u>	<u>34,360</u>
Expenditures:			
Administration:			
Supplies		866	
Telephone		6,358	
Travel		4,718	
Utilities		7,745	
Other administration expenses		3,640	
Total	<u>25,000</u>	<u>23,327</u>	<u>1,673</u>
Water treatment & distribution:			
Salaries and employee benefits		78,108	
Billing service		12,267	
Water purchase		67,918	
Supplies		13,261	
Maintenance		11,641	
Other expenses		21,698	
Total	<u>205,000</u>	<u>204,893</u>	<u>107</u>
Budgetary Appropriations:			
Capital Outlay		15,764	
Interest Paid		263,728	
Debt Principal		59,000	
Total	<u>339,000</u>	<u>338,492</u>	<u>508</u>
Total Expenditures	<u>569,000</u>	<u>566,712</u>	<u>2,288</u>
Revenues Over (Under) Expenditures	<u>(134,000)</u>	<u>(97,352)</u>	<u>36,648</u>

Beaufort County, North Carolina
Enterprise Fund - Water District I
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Operating Transfer to other funds		-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(134,000)	(97,352)	36,648
Appropriated Fund Balance	134,000	-	(134,000)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (97,352)	\$ (97,352)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (97,352)
Budgetary Appropriations:	
Capital Outlay	15,764
Capital contributions - grant	189,214
Principal Payments	59,000
Adjustments:	
Depreciation	(4,323)
Total reconciling items	259,655
Net Income	\$ 162,303

Beaufort County, North Carolina
Enterprise Fund - Water District II
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales		\$ 641,519	
Tap on Fees		16,550	
Miscellaneous		19,882	
Total Operating Revenues	<u>\$ 656,000</u>	<u>677,951</u>	<u>\$ 21,951</u>
Nonoperating Revenues			
Interest on Investments	<u>1,000</u>	<u>9,697</u>	<u>8,697</u>
Total Revenues	<u>657,000</u>	<u>687,648</u>	<u>30,648</u>
Expenditures:			
Administration:			
Supplies		1,308	
Telephone		9,225	
Travel		6,846	
Utilities		10,934	
Other administration expenses		5,239	
Total	<u>34,000</u>	<u>33,552</u>	<u>448</u>
Water treatment & distribution:			
Salaries and employee benefits		114,576	
Billing service		20,865	
Water purchase		95,884	
Supplies		19,242	
Maintenance		19,375	
Other expenses		20,976	
Total	<u>291,205</u>	<u>290,918</u>	<u>287</u>
Budgetary Appropriations:			
Capital Outlay		15,117	
Interest Paid		257,358	
Debt Principal		68,500	
Total	<u>331,795</u>	<u>340,975</u>	<u>(9,180)</u>
Total Expenditures	<u>657,000</u>	<u>665,445</u>	<u>(8,445)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>22,203</u>	<u>22,203</u>

Beaufort County, North Carolina
Enterprise Fund - Water District II
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Operating Transfer to other funds	-	-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	22,203	22,203
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 22,203	\$ 22,203

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 22,203
Budgetary Appropriations:	
Capital Outlay	15,117
Capital contributions - grant	-
Principal Payments	68,500
Adjustments:	
Loss on disposal of asset	-
Depreciation	(83,858)
Total reconciling items	(241)
Net Income	\$ 21,962

Beaufort County, North Carolina
Enterprise Fund - Water District III
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 646,197	\$
Tap on Fees		25,335	
Miscellaneous		27,628	
Total Operating Revenues	<u>666,000</u>	<u>699,160</u>	<u>33,160</u>
Nonoperating Revenues			
Interest on Investments	<u>400</u>	<u>4,799</u>	<u>4,399</u>
Total Revenues	<u>666,400</u>	<u>703,959</u>	<u>37,559</u>
Expenditures:			
Administration:			
Supplies		1,176	
Telephone		8,631	
Travel		6,405	
Utilities		10,478	
Other administration expenses		1,911	
Total	<u>30,000</u>	<u>28,601</u>	<u>1,399</u>
Water treatment & distribution:			
Salaries and employee benefits		106,937	
Billing service		16,652	
Water purchase		91,889	
Supplies		18,002	
Maintenance		11,375	
Other expenses		29,057	
Total	<u>275,000</u>	<u>273,912</u>	<u>1,088</u>
Budgetary Appropriations:			
Capital Outlay		15,117	
Interest Paid		321,064	
Debt Principal		104,800	
Total	<u>441,000</u>	<u>440,981</u>	<u>19</u>
Total Expenditures	<u>746,000</u>	<u>743,494</u>	<u>2,506</u>
Revenues Over (Under) Expenditures	<u>(79,600)</u>	<u>(39,535)</u>	<u>40,065</u>

Beaufort County, North Carolina
Enterprise Fund - Water District III
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Operating Transfer to other funds		-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)	<u>79,600</u>	<u>-</u>	<u>(79,600)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(39,535)	(39,535)
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (39,535)</u>	<u>\$ (39,535)</u>

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>(39,535)</u>
Budgetary Appropriations:	
Capital Outlay	15,117
Principal Payments	104,800
Capital contributions - grant	34,545
Adjustments:	
Depreciation	<u>(109,281)</u>
Total reconciling items	45,181
Net Income	<u>\$ 5,646</u>

Beaufort County, North Carolina
Enterprise Fund - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 646,989	\$
Tap on Fees		29,550	
Miscellaneous		67,515	
Total Operating Revenues	<u>670,000</u>	<u>744,054</u>	<u>74,054</u>
Nonoperating Revenues			
Interest on Investments	<u>1,000</u>	<u>6,836</u>	<u>5,836</u>
Total Revenues	<u>671,000</u>	<u>750,890</u>	<u>79,890</u>
Expenditures:			
Administration:			
Supplies		1,302	
Telephone		9,554	
Travel		7,090	
Utilities		11,391	
Other administration expenses		6,133	
Total	<u>35,500</u>	<u>35,470</u>	<u>30</u>
Water treatment & distribution:			
Salaries and employee benefits		118,338	
Billing service		18,433	
Water purchase		99,879	
Supplies		19,927	
Maintenance		17,493	
Other expenses		39,272	
Total	<u>314,000</u>	<u>313,342</u>	<u>658</u>
Budgetary Appropriations:			
Capital Outlay		16,122	
Interest Paid		384,156	
Debt Principal		106,500	
Total	<u>507,000</u>	<u>506,778</u>	<u>222</u>
Total Expenditures	<u>856,500</u>	<u>855,590</u>	<u>910</u>
Revenues Over (Under) Expenditures	<u>(185,500)</u>	<u>(104,700)</u>	<u>80,800</u>

Beaufort County, North Carolina
Enterprise Fund - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Operating Transfer to other funds		-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(185,500)	(104,700)	80,800
Appropriated Fund Balance	185,500	-	(185,500)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (104,700)	\$ (104,700)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (104,700)
Budgetary Appropriations:	
Capital Outlay	16,122
Principal Payments	106,500
Adjustments:	
Capital contribution - grant	60,340
Capital project - other revenue	-
Depreciation	(9,022)
Total reconciling items	173,940
Net Income	\$ 69,240

Beaufort County, North Carolina
 Enterprise Fund - Water District V
 Schedule of Revenues and Expenditures
 Budget and Actual - (Non-GAAP)
 For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 301,909	\$
Tap on Fees		4,850	
Miscellaneous		29,658	
Total Operating Revenues	<u>347,000</u>	<u>336,417</u>	<u>(10,583)</u>
Nonoperating Revenues			
Interest on Investments	<u>500</u>	<u>2,601</u>	<u>2,101</u>
Total Revenues	<u>347,500</u>	<u>339,018</u>	<u>(8,482)</u>
Expenditures:			
Administration:			
Supplies		620	
Telephone		4,546	
Travel		3,374	
Utilities		5,012	
Other administration expenses		3,167	
Total	<u>17,000</u>	<u>16,719</u>	<u>281</u>
Water distribution			
Salaries and employee benefits		56,145	
Billing service		8,771	
Water purchase		43,947	
Supplies		9,482	
Maintenance		8,229	
Other expenses		10,912	
Total	<u>138,000</u>	<u>137,486</u>	<u>514</u>
Budgetary Appropriations:			
Capital Outlay		10,666	
Interest Paid		205,421	
Debt Principal		74,450	
Total	<u>322,787</u>	<u>290,537</u>	<u>32,250</u>
Total Expenditures	<u>477,787</u>	<u>444,742</u>	<u>33,045</u>
Revenues Over (Under) Expenditures	<u>(130,287)</u>	<u>(105,724)</u>	<u>24,563</u>

Beaufort County, North Carolina
Enterprise Fund - Water District V
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Damage reimbursement			
Operating Transfer to other funds		-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)		-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(130,287)	(105,724)	24,563
Appropriated Fund Balance	130,287	-	(130,287)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (105,724)	\$ (105,724)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (105,724)
Budgetary Appropriations:	
Capital Outlay	10,666
Principal Payments	74,450
Capital contribution - grant	-
Adjustments:	
Loss on disposal of asset	-
Depreciation	(32,664)
Total reconciling items	52,452
Net Income	\$ (53,272)

Beaufort County, North Carolina
Enterprise Fund - Water District VI
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 477,787	\$
Tap on Fees		30,475	
Miscellaneous		57,134	
Total Operating Revenues	<u>472,000</u>	<u>565,396</u>	<u>93,396</u>
Nonoperating Revenues			
Interest on Investments	<u>43,484</u>	<u>7,294</u>	<u>(36,190)</u>
Total Revenues	<u>515,484</u>	<u>572,690</u>	<u>57,206</u>
Expenditures:			
Administration:			
Supplies		1,627	
Telephone		11,943	
Travel		8,863	
Utilities		16,861	
Other administration expenses		7,440	
Total	<u>47,500</u>	<u>46,734</u>	<u>766</u>
Water distribution:			
Salaries and employee benefits		160,670	
Billing service		23,042	
Water purchase		20,201	
Supplies		24,908	
Maintenance		21,867	
Other expenses		37,487	
Total	<u>290,000</u>	<u>288,175</u>	<u>1,825</u>
Budgetary Appropriations:			
Capital Outlay		18,725	
Interest Paid		-	
Debt Principal		-	
Total	<u>20,000</u>	<u>18,725</u>	<u>1,275</u>
Total Expenditures	<u>357,500</u>	<u>353,634</u>	<u>3,866</u>
Revenues Over (Under) Expenditures	<u>157,984</u>	<u>219,056</u>	<u>61,072</u>

Beaufort County, North Carolina
Enterprise Fund - Water District VI
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Repayment of advance		-	
Operating Transfer to other funds		-	
Operating Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	157,984	219,056	61,072
Appropriated Fund Balance	(157,984)	-	157,984
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 219,056	\$ 219,056

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 219,056
Budgetary Appropriations:	
Capital Outlay	18,725
Principal Payments	-
Adjustments:	
Loss on disposal of asset	
Capital contribution - grant	4,512,797
Capital project - transfer in	-
Depreciation	(21,025)
Total reconciling items	4,510,497
Net Income	\$ 4,729,553

Beaufort County, North Carolina
Enterprise Fund - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 413,202	\$
Tap on Fees		14,150	
Miscellaneous		66,379	
Total Operating Revenues	<u>523,000</u>	<u>493,731</u>	<u>(29,269)</u>
Nonoperating Revenues			
Interest on Investments	<u>500</u>	<u>3,645</u>	<u>3,145</u>
Total Revenues	<u>523,500</u>	<u>497,376</u>	<u>(26,124)</u>
Expenditures:			
Administration:			
Supplies		1,014	
Telephone		7,437	
Travel		5,519	
Utilities		29,274	
Other administration expenses		4,912	
Total	<u>49,000</u>	<u>48,156</u>	<u>844</u>
Water distribution:			
Salaries and employee benefits		91,983	
Billing service		14,348	
Water purchase		203	
Supplies		15,513	
Maintenance		13,617	
Other expenses		18,728	
Total	<u>155,000</u>	<u>154,392</u>	<u>608</u>
Budgetary Appropriations:			
Capital Outlay		13,815	
Interest Paid		272,128	
Debt Principal		76,000	
Total	<u>360,597</u>	<u>361,943</u>	<u>(1,346)</u>
Total Expenditures	<u>564,597</u>	<u>564,491</u>	<u>106</u>
Revenues Over (Under) Expenditures	<u>(41,097)</u>	<u>(67,115)</u>	<u>(26,018)</u>

Beaufort County, North Carolina
Enterprise Fund - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2005

	2005		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Operating Transfer to other funds			
Operating Transfer from other funds	-		
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(41,097)	(67,115)	(26,018)
Appropriated Fund Balance	41,097	-	(41,097)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (67,115)	\$ (67,115)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (67,115)
Budgetary Appropriations:	
Capital Outlay	13,815
Principal Payments	76,000
Adjustments:	
Capital contribution - grant	106,235
Loss on disposal of asset	-
Depreciation	(6,290)
Total reconciling items	189,760
Net Income	\$ 122,645

Beaufort County, North Carolina
Water District Capital Project Fund - Water District I
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant - Clean water grant	\$ 3,502,652	\$ 2,677,229	\$ 189,214	\$ 2,866,443	\$ (636,209)
Developer contribution	13,747	20,095	-	20,095	6,348
Investment Income	-	-	-	-	-
Total Revenues	<u>3,516,399</u>	<u>2,697,324</u>	<u>189,214</u>	<u>2,886,538</u>	<u>(629,861)</u>
Expenditures:					
Administration	14,238	44,815	250	45,065	(30,827)
Engineering	325,821	386,555	14,054	400,609	(74,788)
Inspection	28,750	151,804	9,879	161,683	(132,933)
Construction	9,343,947	7,358,770	114,002	7,472,772	1,871,175
Total Expenditures	<u>9,712,756</u>	<u>7,941,944</u>	<u>138,185</u>	<u>8,080,129</u>	<u>1,632,627</u>
Revenues Over (Under) Expenditures	<u>(6,196,357)</u>	<u>(5,244,620)</u>	<u>51,029</u>	<u>(5,193,591)</u>	<u>1,002,766</u>
Other financing sources:					
Bond anticipation notes	5,467,300	5,467,300	-	5,467,300	-
Transfer from/to General Fund	729,057	815,000	-	815,000	85,943
Total Other Financing Sources (Uses)	<u>6,196,357</u>	<u>6,282,300</u>	<u>-</u>	<u>6,282,300</u>	<u>85,943</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 1,037,680</u>	<u>\$ 51,029</u>	<u>\$ 1,088,709</u>	<u>\$ 1,088,709</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District II
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,800,620	\$ 222,451	\$ -	\$ 222,451	\$ (1,578,169)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,800,620</u>	<u>222,451</u>	<u>-</u>	<u>222,451</u>	<u>(1,578,169)</u>
Expenditures:					
Engineering	148,325	11,162	-	11,162	137,163
Construction	1,442,644	71,655	-	71,655	1,370,989
Interest	136,879	-	-	-	136,879
Contingency	72,772	15,627	-	15,627	57,145
Total Expenditures	<u>1,800,620</u>	<u>98,444</u>	<u>-</u>	<u>98,444</u>	<u>1,702,176</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>124,007</u>	<u>-</u>	<u>124,007</u>	<u>124,007</u>
Other financing sources:					
Transfer from other funds	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 124,007</u>	<u>\$ -</u>	<u>\$ 124,007</u>	<u>\$ 124,007</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District III
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,123,795	\$ 447,874	\$ 34,545	\$ 482,419	\$ (641,376)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,123,795</u>	<u>447,874</u>	<u>34,545</u>	<u>482,419</u>	<u>(641,376)</u>
Expenditures:					
Engineering	92,464	29,675	34,545	64,220	28,244
Construction	975,258	396,810	-	396,810	578,448
Interest	1,219	-	-	-	1,219
Contingency	54,854	33,978	-	33,978	20,876
Total Expenditures	<u>1,123,795</u>	<u>460,463</u>	<u>34,545</u>	<u>495,008</u>	<u>628,787</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(12,589)</u>	<u>-</u>	<u>(12,589)</u>	<u>(12,589)</u>
Other financing sources:					
Transfer from other funds	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (12,589)</u>	<u>\$ -</u>	<u>\$ (12,589)</u>	<u>\$ (12,589)</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District IV
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,269,300	\$ 3,197,443	\$ 60,340	\$ 3,257,783	\$ (11,517)
Tap fees	47,700	-	-	-	(47,700)
Other	70,000	14,782	-	14,782	(55,218)
Investment Income	-	74,514	-	74,514	74,514
Total Revenues	<u>3,387,000</u>	<u>3,286,739</u>	<u>60,340</u>	<u>3,347,079</u>	<u>(39,921)</u>
Expenditures:					
Engineering	610,057	554,527	4,500	559,027	51,030
Construction	6,330,020	6,585,892	55,840	6,641,732	(311,712)
Interest	604,252	525,168	-	525,168	79,084
Administrative services	700	866	-	866	(166)
Legal and accounting	51,354	51,354	-	51,354	-
Land purchase	35,000	35,000	-	35,000	-
Water district I expenses	442,536	441,159	-	441,159	1,377
Water district V expenses	362,612	362,612	-	362,612	-
Contingency	451,896	-	-	-	451,896
Total Expenditures	<u>8,888,427</u>	<u>8,556,578</u>	<u>60,340</u>	<u>8,616,918</u>	<u>271,509</u>
Revenues Over (Under) Expenditures	<u>(5,501,427)</u>	<u>(5,269,839)</u>	<u>-</u>	<u>(5,269,839)</u>	<u>231,588</u>
Other financing sources:					
From District IV Phase II	53,543	53,543	-	53,543	-
From District V	47,884	47,884	-	47,884	-
Proceeds from long term debt	5,400,000	5,400,000	-	5,400,000	-
Total other financing sources	<u>5,501,427</u>	<u>5,501,427</u>	<u>-</u>	<u>5,501,427</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 231,588</u>	<u>\$ -</u>	<u>\$ 231,588</u>	<u>\$ 231,588</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District IV - Phase II
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 5,236,000	\$ 2,194,000	\$ -	\$ 2,194,000	\$ (3,042,000)
Tap fees	-	18,924	-	18,924	18,924
Investment Income	-	18,924	-	18,924	18,924
Total Revenues	<u>5,236,000</u>	<u>2,231,848</u>	<u>-</u>	<u>2,231,848</u>	<u>(3,004,152)</u>
Expenditures:					
Engineering	358,500	353,713	-	353,713	4,787
Construction	7,309,530	4,247,097	-	4,247,097	3,062,433
Interest	263,769	114,822	-	114,822	148,947
Legal and accounting	41,982	216,150	-	216,150	(174,168)
Land purchase	1,000	1,000	-	1,000	-
Water district V expenses	249,676	249,676	-	249,676	-
Contingency	-	-	-	-	-
Total Expenditures	<u>8,224,457</u>	<u>5,182,458</u>	<u>-</u>	<u>5,182,458</u>	<u>3,041,999</u>
Revenues Over (Under) Expenditures	<u>(2,988,457)</u>	<u>(2,950,610)</u>	<u>-</u>	<u>(2,950,610)</u>	<u>37,847</u>
Other financing sources (uses):					
To District IV	(53,543)	53,543	-	53,543	107,086
Proceeds from long term debt	3,042,000	3,042,000	-	3,042,000	-
Total other financing sources & uses	<u>2,988,457</u>	<u>3,095,543</u>	<u>-</u>	<u>3,095,543</u>	<u>107,086</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 144,933</u>	<u>\$ -</u>	<u>\$ 144,933</u>	<u>\$ 144,933</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District V - Clean Water
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,819,900	\$ 1,139,907	\$ -	\$ 1,139,907	\$ (679,993)
Tap fees	-	-	-	-	-
Investment Income	-	-	-	-	-
Total Revenues	<u>1,819,900</u>	<u>1,139,907</u>	<u>-</u>	<u>1,139,907</u>	<u>(679,993)</u>
Expenditures:					
Engineering	101,218	89,292	-	89,292	11,926
Construction	1,575,454	1,153,194	-	1,153,194	422,260
Inspections	90,151	68,717	-	68,717	21,434
Legal and accounting	7,500	5,167	-	5,167	2,333
Land purchase	30,000	30,000	-	30,000	-
Contingency	15,577	-	-	-	15,577
Total Expenditures	<u>1,819,900</u>	<u>1,346,370</u>	<u>-</u>	<u>1,346,370</u>	<u>473,530</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(206,463)</u>	<u>-</u>	<u>(206,463)</u>	<u>(206,463)</u>
Other financing sources:					
Proceeds from long term debt	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (206,463)</u>	<u>\$ -</u>	<u>\$ (206,463)</u>	<u>\$ (206,463)</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District V Pantego Capital Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,895,100	\$ 1,895,100	\$ -	\$ 1,895,100	\$ -
Tap fees	645,388	612,652	-	612,652	(32,736)
Investment Income	-	32,736	-	32,736	32,736
Total Revenues	<u>2,540,488</u>	<u>2,540,488</u>	<u>-</u>	<u>2,540,488</u>	<u>-</u>
Expenditures:					
Engineering	475,435	466,608	-	466,608	8,827
Construction	5,246,933	5,247,302	-	5,247,302	(369)
Interest	380,000	388,457	-	388,457	(8,457)
Administrative services	905	906	-	906	(1)
Legal and accounting	45,015	45,015	-	45,015	-
Land purchase	37,810	37,810	-	37,810	-
Water district I expenses	306,506	306,506	-	306,506	-
Contingency	-	-	-	-	-
Total Expenditures	<u>6,492,604</u>	<u>6,492,604</u>	<u>-</u>	<u>6,492,604</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(3,952,116)</u>	<u>(3,952,116)</u>	<u>-</u>	<u>(3,952,116)</u>	<u>-</u>
Other financing sources (uses):					
Transfer to Water District IV	(47,884)	(47,884)	-	(47,884)	-
Proceeds from long term debt	4,000,000	4,000,000	-	4,000,000	-
	<u>3,952,116</u>	<u>3,952,116</u>	<u>-</u>	<u>3,952,116</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VI Southside HS
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Investment Income	-	4,492	-	4,492	4,492
Total Revenues	<u>100,000</u>	<u>104,492</u>	<u>-</u>	<u>104,492</u>	<u>4,492</u>
Expenditures:					
Engineering	57,500	57,394	-	57,394	106
Construction	471,859	459,121	-	459,121	12,738
Legal	2,500	-	-	-	2,500
Contingency	118,141	-	-	-	118,141
Total Expenditures	<u>650,000</u>	<u>516,515</u>	<u>-</u>	<u>516,515</u>	<u>133,485</u>
Revenues Over (Under) Expenditures	<u>(550,000)</u>	<u>(412,023)</u>	<u>-</u>	<u>(412,023)</u>	<u>137,977</u>
Other financing sources:					
Transfer from/to other funds	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 137,977</u>	<u>\$ -</u>	<u>\$ 137,977</u>	<u>\$ 137,977</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VI Chocowinity
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Varinace Positive (Negative)</u>
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,000,000	\$ 2,819,641	\$ 253,667	\$ 3,073,308	\$ 73,308
State grant	1,364,000	778,300	585,700	1,364,000	-
Other restricted grants	5,378,079	-	3,631,850	3,631,850	(1,746,229)
Other	-	40,744	41,580	82,324	82,324
Investment Income	-	-	-	-	-
Total Revenues	<u>9,742,079</u>	<u>3,638,685</u>	<u>4,512,797</u>	<u>8,151,482</u>	<u>(1,590,597)</u>
Expenditures:					
Engineering	924,723	802,953	142,482	945,435	(20,712)
Construction	17,240,974	12,732,397	3,549,318	16,281,715	959,259
Land purchase	197,832	83,875	-	83,875	113,957
Inspection	573,506	463,577	212,321	675,898	(102,392)
Interest	1,245,100	124,595	391,027	515,622	729,478
Contingency	359,944	-	-	-	359,944
Total Expenditures	<u>20,542,079</u>	<u>14,207,397</u>	<u>4,295,148</u>	<u>18,502,545</u>	<u>2,039,534</u>
Revenues Over (Under) Expenditures	<u>(10,800,000)</u>	<u>(10,568,712)</u>	<u>217,649</u>	<u>(10,351,063)</u>	<u>448,937</u>
Other financing sources:					
Loans	10,700,000	10,700,000	-	10,700,000	-
Transfer from/to other funds	<u>100,000</u>	<u>128,900</u>	<u>-</u>	<u>128,900</u>	<u>28,900</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 260,188</u>	<u>\$ 217,649</u>	<u>\$ 477,837</u>	<u>\$ 477,837</u>

Beaufort County, North Carolina
Water District Capital Project Fund - Water District VII
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2005

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 2,514,598	\$ 3,272,220	\$ 106,235	\$ 3,378,455	\$ 863,857
Tap fees	31,000	178,963	-	178,963	147,963
Investment Income	-	-	-	-	-
Total Revenues	<u>2,545,598</u>	<u>3,451,183</u>	<u>106,235</u>	<u>3,557,418</u>	<u>1,011,820</u>
Expenditures:					
Engineering	572,042	592,920	10,888	603,808	(31,766)
Construction	7,386,648	8,172,155	98,741	8,270,896	(884,248)
Interest	524,506	525,566	-	525,566	(1,060)
Legal and accounting	62,402	62,482	-	62,482	(80)
Contingency	-	-	-	-	-
Total Expenditures	<u>8,545,598</u>	<u>9,353,123</u>	<u>109,629</u>	<u>9,462,752</u>	<u>(917,154)</u>
Revenues Over (Under) Expenditures	<u>(6,000,000)</u>	<u>(5,901,940)</u>	<u>(3,394)</u>	<u>(5,905,334)</u>	<u>94,666</u>
Other financing sources:					
Proceeds from long term debt	<u>6,000,000</u>	<u>6,100,000</u>	<u>-</u>	<u>6,100,000</u>	<u>100,000</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 198,060</u>	<u>\$ (3,394)</u>	<u>\$ 194,666</u>	<u>\$ 194,666</u>

Combining Statement of Fiduciary Assets and Liabilities

Beaufort County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Net</u> <u>Change</u>	<u>June 30, 2005</u>
Social Services Fund:			
Cash and Investments	\$ <u>33,493</u>	\$ <u>(161)</u>	\$ <u>33,332</u>
Liabilities	\$ <u>33,493</u>	\$ <u>(161)</u>	\$ <u>33,332</u>
County Home Fund:			
Cash and Investments	\$ <u>4,403</u>	\$ <u>(4,403)</u>	\$ <u>-</u>
Liabilities	\$ <u>4,403</u>	\$ <u>(4,403)</u>	\$ <u>-</u>
Inmate Fund:			
Cash and Investments	\$ <u>7,720</u>	\$ <u>(1,246)</u>	\$ <u>6,474</u>
Liabilities	\$ <u>7,720</u>	\$ <u>(1,246)</u>	\$ <u>6,474</u>
Total - All Agency Funds:			
Cash and Investments	\$ <u>45,616</u>	\$ <u>(5,810)</u>	\$ <u>39,806</u>
Liabilities	\$ <u>45,616</u>	\$ <u>(5,810)</u>	\$ <u>39,806</u>

Other Schedules

Beaufort County, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2005

Fiscal Year	Uncollected Balance June 30, 2004	Additions	Collections And Credits	Uncollected Balance June 30, 2005
2004-2005	\$	\$ 21,185,608	\$ 20,071,700	\$ 1,113,908
2003-2004	1,327,681	5,655	835,607	497,729
2002-2003	683,609	-	317,322	366,287
2001-2002	392,652	-	142,797	249,855
2000-2001	302,247	-	75,252	226,995
1999-2000	216,544	-	48,994	167,550
1998-1999	151,391	-	24,050	127,341
1997-1998	113,109	-	16,809	96,300
1996-1997	91,397	-	12,173	79,224
1995-1996	82,202	-	8,983	73,219
1994-1995	64,095	-	64,095	-
TOTALS	\$ 3,424,927	\$ 21,191,263	\$ 21,617,782	\$ 2,998,408

Less: Allowance for uncollectable taxes (570,000)

Ad valorem taxes - General Fund \$ 2,428,408

Reconciliation with revenues:

Ad valorem taxes - General Fund \$ 21,973,594

Reconciling items:

Penalties and Interest (439,050)

Collection of Old Taxes (4,090)

Release 87,328

Total Reconciling Items (355,812)

Total Collections and Credits \$ 21,617,782

Beaufort County, North Carolina
 Analysis of Current Tax Levy
 County - Wide Levy
 For the Fiscal Year Ended June 30, 2005

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 3,541,569,167	0.6000%	\$ 21,249,415	\$ 19,071,935	\$ 2,177,480
Penalties	<u>5,658,500</u>	0.6000%	<u>33,951</u>	<u>33,951</u>	<u>-</u>
Total Original Levy	<u>3,547,227,667</u>		<u>21,283,366</u>	<u>19,105,886</u>	<u>2,177,480</u>
Discoveries:					
Current year taxes	10,665,833	0.6000%	63,995	63,995	-
Penalties	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Discoveries	<u>10,665,833</u>		<u>63,995</u>	<u>63,995</u>	<u>-</u>
Abatements					
Current Year Taxes	(26,958,833)	0.6000%	(161,753)	(130,281)	(31,472)
Penalties	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Abatements	<u>(26,958,833)</u>		<u>(161,753)</u>	<u>(130,281)</u>	<u>(31,472)</u>
Total for Year	<u>\$ 3,530,934,667</u>		21,185,608	19,039,600	2,146,008
Uncollected taxes at June 30, 2005			<u>1,113,908</u>	<u>846,049</u>	<u>267,859</u>
Current year's taxes collected			<u>\$ 20,071,700</u>	<u>\$ 18,193,551</u>	<u>\$ 1,878,149</u>
Current levy collection percentage			<u>94.74%</u>	<u>95.56%</u>	<u>87.52%</u>

**Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2005**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 2,354,037,577
Personal Property	1,101,503,683
Public Service Companies ²	<u>69,734,907</u>
Total Assessed Valuation	<u>3,525,276,167</u>
Tax Rate per \$100	0.6
Levy (includes discoveries, releases and abatements) ³	<u>\$ 21,151,657</u>

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes penalties and multi-rate for motor vehicles.

Beaufort County, North Carolina
 Schedule of Ten Largest Taxpayers
 For the Fiscal Year Ended June 30, 2005

Taxpayer	Type of Business	2004 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate Mining/Acid Production	\$ 486,839,891	13.81 %
Purified Acid Partnership	Acid Production	93,947,359	2.66
Weyerhaeuser Co.	Tree Farm Operation	58,785,620	1.67
Tideland Electric Membership	Utilities	22,376,873	0.63
Carolina Telephone & Telegraph	Communications	17,218,030	0.49
Stanadyne Automotive Corp.	Automotive Diesel Components	16,568,991	0.47
Carolina Power & Light Co.	Utilities	12,247,874	0.35
CoxCom Inc.	Communications	11,613,964	0.33
Fountain Powerboats Inc.	Powerboats	11,159,701	0.32
Flanders Filter, Inc.	Manufacturing	10,093,805	0.29
Total		<u>\$ 740,852,108</u>	<u>21.02 %</u>

Beaufort County, North Carolina
 Schedule of Transfers
 For the Fiscal Year Ended June 30, 2005

	Transfers	
	From	To
Operating Transfers From/To Component Units		
<u>Component Units</u>		
General Fund	82,070	
Warren Field Commission		82,070
Total Operating Transfers - Component Units	\$ <u>82,070</u>	\$ <u>82,070</u>



CERTIFIED PUBLIC ACCOUNTANTS

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

4024 Oleander Drive, Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872
Fax (910) 395-4872

Offices:
Wilmington, NC
Elizabethtown, NC
Whiteville, NC

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

To the Board of Commissioners
Beaufort County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Beaufort County, North Carolina, as of and for the year ended June 30, 2005, which collectively comprises Beaufort County's basic financial statements and have issued our report thereon dated November 15, 2005. We did not audit the financial statements of the Beaufort County ABC Board, Beaufort County Hospital, or Warren Field Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, Beaufort County Hospital, or Warren Field Commission is based solely on the reports 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. The financial statements of the Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Beaufort County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under Government Auditing Standards.

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

Thompson Price Scott Adams Co. PA.

*Thompson, Price, Scott, Adams & Co., P.A.
November 15, 2005*



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

4024 Oleander Drive, Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872
Fax (910) 395-4872

Offices:
Wilmington, NC
Elizabethtown, NC
Whiteville, NC

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

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of the Beaufort County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2005. Beaufort County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on the Beaufort County's compliance based on our audit.

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

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

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

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

*Thompson, Price, Scott, Adams & Co., P.A.
November 15, 2005*



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

To the Board of County Commissioners
Beaufort County, North Carolina

Compliance

We have audited the compliance of the Beaufort County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major state programs for the year ended June 30, 2005. Beaufort County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Beaufort County's management. Our responsibility is to express an opinion on the Beaufort County's compliance based on our audit.

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

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

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

Thompson Price Scott Adams & Co. P.A.

*Thompson, Price, Scott, Adams & Co., P.A.
November 15, 2005*

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2005

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

- Reportable condition(s) identified
that are not considered to be
material weaknesses yes no

Noncompliance material to financial
statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no

- Reportable condition(s) identified
that are not considered to be
material weaknesses yes none reported

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

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 yes no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
10.551/10.561	Food Stamp Cluster
93.778	Medical Assistance Program
93.568	Low-Income Home Energy Assistance (State Selected)
10.760	Water System Development

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2005

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 1,751,606

Auditee qualified as low-risk auditee? ___yes Xno

State Awards

Internal control over major state programs:

- Material weakness(es) identified? ___yes Xno
- Reportable condition(s) identified
that are not considered to be
material weaknesses ___yes Xnone reported

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

Any audit findings disclosed that are
required to be reported in accordance
with Audit Manual for Governmental
Auditors in N.C. ___yes Xno

Identification of major state programs:

Name of State Program or Cluster

State/County Special Assistance for Adults
Crisis Housing Assistance Funds
Child Care Cluster
Clean Water Bond Supplemental Program

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

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2005

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Beaufort County, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2005

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Beaufort County, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2005

Status: N/A

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:				
<u>U.S. Dept. of Agriculture</u>				
Passed-through N.C. Dept. of Agriculture:				
Water system development	10.760	\$ 4,217,550	\$ -	\$ -
Total USDA		<u>4,217,550</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
Food Stamp Cluster:				
Food Stamp Program - Nencash	10.551	5,344,654	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561	<u>302,781</u>	-	<u>302,781</u>
Total Food Stamp Cluster		<u>5,647,435</u>	<u>-</u>	<u>302,781</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Women and Children:				
Administration:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	194,411	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	1,133,013	-	-
Passed-through Mid East Commission Council of Governments:				
USDA Supplement	10.550	9,062	-	-
Total U.S. Dept. of Agriculture		<u>11,201,471</u>	<u>-</u>	<u>302,781</u>
<u>U.S. Department of Homeland Security</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Division of Emergency Management				
Bulletproof Vest Program	16.607	42,070	-	-
Home Land Security Grant Program	97.004	116,507	-	-
Public Assistance Grants - Disaster Areas	97.036	58,581	6,509	-
Public Assistance Grants Program for Infrastructure Support (FEMA)	97.039	<u>24,426</u>	-	-
		<u>241,584</u>	<u>6,509</u>	<u>-</u>
<u>Federal Emergency Management Agency</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Hazard Mitigation Grant	83.543	3,938	1,313	-
Public Disaster Assistance	83.544	<u>58,581</u>	<u>6,509</u>	-
Total Federal Emergency Management Agency		<u>62,519</u>	<u>7,822</u>	<u>-</u>

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Dept. of Health & Human Services</u>				
<u>Administration on Aging</u>				
Aging Cluster				
Passed-through Mid East Commission Council of Governments:				
Home & Community Care Block Grant:				
Access - Title III-B	93.044	5,025	10,623	1,739
In-home Services:				
Title III-B	93.044	138,764	117,102	28,431
SDBG	93.667	38,533	-	5,508
Congregate Nutrition Title III-C	93.045	27,240	9,536	4,087
Home - Delivered Nutrition - Title III-C	93.045	59,489	29,871	9,929
Total Aging Cluster		269,071	167,132	49,694
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Temporary Assistance for Needy Families	93.558	10,511	-	-
Work First Administration	93.558	96,521	32,459	55,833
TANF Domestic Violence	93.558	8,652	-	-
Work First Service	93.558	341,289	176,596	303,766
TANF Payment and Penalties	93.558	378,794	(145)	-
TANF Up	93.558	2,043	-	-
TANF Foster Care	93.558	16,367	-	-
Child Support Enforcement	93.563	410,959	-	211,706
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	136,223	-	-
Child Care Development Fund	93.596	83,273	-	-
Child Welfare Services-State Grants	93.645	13,971	3,671	1,040
Social Services Block Grant	93.667	195,462	20,239	71,900
Independent Living Grant	93.674	3,221	805	-
Foster Care and Adoption Cluster:				
Title IV-B Foster Care	93.658	421,446	57,849	227,079
Adoption Subsidy	93.659	276,201	79,692	79,692
Total Foster Care and Adoption Cluster		697,647	137,541	306,771
Division of Child Development:				
Subsidized Child Care Cluster:				
Child Care and Development Block Grant	93.575	753,874	-	-
Child Care and Development Fund - Mandatory	93.596	334,499	-	-
Child Care and Development Fund - Match	93.596	177,175	79,128	-
Social Services Block Grant	93.667	51,280	-	-
Temporary Assistance for Needy Families	93.558	213,560	-	-
Smart Start		-	36,637	-
State Appropriations		-	210,600	-
More at Four		-	-	-
TANF - Maintenance		-	456,386	-
Total Subsidized Child Care Cluster		1,490,388	782,751	-
<u>Health Care Financing Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	41,510,788	20,024,922	3,110,931
Division of Social Services:				
Medical Assistance Program	93.778	451,230	33,875	417,354
Administration:				
Health Choice	93.767	21,952	2,310	5,246
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Immunization Action Plan	93.268	15,428	-	-
Bioterrorism Grant	93.283	85,508	-	-
Statewide Health Promotion Program	93.991	19,838	-	-
Temporary Assistance for Needy Families	93.558	6,989	-	-
Breast and cervical cancer	93.919	20,400	-	-
Maternal and Child Health Services Block Grant	93.994	209,126	-	-
Total U.S. Dept. of Health and Human Services		46,495,651	21,382,156	4,534,241
<u>Dept. of Housing and Urban Development(HUD)</u>				
CDBG Grant	14.228	369,347	-	-
Total Dept. of Housing and Urban Development(HUD)		369,347	-	-
Total Federal Awards		58,370,572	21,389,978	4,837,022

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title State Awards:	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
AFDC Incentive	-	-	152	-
Foster Care at Risk Max	-	-	12,473	7,193
Work First Non Reimbursement	-	-	-	49,975
TANF	-	-	1,192	-
County Funded Programs/Non Allocating costs	-	-	-	1,014,087
State to Counties	-	-	40,934	-
CP & L Energy Program	-	-	2,471	-
State/County Special Assistance for Adults	-	-	480,524	499,024
State Foster Care Benefits Program	-	16,289	96,177	50,055
Division of Community Health:				
Communicable disease	-	-	2,684	-
General Health	-	-	21,025	-
Adolescent Health Project	-	-	61,483	-
TB Medical Services	-	-	1,776	-
Maternal Care Coordination	-	-	16,950	-
Womens Preventive Health	-	-	1,063	-
Targeted Infant Mortality Reduction	-	-	14,781	-
Health Promotion	-	-	6,796	-
Tuberculosis	-	-	22,770	-
Aids	-	-	33,923	-
Direct Grant State appropriation - soil & water	-	-	-	-
Division of Aging:				
90 % State Funds	-	-	157,770	17,531
Total N. C. Department of Health and Human Services	16,289	974,944	1,637,865	-
<u>N.C. Dept. of Juvenile Justice</u>				
Juvenile Crime Prevention	-	-	168,381	-
Total Office of Governor	-	-	168,381	-
<u>N.C. Dept. of Transportation</u>				
Elderly and Disabled Transportation Assistance Program (E&DTAP)	-	-	49,481	-
ROAF - Work First	-	-	6,707	-
Safe Roads	-	-	9,036	-
Rural General Public	-	-	30,826	-
Total N. C. Dept. Of Transportation	-	-	96,050	-
<u>N.C. Dept. of Commerce</u>				
Crisis Housing Assistance Funds	-	-	46,539	-
Total N.C. Dept. of Commerce	-	-	46,539	-
<u>N.C. Dept. of Health & Natural Resources</u>				
Scrap Tire Grant	-	-	27,693	-
Total N.C. Dept. of Health & Natural Resources	-	-	27,693	-

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<u>N.C. Department of BHNR</u> Clean Water Bond Supplemental Grants Program		-	516,369	-
<u>N.C. Dept. of Corrections</u> Criminal Justice Partnership Program			60,672	
<u>N.C. Dept. of Administration</u> Veterans		-	2,000	-
Total State Awards		16,289	1,894,648	1,637,865
Total Federal and State Awards		\$ 58,386,861	\$ 23,284,626	\$ 6,474,887

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

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



CERTIFIED PUBLIC ACCOUNTANTS

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

4024 Oleander Drive, Suite 2
Wilmington, North Carolina 28403
Telephone (910) 799-4872
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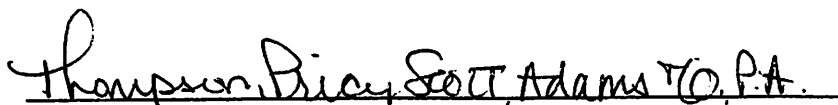
MANAGEMENT LETTER

Members of The Board of County Commissioners
Beaufort County
Washington, North Carolina

In planning and performing our audit of the basic financial statements of the Beaufort County, for the year ended June 30, 2005, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control. We noted no matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Beaufort County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements. No reportable conditions were noted. This is due to the hard work and dedication of the County's management team.

We would like to thank Mr. Spruill, Mrs. Andrew and the county staff for all the assistance given to us during the audit. It was a pleasure to work with the County staff and we look forward to serving you in the future.

This report is intended solely for the information and use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.



Thompson, Price, Scott, Adams & Co., P.A.
November 15, 2005

Members

American Institute of CPAs • N.C. Association of CPAs • AICPA Division of Firms

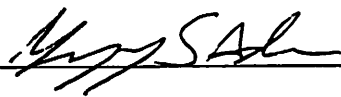
Turnaround Document

Instructions: Complete this Turnaround Document in its entirety to include each specified program. This should include even those specified programs that were not audited. Submit this form along with all required information to the Local Government Commission.

SPECIFIED PROGRAMS

Medical Assistance Program (Medicaid)	93.778
Temporary Assistance for Needy Families (TANF)	93.558
Low-Income Home Energy Assistance (LIHEAP)	93.568
State Children's Insurance Program (CHIP)	93.767
Foster Care - Title IV-E	93.658
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557

AUDITOR STATEMENT

Entity Audited:	BEAUFORT COUNTY
Year Ended:	JUNE 30, 2005
Audit Organization:	THOMPSON, PRICE, SCOTT, ADAMS & CO PA
Signature of Audit Organization:	<p>The information included on this form is based on information included in our workpapers and is limited to that prescribed by the Office of the State Auditor. We have not performed any auditing procedures since the date of the auditor's report and have not performed any additional auditing procedures in connection with the completion of this form.</p> <p>Signed: <u></u></p> <p>Title: <u>CPA</u></p>

Entity Audited:	Beaufort County
Year Ended:	June 30, 2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

A. Medical Assistance Program (93.778)		Required Responses	
1.	Indicate the program type at this entity <u>in accordance with section .520 of OMB Circular A-133?</u>	A <input checked="" type="checkbox"/>	B <input type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input checked="" type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes	No <input checked="" type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	C. and/or because it was a major program as required by the <u>State's \$300,000 single audit rule?</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4.	If the program was audited, were there any audit findings <u>related to eligibility</u> disclosed because of the audit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	25
		Number of errors	0
		Questioned Costs	\$ 0.00

Entity Audited:	Beaufort County
Year Ended:	June 30, 2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

B. Temporary Assistance for Needy Families (TANF) (93.558)		Required Responses	
1.	Indicate the program type at this entity <u>in accordance with section .520 of OMB Circular A-133?</u>	A <input type="checkbox"/>	B <input checked="" type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	C. and/or because it was a major program as required by the State's \$300,000 single audit rule?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	If the program was audited, were there any audit findings <u>related to eligibility</u> disclosed because of the audit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	
		Number of errors	
		Questioned Costs	\$

Entity Audited:	Beaufort County
Year Ended:	June 30, 2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

C. Foster Care - Title IV-E (93.658)		Required Responses	
1.	Indicate the program type at this entity <u>in accordance with section .520 of OMB Circular A-133?</u>	A <input type="checkbox"/>	B <input checked="" type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	C. and/or because it was a major program as required by the State's \$300,000 single audit rule?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	If the program was audited, were there any audit findings <u>related to eligibility</u> disclosed because of the audit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	
		Number of errors	
		Questioned Costs	\$

Entity Audited:	Beaufort County
Year Ended:	June 30, 2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

D. State Children's Insurance Program (93.767)		Required Responses	
1.	Indicate the program type at this entity <u>in accordance with section .520 of OMB Circular A-133?</u>	A <input type="checkbox"/>	B <input checked="" type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	C. and/or because it was a major program as required by the <u>State's \$300,000 single audit rule?</u>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	If the program was audited, were there any audit findings <u>related to eligibility</u> disclosed because of the audit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	
		Number of errors	
		Questioned Costs	\$

Entity Audited:	Beaufort County
Year Ended:	6/30/2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

E. Low-Income Home Energy Assistance (93.568)		Required Responses	
1.	Indicate the program type at this entity <u>in accordance with section .520 of OMB Circular A-133?</u>	A <input type="checkbox"/>	B <input checked="" type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input checked="" type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	C. and/or because it was a major program as required by the <u>State's \$300,000 single audit rule?</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4.	If the program was audited, were there any audit findings <u>related to eligibility</u> disclosed because of the audit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	25
		Number of errors	0
		Questioned Costs	\$ 0.00

Entity Audited:	Beaufort County
Year Ended:	June 30, 2005
Audit Organization:	Thompson, Price, Scott, Adams & Co., P.A.

F. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (10.557)		Required Responses	
1.	Indicate the program type at this entity in accordance with section .520 of OMB Circular A-133?	A <input type="checkbox"/>	B <input checked="" type="checkbox"/>
2.	Was a risk assessment performed on this program in accordance with sections .520 and .525 of OMB Circular A-133?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was this program's risk assessed as ...	Low Risk <input type="checkbox"/>	Not Low Risk <input type="checkbox"/>
3.	Was this program audited as a major program?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	If yes, A. Was it selected as a major program as a result of a risk assessment performed in accordance with section .520 of OMB Circular A-133 ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	B. and/or because it was a major program selected by the N.C. State Auditor's Office ...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	C. and/or because it was a major program as required by the State's \$300,000 single audit rule?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	If the program was audited, were there any audit findings related to eligibility disclosed because of the audit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If yes, A. Are copies of the audit findings submitted with this document? (Note: separate copies of only those audit findings related to eligibility are required to be attached to this document.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.	If the program was audited, provide the following regarding your sample and results of testing the <u>eligibility requirements</u> :	Sample size	
		Number of errors	
		Questioned Costs	\$

November 15, 2005

The Honorable Ralph Campbell, Jr., State Auditor
Office of the State Auditor
2 S. Salisbury Street
20601 Mail Service Center
Raleigh, North Carolina 27699-0601

Dear Mr. Campbell:

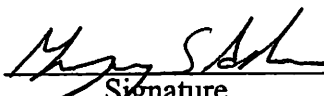
We have audited those federal programs as checked off on the list that follows of Beaufort County in accordance with OMB Circular A-133 for the year ended June 30, 2005:

- | | | |
|---|-------------------------------------|---|
| A | <input checked="" type="checkbox"/> | Medical Assistance Program |
| B | <input type="checkbox"/> | Temporary Assistance for Needy Families |
| C | <input checked="" type="checkbox"/> | Low-Income Home Energy Assistance |
| D | <input type="checkbox"/> | State Children's Insurance Program |
| E | <input type="checkbox"/> | Foster Care - Title IV-E |
| F | <input type="checkbox"/> | Special Supplemental Nutrition Program for Women, Infants, and Children |

We make the following representations to you regarding our audit:

1. We are independent with respect to Beaufort County and to the State of North Carolina under the requirements of the AICPA and the GAO *Government Auditing Standards*.
2. We are aware that the results of our audit related to eligibility at Beaufort County will be included in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133* of the State of North Carolina and that you intend to place reliance on our audit of the designated programs noted above.
3. We are familiar with accounting principles generally accepted in the United States of America and with the generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants and with the GAO *Government Auditing Standards* and will report and conduct our audit in accordance therewith.
4. We are familiar with the auditing and reporting requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and will report and conduct our audit in accordance therewith.

Sincerely,



Signature

CPA

Title

FORM SF-SAC (5-2004)

U.S. DEPT. OF COMM.- Econ. and Stat. Admin.- U.S. CENSUS BUREAU ACTING AS COLLECTING AGENT FOR OFFICE OF MANAGEMENT AND BUDGET

Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS for Fiscal Year Ending Dates in 2004, 2005, or 2006

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Federal Audit Clearinghouse 1201 E. 10th Street Jeffersonville, IN 47132

GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)

1. Fiscal period ending date for this submission

Month Day Year 06 / 30 / 2005

Fiscal Period End Dates Must Be In 2004, 2005, or 2006

2. Type of Circular A-133 audit

1 [X] Single audit 2 [] Program-specific audit

3. Audit period covered

1 [X] Annual 2 [] Biennial 3 [] Other - [] Months

4. FEDERAL GOVERNMENT USE ONLY

Date received by Federal clearinghouse

5. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN)

5 6 - 6 0 0 1 5 2 1

b. Are multiple EINs covered in this report? 1 [] Yes 2 [X] No

c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.

d. Data Universal Numbering System (DUNS) Number

[] [] - [] [] [] - [] [] [] []

e. Are multiple DUNS covered in this report? 1 [] Yes 2 [] No

f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.

6. AUDITEE INFORMATION

a. Auditee name

BEAUFORT COUNTY

b. Auditee address (Number and street)

PO BOX 1027

City

WASHINGTON

State

ZIP + 4 Code

NC

2 7 8 8 9 - [] [] [] []

c. Auditee contact

Name

PAUL SPRUILL

Title

COUNTY MANAGER

d. Auditee contact telephone

(252) 946 - 0079

e. Auditee contact FAX

(252) 946 - 7722

f. Auditee contact E-mail

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name

THOMPSON PRICE SCOTT ADAMS & CO PA

b. Auditor address (Number and street)

4024 OLEANDER DRIVE SUITE 2

City

WILMINGTON

State

ZIP + 4 Code

NC

2 8 4 0 3 - [] [] [] []

c. Auditor contact

Name

GREG ADAMS

Title

CPA

d. Auditor contact telephone

(910) 799 - 4872

e. Auditor contact FAX

(910) 395 - 4872

f. Auditor contact E-mail

GSA@BELLSOUTH.NET

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official Date Month Day Year

Printed Name of certifying official

Printed Title of certifying official

9. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor Date Month Day Year

[Signature] 11 15 2005

FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report

Mark either: 1 [X] Unqualified opinion OR any combination of: 2 [] Qualified opinion 3 [] Adverse opinion 4 [] Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 [] Yes 2 [X] No

3. Is a reportable condition disclosed? 1 [] Yes 2 [X] No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 [] Yes 2 [] No

5. Is a material noncompliance disclosed? 1 [] Yes 2 [X] No

FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1 [X] Yes 2 [] No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 1,751,606

3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 [] Yes 2 [X] No

4. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1 [] Yes 2 [X] No -SKIP to Item 6

5. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1 [] Yes 2 [] No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 [] Yes 2 [X] No

7. Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1 [] Yes 2 [X] No

8. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

- 98 [] U.S. Agency for International Development
10 [] Agriculture
23 [] Appalachian Regional Commission
11 [] Commerce
94 [] Corporation for National and Community Service
12 [] Defense
84 [] Education
81 [] Energy
66 [] Environmental Protection Agency
83 [] Federal Emergency Management Agency
39 [] General Services Administration
93 [] Health and Human Services
97 [] Homeland Security
14 [] Housing and Urban Development
03 [] Institute of Museum and Library Services
15 [] Interior
16 [] Justice
17 [] Labor
09 [] Legal Services Corporation
43 [] National Aeronautics and Space Administration
89 [] National Archives and Records Administration
05 [] National Endowment for the Arts
06 [] National Endowment for the Humanities
47 [] National Science Foundation
07 [] Office of National Drug Control Policy
59 [] Small Business Administration
96 [] Social Security Administration
19 [] U.S. Department of State
20 [] Transportation
21 [] Treasury
82 [] United States Information Agency
64 [] Veterans Affairs
00 [X] None
[] Other - Specify:

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives [X]
• and, if not marked above, the Federal cognizant agency []

Count total number of boxes marked above and submit this number of reporting packages 1

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
1	0 .760	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WATER SYSTEM DEVELOPMENT	\$ 4,217,550 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .551	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP	\$ 5,344,654 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP	\$ 302,781 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .557	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIC	\$ 1,327,424 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 .550	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	USDA SUPPLEMENT	\$ 9,062 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	6 .607	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BULLETPROOF VEST	\$ 42,070 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOMELAND SECURITY GRANT	\$ 116,507 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC ASSISTANCE - DISASTER AREAS	\$ 58,581 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEMA	\$ 24,426 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
8	3 .548	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARD MITIGATION	\$ 3,938 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act

- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds

- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance

- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

⁵ N/A for NONE

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
8	3 .544	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC DISASTER ASSISTANCE	\$ 58,581 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ACCESS - TITLE III B	\$ 5,025 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IN HOME SERVICES TITLE III B	\$ 138,764 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SSBG	\$ 38,553 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .045	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CONGREGATE NUTRITION	\$ 27,240 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .045	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOME DELIVERED NUTRITION	\$ 59,489 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 10,511 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WORK FIRST ADMIN	\$ 96,521 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF DOMESTIC VIOLENCE	\$ 8,652 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WORK FIRST SERVICE	\$ 341,289 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- | | | | |
|------------------------------------|--|--|---------------------------------|
| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment | L. Reporting |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income | M. Subrecipient monitoring |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance | N. Special tests and provisions |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS		
Federal Agency Prefix ¹ (a)	CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
	Extension ² (b)						Major program (g)	If yes, type of audit report ³ (h)		
9	3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF PAYMENT & PENALTIES	\$ 378,794 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF UP	\$ 2,043 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF FOSTER CARE	\$ 32,926 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.563	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD SUPPORT ENFORCEMENT	\$ 410,959 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOW INCOME ENRGY ASSISTANCE	\$ 136,223 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
9	3	.596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE DEVELOPMENT FUND	\$ 83,273 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.645	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD WELFARE SERVICES	\$ 13,971 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SSBG	\$ 195,462 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.674	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INDEPENDENT LIVING GRANT	\$ 3,221 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3	.658	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE IV E FOSTER CARE	\$ 421,446 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act

- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds

- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance

- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

⁵ N/A for NONE

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
9	3	.659	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ADOPTION SUBSIDY	\$ 276,201 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.575	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT BG	\$ 753,874 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT - MANDITORY	\$ 334,499 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT - MATCH	\$ 137,175 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SOCIAL SERVICE BLOCK GRANT	\$ 51,280 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 213,560 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.778	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MEDICAL ASSISTANCE PROGRAM	\$ 41,510,788 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	N/A
9	3	.778	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MEDICAL ASSISTANCE	\$ 451,230 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.767	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEALTH CHOICE	\$ 21,952 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9	3	.628	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IMMUNIZATION ACTION PLAN	\$ 15,158 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					\$ 58,386,861 .00	<i>IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS</i>			

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⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- | | | | |
|------------------------------------|--|--|---------------------------------|
| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment | L. Reporting |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income | M. Subrecipient monitoring |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance | N. Special tests and provisions |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM SF-504 (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR							10. AUDIT FINDINGS		
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
9	3 .283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BIOTERRORISM GRANT	\$ 85,508 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .991	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATEWIDE HEALTH PROMOTION	\$ 19,838 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 6,989 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .919	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BREAST & CERVICAL CANCER	\$ 20,400 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .994	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MATERNAL & CHILD HEALTH SERVICES	\$ 209,126 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	4 .228	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CDBG	\$ 369,347 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	<i>IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS</i>				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- | | | | |
|------------------------------------|--|--|---------------------------------|
| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment | L. Reporting |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income | M. Subrecipient monitoring |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance | N. Special tests and provisions |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM **SF-SAC**
(5-2004)

U.S. DEPT. OF COMM.— Econ. and Stat. Admin.— U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)

1. Fiscal period ending date for this submission <table border="1" style="width:100%"> <tr> <td>Month</td> <td>Day</td> <td>Year</td> </tr> <tr> <td align="center">06</td> <td align="center">/ 30</td> <td align="center">/ 2005</td> </tr> </table> Fiscal Period End Dates Must Be In 2004, 2005, or 2006	Month	Day	Year	06	/ 30	/ 2005	2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit
Month	Day	Year					
06	/ 30	/ 2005					

3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 2 <input type="checkbox"/> Biennial 3 <input type="checkbox"/> Other - <input type="text"/> Months	4. FEDERAL GOVERNMENT USE ONLY Date received by Federal clearinghouse
---	--

5. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN)

5	6	-	6	0	0	1	5	2	1
---	---	---	---	---	---	---	---	---	---

b. Are multiple EINs covered in this report? 1 Yes 2 No

c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.

d. Data Universal Numbering System (DUNS) Number

<input type="text"/>	-	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	---	----------------------	----------------------	----------------------	----------------------

e. Are multiple DUNS covered in this report? 1 Yes 2 No

f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.

6. AUDITEE INFORMATION

a. Auditee name
BEAUFORT COUNTY

b. Auditee address (Number and street)
PO BOX 1027
City
WASHINGTON
State ZIP + 4 Code
NC

2	7	8	8	9	-				
---	---	---	---	---	---	--	--	--	--

c. Auditee contact Name
PAUL SPRUILL
Title
COUNTY MANAGER

d. Auditee contact telephone
(252) 946 - 0079

e. Auditee contact FAX
(252) 946 - 7722

f. Auditee contact E-mail

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name
THOMPSON PRICE SCOTT ADAMS & CO PA

b. Auditor address (Number and street)
4024 OLEANDER DRIVE SUITE 2
City
WILMINGTON
State ZIP + 4 Code
NC

2	8	4	0	3	-				
---	---	---	---	---	---	--	--	--	--

c. Auditor contact Name
GREG ADAMS
Title
CPA

d. Auditor contact telephone
(910) 799 - 4872

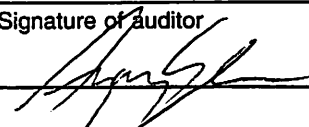
e. Auditor contact FAX
(910) 395 - 4872

f. Auditor contact E-mail
GSA@BELLSOUTH.NET

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official	Date Month Day Year
Printed Name of certifying official	
Printed Title of certifying official	

9. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor	Date Month Day Year
	11 / 15 / 2005

FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report

Mark either: 1 [X] Unqualified opinion OR any combination of: 2 [] Qualified opinion 3 [] Adverse opinion 4 [] Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 [] Yes 2 [X] No

3. Is a reportable condition disclosed? 1 [] Yes 2 [X] No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 [] Yes 2 [] No

5. Is a material noncompliance disclosed? 1 [] Yes 2 [X] No

FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1 [X] Yes 2 [] No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 1,751,606

3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 [] Yes 2 [X] No

4. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1 [] Yes 2 [X] No -SKIP to Item 6

5. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1 [] Yes 2 [] No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 [] Yes 2 [X] No

7. Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? (§.315(b)) 1 [] Yes 2 [X] No

8. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

- 98 [] U.S. Agency for International Development
10 [] Agriculture
23 [] Appalachian Regional Commission
11 [] Commerce
94 [] Corporation for National and Community Service
12 [] Defense
84 [] Education
81 [] Energy
66 [] Environmental Protection Agency
83 [] Federal Emergency Management Agency
39 [] General Services Administration
93 [] Health and Human Services
97 [] Homeland Security
14 [] Housing and Urban Development
03 [] Institute of Museum and Library Services
15 [] Interior
16 [] Justice
17 [] Labor
09 [] Legal Services Corporation
43 [] National Aeronautics and Space Administration
89 [] National Archives and Records Administration
05 [] National Endowment for the Arts
06 [] National Endowment for the Humanities
47 [] National Science Foundation
07 [] Office of National Drug Control Policy
59 [] Small Business Administration
96 [] Social Security Administration
19 [] U.S. Department of State
20 [] Transportation
21 [] Treasury
82 [] United States Information Agency
64 [] Veterans Affairs
00 [X] None
[] Other - Specify:

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives [X]
• and, if not marked above, the Federal cognizant agency []

Count total number of boxes marked above and submit this number of reporting packages 1

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
1	0 .760	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WATER SYSTEM DEVELOPMENT	\$ 4,217,550 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .551	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP	\$ 5,344,654 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP	\$ 302,781 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	0 .557	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIC	\$ 1,327,424 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 .550	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	USDA SUPPLEMENT	\$ 9,062 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	6 .607	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BULLETPROOF VEST	\$ 42,070 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOMELAND SECURITY GRANT	\$ 116,507 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC ASSISTANCE - DISASTER AREAS	\$ 58,581 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEMA	\$ 24,426 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
8	3 .548	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARD MITIGATION	\$ 3,938 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

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⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

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| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment | L. Reporting |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income | M. Subrecipient monitoring |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance | N. Special tests and provisions |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
8	3 .544	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PUBLIC DISASTER ASSISTANCE	\$ 58,581 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ACCESS - TITLE IIIB	\$ 5,025 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IN HOME SERVICES TITLE IIIB	\$ 138,764 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SSBG	\$ 38,553 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .045	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CONGREGATE NUTRITION	\$ 27,240 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .045	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOME DELIVERED NUTRITION	\$ 59,489 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 10,511 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WORK FIRST ADMIN	\$ 96,521 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF DOMESTIC VIOLENCE	\$ 8,652 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WORK FIRST SERVICE	\$ 341,289 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

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| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | L. Reporting |
| ⁵ N/A for NONE | | M. Subrecipient monitoring |
| | | N. Special tests and provisions |
| | | O. None |
| | | P. Other |

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF PAYMENT & PENALTIES	\$ 378,794 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF UP	\$ 2,043 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF FOSTER CARE	\$ 32,926 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .563	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD SUPPORT ENFORCEMENT	\$ 410,959 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOW INCOME ENRGY ASSISTANCE	\$ 136,223 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
9	3 .596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE DEVELOPMENT FUND	\$ 83,273 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .645	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD WELFARE SERVICES	\$ 13,971 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SSBG	\$ 195,462 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .674	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INDEPENDENT LIVING GRANT	\$ 3,221 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .658	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE IV E FOSTER CARE	\$ 421,446 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	<i>IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS</i>				

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| A. Activities allowed or unallowed | E. Eligibility | I. Procurement and suspension and debarment | L. Reporting |
| B. Allowable costs/cost principles | F. Equipment and real property management | J. Program income | M. Subrecipient monitoring |
| C. Cash management | G. Matching, level of effort, earmarking | K. Real property acquisition and relocation assistance | N. Special tests and provisions |
| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
9	3 .659	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ADOPTION SUBSIDY	\$ 276,201 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .575	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT BG	\$ 753,874 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT - MANDATORY	\$ 334,499 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT - MATCH	\$ 137,175 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .667	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SOCIAL SERVICE BLOCK GRANT	\$ 51,280 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 213,560 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .778	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MEDICAL ASSISTANCE PROGRAM	\$ 41,510,788 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
9	3 .778	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MEDICAL ASSISTANCE	\$ 451,230 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .767	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEALTH CHOICE	\$ 21,952 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .628	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IMMUNIZATION ACTION PLAN	\$ 15,158 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

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| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
| ⁵ N/A for NONE | | | P. Other |

FORM SF-SAC (5-2004)

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR								10. AUDIT FINDINGS	
CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
9	3 .283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BIOTERRORISM GRANT	\$ 85,508 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .991	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATEWIDE HEALTH PROMOTION	\$ 19,838 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANF	\$ 6,989 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .919	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BREAST & CERVICAL CANCER	\$ 20,400 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .994	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MATERNAL & CHILD HEALTH SERVICES	\$ 209,126 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	4 .228	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CDBG	\$ 369,347 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
	.	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
	.	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
	.	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
	.	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
TOTAL FEDERAL AWARDS EXPENDED →				\$ 58,386,861 .00	<i>IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS</i>				

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| D. Davis - Bacon Act | H. Period of availability of Federal funds | | O. None |
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