

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2006

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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, 2006, 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 or Beaufort County ABC. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Beaufort County Hospital Association and Beaufort County ABC Board 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 and Beaufort County ABC Board 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 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, 2006, 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 October 23, 2006 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 Law Enforcement Officers' Special Separation Allowance and the Schedules of Funding Progress and Employer Contributions 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, 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, 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.
October 23, 2006

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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, 2006. 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.

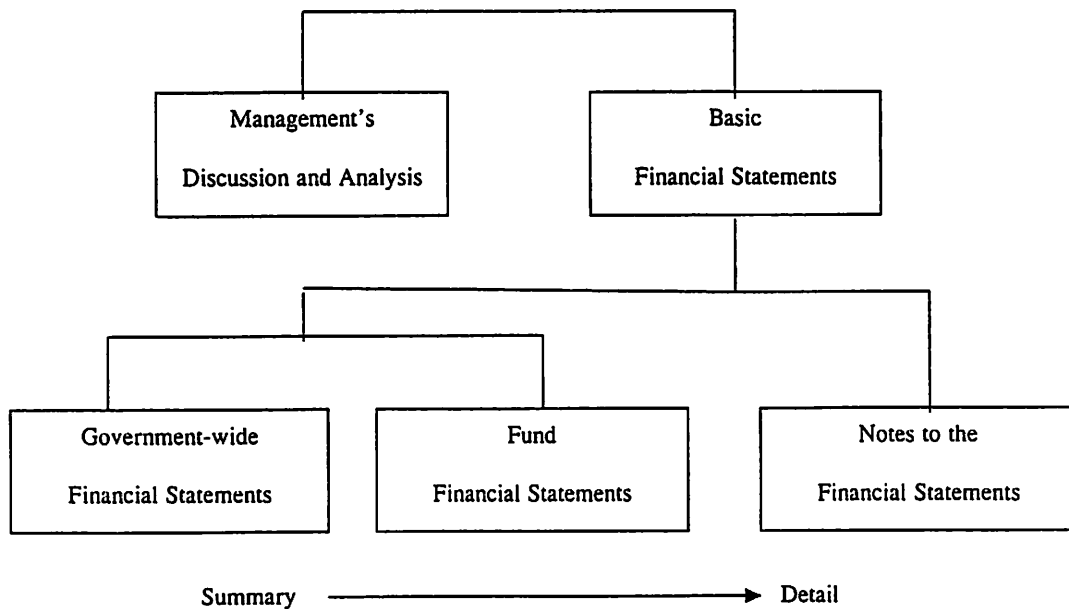
Financial Highlights

- The assets of Beaufort County exceeded its liabilities at the close of the fiscal year by \$33,401,783 (*net assets*).
- The County's total net assets for governmental activities and Business-type activities were \$4,901,395 and \$28,500,388 respectively.
- At the close of the current fiscal year, Beaufort County's governmental funds reported combined ending fund balances of \$ 20,957,237, an decrease of \$13,006,257 in comparison with the prior year. Approximately 83 percent of this total amount, or \$17,603,100, 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 \$16,654,407, or 37 percent of total general fund expenditures for the fiscal year.
- Beaufort County's total debt decreased by \$826,942 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
	2005	2006	2005	2006	2006
Current and other assets	\$ 41,421,388	\$ 6,146,018	\$ 2,719,430	\$ 2,366,443	\$ 8,512,461
Capital assets	5,029,177	27,806,911	68,086,143	69,237,924	97,044,835
Total assets	46,450,565	33,952,929	70,805,573	71,604,367	105,557,296
Long-term liabilities outstanding	25,788,009	25,493,868	42,968,488	42,856,814	68,350,682
Other liabilities	3,525,620	3,557,666	1,123,251	247,165	3,804,831
Total liabilities	29,313,629	29,051,534	44,091,739	43,103,979	72,155,513
Net assets:					
Invested in capital assets, net of related debt	(4,880,769)	(19,342,718)	26,014,262	27,405,643	8,062,925
Restricted	-	41,704	-	-	41,704
Unrestricted	22,017,705	24,202,409	699,572	1,094,745	25,297,154
Total net assets	\$ 17,136,936	\$ 4,901,395	\$ 26,713,834	\$ 28,500,388	\$ 33,401,783

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 \$33,401,783 as of June 30, 2006. The County's net assets decreased by \$10,448,987 for the fiscal year ended June 30, 2006. 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 \$25,297,154 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 95.01%.
- Increased charges for services revenue due to growth in the County.

BEAUFORT COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2005	2006	2005	2006	2006
Revenues:					
Program revenues:					
Charges for services	\$ 3,608,399	\$ 3,356,741	\$ 3,970,190	\$ 4,228,135	\$ 7,584,876
Operating grants and contributions	9,039,503	12,849,114	-	-	12,849,114
Capital grants and contributions	870,623	-	4,903,131	1,006,743	1,006,743
General revenues:					
Property taxes	22,650,614	22,474,705	-	-	22,474,705
Other taxes	9,685,562	10,429,825	-	-	10,429,825
Grants and contributions not restricted to specific programs	-	1,076,675	-	78,355	1,155,030
Other	597,793	293,976	40,976	404,826	698,802
Total revenues	46,452,494	50,481,036	8,914,297	5,718,059	56,199,095
Expenses:					
General government	3,987,899	2,894,114	-	-	2,894,114
Public safety	6,338,106	6,861,563	-	-	6,861,563
Economic and physical development	3,588,588	4,316,347	-	-	4,316,347
Human services	15,564,509	16,495,855	-	-	16,495,855
Cultural and recreation	248,417	263,969	-	-	263,969
Education	11,093,706	27,683,132	-	-	27,683,132
Interest on long-term debt	476,245	1,148,955	-	-	1,148,955
Environmental Protection	2,776,446	2,865,471	-	-	2,865,471
Water and sewer	-	-	3,856,220	3,931,505	3,931,505
Total expenses	44,073,916	62,529,406	3,856,220	3,931,505	66,460,911
Increase in net assets before transfers and special items	-	-	-	-	-
Transfers	-	-	-	-	-
Increase in net assets	2,378,588	(12,048,370)	5,058,077	1,786,554	(10,261,816)
Net assets, July 1	14,758,348	16,949,765	21,655,757	26,713,834	43,663,599
Net assets, June 30	\$ 17,136,936	\$ 4,901,395	\$ 26,713,834	\$ 28,500,388	\$ 33,401,783

Figure 3

Governmental activities: Governmental activities decreased the County's net assets by \$12,048,370, thereby accounting for -40% 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 95.01%

Business-type activities: Business-type activities increased Beaufort County's net assets by \$1,786,554, accounting for 6% 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 \$16,654,407, while total fund balance reached \$19,959,621. 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 37 percent of total General Fund expenditures, while total fund balance represents 44 percent of that same amount.

At June 30, 2006, the governmental funds of Beaufort County reported a combined fund balance of \$20,957,237, a \$13,006,257 decrease from 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 \$2,128,566.

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 \$1,094,745. The total growth in net assets was \$1,786,554. 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, 2006, totals \$75,383,942 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Vehicles
- Computer Server & Printers
- Animal Control Building

BEAUFORT COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total
	2005	2006	2005	2006	2006
Land	\$ 1,601,367	\$ 1,601,367	\$ 75,961	\$ 75,961	\$ 1,677,328
Buildings and system Improvements other than buildings	2,101,063	3,979,688	10,985,824	10,766,108	14,745,796
Equipment and vehicles	434,104	564,963	169,050	180,508	745,471
Infrastructure	-	-	-	-	-
Construction in progress	892,643	-	56,855,308	58,215,347	58,215,347
Total	\$ 5,029,177	\$ 6,146,018	\$ 68,086,143	\$ 69,237,924	\$ 75,383,942

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, 2006, Beaufort County had total bonded debt outstanding of \$68,318,370 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
	2005	2006	2005	2006	2006
General obligation bonds	\$ 18,365,000	\$ 17,600,000	\$ 42,659,300	\$ 42,194,800	\$ 59,794,800

General Obligation and Revenue Bonds
Figure 5

Beaufort County's total debt decreased by \$1,002,337 during the past fiscal year, primarily due to the retirements 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 \$265,308,944. The County has no in bonds authorized but un-issued at June 30, 2006.

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

Beaufort County, North Carolina
Statement of Net Assets
June 30, 2006

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Beaufort County Hospital Inc.	Beaufort County ABC Board
ASSETS					
Cash and cash equivalents	\$ 20,305,545	\$ 1,678,416	\$ 21,983,961	\$ 3,649,498	\$ 435,460
Receivables (net)	7,052,802	525,055	7,577,857	11,538,514	-
Due from other governments	36,975	-	36,975	-	-
Other assets	-	-	-	794,020	132
Inventories	-	-	-	2,514,402	320,880
Prepaid items	-	-	-	220,433	14,719
Internal balances	406,457	(406,457)	-	-	-
Restricted cash and cash equivalents	5,132	992,221	997,353	-	-
Capital assets:					
Land, improvements, and construction in progress	1,601,367	58,291,308	59,892,675	2,303,471	-
Other capital assets, net of depreciation	4,544,651	10,946,616	15,491,267	17,562,717	307,766
Total capital assets	<u>6,146,018</u>	<u>69,237,924</u>	<u>75,383,942</u>	<u>19,866,188</u>	<u>307,766</u>
Total assets	<u>33,952,929</u>	<u>72,027,159</u>	<u>105,980,088</u>	<u>38,583,055</u>	<u>1,078,957</u>
LIABILITIES					
Accounts payable and accrued expenses	2,731,643	466,751	3,198,394	7,983,831	281,941
Accrued interest payable	-	-	-	46,931	-
Customer deposits	-	123,425	123,425	-	-
Liabilities to be paid from restricted assets	-	79,781	79,781	-	-
Long-term liabilities:					
Due within one year	2,587,370	663,025	3,250,395	1,304,453	-
Due in more than one year	22,906,498	42,193,789	65,100,287	4,878,753	-
Total liabilities	<u>28,225,511</u>	<u>43,526,771</u>	<u>71,752,282</u>	<u>14,213,968</u>	<u>281,941</u>
NET ASSETS					
Invested in capital assets, net of related debt	(784,906)	27,405,643	26,620,737	13,682,982	-
Restricted for:					
Register of Deeds	41,704	-	41,704	-	-
Other purposes	-	-	-	-	-
Unrestricted (deficit)	5,644,597	1,094,745	6,739,342	10,686,105	797,016
Total net assets	<u>\$ 4,901,395</u>	<u>\$ 28,500,388</u>	<u>\$ 33,401,783</u>	<u>\$ 24,369,087</u>	<u>\$ 797,016</u>

**Beaufort County, North Carolina
Statement of Activities
For the Year Ended June 30, 2006**

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:				
Governmental Activities:				
General government	\$ 2,894,114	\$ 904,449	\$ 940,446	\$ -
Public safety	6,861,563	591,802	285,824	-
Cultural and recreation	263,969	-	-	-
Economic and physical development	4,316,347	-	2,472,536	-
Human services	16,495,855	414,979	9,047,020	-
Education	27,683,132	-	-	-
Environmental protection	2,865,471	1,537,606	103,288	-
Interest on long-term debt	1,148,955	-	-	-
Total governmental activities	62,529,406	3,448,836	12,849,114	-
Business-type activities:				
Water	3,931,505	4,228,135	-	1,006,743
Total business-type activities	3,931,505	4,228,135	-	1,006,743
	\$ 66,460,911	\$ 7,676,971	\$ 12,849,114	\$ 1,006,743
Component units:				
Hospital	\$ 50,462,192	\$ 51,759,454	-	-
ABC Board	3,548,350	3,547,685	-	-
Total component units	\$ 54,010,542	\$ 55,307,139	-	-
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, restated				
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	Beaufort County Hospital Inc.	Beaufort County ABC Board
\$ (1,049,219)	\$ -	\$ (1,049,219)		
(5,983,937)	-	(5,983,937)		
(263,969)	-	(263,969)		
(1,843,811)	-	(1,843,811)		
(7,033,856)	-	(7,033,856)		
(27,683,132)	-	(27,683,132)		
(1,224,577)	-	(1,224,577)		
(1,148,955)	-	(1,148,955)		
<u>(46,231,456)</u>	<u>-</u>	<u>(46,231,456)</u>		
-	1,303,373	1,303,373		
-	1,303,373	1,303,373		
\$ <u>(46,231,456)</u>	\$ <u>1,303,373</u>	\$ <u>(44,928,083)</u>		
			\$ 1,297,262	\$ -
			<u>-</u>	<u>(665)</u>
			<u>1,297,262</u>	<u>(665)</u>
22,474,705	-	22,474,705	-	-
9,579,696	-	9,579,696	-	-
850,129	-	850,129	-	-
-	-	-	1,135,168	-
1,076,675	78,355	1,155,030	66,954	5,683
201,881	404,826	606,707	264,151	-
-	-	-	-	-
<u>34,183,086</u>	<u>483,181</u>	<u>34,666,267</u>	<u>1,466,273</u>	<u>5,683</u>
<u>(12,048,370)</u>	<u>1,786,554</u>	<u>(10,261,816)</u>	<u>2,763,535</u>	<u>5,018</u>
16,949,765	26,713,834	43,663,599	21,605,552	791,998
\$ <u>4,901,395</u>	\$ <u>28,500,388</u>	\$ <u>33,401,783</u>	\$ <u>24,369,087</u>	\$ <u>797,016</u>

Beaufort County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2006

	<u>General</u>	<u>Public Schools</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 18,976,630	\$ 5,132	\$ 1,328,915	\$ 20,310,677
Receivables, net	5,627,316	-	209,747	5,837,063
Due from other governments	36,975	-	-	36,975
Due from other funds	406,457	-	-	406,457
Total assets	<u>\$ 25,047,378</u>	<u>\$ 5,132</u>	<u>\$ 1,538,662</u>	<u>\$ 26,591,172</u>

LIABILITIES AND FUND BALANCES**Liabilities:**

Accounts payable and accrued liabilities	2,317,494	245,301	168,848	2,731,643
Miscellaneous liabilities	-	-	-	-
Due to other funds	-	-	-	-
Other liability	-	-	-	-
Deferred revenue	2,770,263	-	132,029	2,902,292
Total liabilities	<u>5,087,757</u>	<u>245,301</u>	<u>300,877</u>	<u>5,633,935</u>

Fund balances:**Reserved for:**

State statute	3,300,485	-	48,923	3,349,408
Register of Deeds	41,704	-	-	41,704
Unreserved	16,617,432	-	-	16,617,432

Unreserved, reported in nonmajor:

Special revenue funds	-	-	830,935	830,935
Capital projects funds	-	(240,169)	357,927	117,758
Total fund balances	<u>19,959,621</u>	<u>(240,169)</u>	<u>1,237,785</u>	<u>20,957,237</u>

Total liabilities and fund balances	<u>\$ 25,047,378</u>	<u>\$ 5,132</u>	<u>\$ 1,538,662</u>	
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Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Accrued interest receivable less amount claimed as unearned.	389,716
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,146,018
Liabilities for earned but deferred revenues in fund statements.	2,902,292
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	<u>(25,493,868)</u>
Net assets of governmental activities	<u>\$ 4,901,395</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, 2006

	<u>Major</u>			Total Governmental Funds
	<u>General Fund</u>	<u>Public Schools</u>	<u>Total Non-Major Funds</u>	
REVENUES				
Ad valorem taxes	\$ 22,283,649	\$ -	\$ 831,322	\$ 23,114,971
Local option sales taxes	9,579,696	-	-	9,579,696
Other taxes and licenses	381,073	-	136,968	518,041
Unrestricted intergovernmental	243,314	-	-	243,314
Restricted intergovernmental	10,304,637	-	2,636,138	12,940,775
Permits and fees	448,725	-	-	448,725
Sales and services	2,898,507	-	-	2,898,507
Investment earnings	760,470	296,317	19,888	1,076,675
Miscellaneous	112,312	-	188,286	300,598
Total revenues	<u>47,012,383</u>	<u>296,317</u>	<u>3,812,602</u>	<u>51,121,302</u>
EXPENDITURES				
Current:				
General government	4,086,936	-	-	4,086,936
Public safety	5,678,965	-	1,106,300	6,785,265
Economic and physical development	626,337	15,703,331	3,686,262	20,015,930
Human services	16,462,736	-	-	16,462,736
Cultural and recreational	263,969	-	-	263,969
Environmental protection	2,843,232	-	-	2,843,232
Intergovernmental:				
Education	11,979,747	-	54	11,979,801
Debt service:				
Principal	1,402,650	-	-	1,402,650
Interest	1,148,955	-	-	1,148,955
Total expenditures	<u>44,493,527</u>	<u>15,703,331</u>	<u>4,792,616</u>	<u>64,989,474</u>
Excess (deficiency) of revenues over expenditures	<u>2,518,856</u>	<u>(15,407,014)</u>	<u>(980,014)</u>	<u>(13,868,172)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	557,192	557,192
Transfers to other funds	(452,162)	-	(105,030)	(557,192)
Debt issued	-	-	861,915	861,915
Installment purchase obligations issued	-	-	-	-
Transfers (to)/from Component Units	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources and uses	<u>(452,162)</u>	<u>-</u>	<u>1,314,077</u>	<u>861,915</u>
Net change in fund balance	2,066,694	(15,407,014)	334,063	(13,006,257)
Fund balances-beginning	17,892,927	15,166,845	903,722	33,963,494
Fund balances-ending	<u>\$ 19,959,621</u>	<u>\$ (240,169)</u>	<u>\$ 1,237,785</u>	<u>\$ 20,957,237</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, 2006

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

Net changes in fund balances - total governmental funds \$ (13,006,257)

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. 1,116,841

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (640,266)

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. 540,735

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. (59,423)

Total changes in net assets of governmental activities \$ (12,048,370)

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, 2006

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 21,671,798	\$ 21,688,489	\$ 22,283,649	\$ 595,160
Local option sales tax	9,265,880	9,265,880	9,579,696	313,816
Other taxes and licenses	262,000	262,000	381,073	119,073
Unrestricted intergovernmental	283,500	283,500	151,219	(132,281)
Restricted intergovernmental	8,041,991	9,076,523	10,304,637	1,228,114
Permits and fees	378,700	404,720	448,725	44,005
Sales and services	2,140,275	2,270,805	2,898,507	627,702
Investment earnings	263,000	757,501	760,470	2,969
Miscellaneous	1,511,377	1,937,669	112,312	(1,825,357)
Total revenues	<u>43,818,521</u>	<u>45,947,087</u>	<u>46,920,288</u>	<u>973,201</u>
Expenditures				
Current:				
General government	3,849,027	4,383,060	4,086,936	296,124
Public safety	5,555,500	5,987,609	5,678,965	308,644
Economic and physical development	607,635	751,498	626,337	125,161
Human services	16,267,030	17,266,313	16,462,736	803,577
Environmental protection	2,713,400	2,936,168	2,843,232	92,936
Cultural and recreational	263,977	271,527	263,969	7,558
Intergovernmental:				
Education	11,979,747	11,979,747	11,979,747	-
Debt service:				
Principal retirement	1,298,667	1,398,667	1,402,650	(3,983)
Interest and other charges	1,259,229	1,259,229	1,148,955	110,274
Total expenditures	<u>43,794,212</u>	<u>46,233,818</u>	<u>44,493,527</u>	<u>1,740,291</u>
Revenues over (under) expenditures	24,309	(286,731)	2,426,761	2,713,492
Other financing sources (uses):				
Transfers to other funds	(785,607)	(918,648)	(452,162)	
Transfers (to)/from Component Units	-	-	92,095	
Fund Balance Appropriated	761,298	1,205,379	-	
Total other financing sources (uses)	<u>(24,309)</u>	<u>286,731</u>	<u>(360,067)</u>	<u>(646,798)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,066,694</u>	<u>\$ 2,066,694</u>
Fund balances:				
Beginning of year, July 1			17,892,927	
End of year, June 30			<u>\$ 19,959,621</u>	

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

Beaufort County, North Carolina
Combining Statement of Net Assets
Proprietary Funds
June 30, 2006

	Water District I	Water District II	Water District III	Water District IV
Assets				
Current Assets:				
Cash and Investments	\$ 102,329	\$ 458,570	\$ 4,104	\$ -
Accounts Receivable (Net)	81,158	88,013	88,213	111,991
Due from other Water Districts	-	-	-	-
Due from General fund	-	-	-	-
Total Current Assets	<u>183,487</u>	<u>546,583</u>	<u>92,317</u>	<u>111,991</u>
Restricted assets:				
Cash	680,934	11,000	11,334	-
Capital Assets (Net)	<u>8,283,772</u>	<u>3,909,517</u>	<u>5,389,058</u>	<u>13,168,305</u>
Total Assets	<u>\$ 9,148,193</u>	<u>\$ 4,467,100</u>	<u>\$ 5,492,709</u>	<u>\$ 13,280,296</u>
Liabilities				
Current Liabilities:				
Accounts Payable & Accrued Expenses	\$ 3,214	\$ 4,849	\$ 18,497	\$ 129,519
Accounts Payable from Restricted Assets	-	-	-	5,891
Due to other Water Districts	-	-	-	-
Due to General Fund	-	-	199,980	-
Customer Deposits	13,275	27,000	15,800	21,100
Notes payable	-	-	24,300	-
Bond \Long-term Debt - Current Maturities	65,000	77,000	90,500	118,500
Total Current Liabilities	<u>81,489</u>	<u>108,849</u>	<u>349,077</u>	<u>275,010</u>
Noncurrent liabilities:				
Compensated Abscenses Payable	3,467	5,244	4,734	5,377
Notes payable	-	-	218,698	-
Bonds\Long-term Debt - Noncurrent	5,224,300	4,015,500	4,873,500	7,750,500
Total Other Liabilities	<u>5,227,767</u>	<u>4,020,744</u>	<u>5,096,932</u>	<u>7,755,877</u>
Total Liabilities	<u>5,309,256</u>	<u>4,129,593</u>	<u>5,446,009</u>	<u>8,030,887</u>
Net Assets				
Invested in Capital Assets, net of related debt	3,675,406	(171,983)	193,394	5,299,305
Unrestricted	163,531	509,490	(146,694)	(49,896)
Total Net Assets	<u>\$ 3,838,937</u>	<u>\$ 337,507</u>	<u>\$ 46,700</u>	<u>\$ 5,249,409</u>

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

Water District V	Water District VI	Water District VII	Totals
\$ -	\$ 1,113,413	\$ -	\$ 1,678,416
25,300	99,369	31,011	525,055
-	-	-	-
-	-	-	-
<u>25,300</u>	<u>1,212,782</u>	<u>31,011</u>	<u>2,203,471</u>
-	197,935	91,018	992,221
<u>9,080,100</u>	<u>19,678,440</u>	<u>9,728,732</u>	<u>69,237,924</u>
<u>\$ 9,105,400</u>	<u>\$ 21,089,157</u>	<u>\$ 9,850,761</u>	<u>\$ 72,433,616</u>
\$ 196,384	\$ 7,241	\$ 107,047	\$ 466,751
-	-	73,890	79,781
-	-	-	-
-	-	206,477	406,457
8,900	23,699	13,651	123,425
32,225	-	-	56,525
57,000	115,000	83,500	606,500
<u>294,509</u>	<u>145,940</u>	<u>484,565</u>	<u>1,739,439</u>
2,352	7,167	3,971	32,312
354,479	-	-	573,177
<u>3,649,500</u>	<u>10,585,000</u>	<u>5,490,000</u>	<u>41,588,300</u>
<u>4,006,331</u>	<u>10,592,167</u>	<u>5,493,971</u>	<u>42,193,789</u>
<u>4,300,840</u>	<u>10,738,107</u>	<u>5,978,536</u>	<u>43,933,228</u>
4,986,896	9,176,375	4,246,250	27,405,643
(182,336)	1,174,675	(374,025)	1,094,745
<u>\$ 4,804,560</u>	<u>\$ 10,351,050</u>	<u>\$ 3,872,225</u>	<u>\$ 28,500,388</u>

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

Beaufort County, North Carolina
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For The Fiscal Year Ended June 30, 2006

	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	\$ 420,735	\$ 570,700	\$ 662,593	\$ 713,603	\$ 298,506
Water Taps	27,375	37,025	26,725	46,635	9,025
Other Operating Revenues	8,397	7,568	6,375	6,085	4,460
Total Operating Revenues	<u>456,507</u>	<u>615,293</u>	<u>695,693</u>	<u>766,323</u>	<u>311,991</u>
Operating expenses:					
Salaries and benefits	89,768	129,293	121,167	134,327	63,554
Water purchase	69,575	98,223	94,131	102,316	45,019
Water operations and maintenance	168,528	101,286	104,661	125,068	46,089
Depreciation	6,080	84,742	109,164	11,587	33,093
Total operating expenses	<u>333,951</u>	<u>413,544</u>	<u>429,123</u>	<u>373,298</u>	<u>187,755</u>
Total Operating Income (Loss)	<u>122,556</u>	<u>201,749</u>	<u>266,570</u>	<u>393,025</u>	<u>124,236</u>
Nonoperating Revenues(Expenses):					
Sale of Assets	-	-	-	-	-
Transfer In (out)	283,742	-	-	(283,742)	-
Miscellaneous revenue	291,855	1,962	12,589	-	-
Loan reimbursement	-	-	-	-	-
Interest Earned on Investments	25,983	23,767	13,090	12,664	2,851
Interest on Long-term Debt	(260,852)	(253,192)	(315,152)	(379,098)	(192,140)
Total Nonoperating Revenues (Expenses)	<u>340,728</u>	<u>(227,463)</u>	<u>(289,473)</u>	<u>(650,176)</u>	<u>(189,289)</u>
Capital Contributions	<u>240,568</u>	<u>11,000</u>	<u>11,000</u>	<u>73,357</u>	<u>-</u>
Changes in net assets	703,852	(14,714)	(11,903)	(183,794)	(65,053)
Net Assets, beginning 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>
Net Assets, end of year	<u>\$ 3,838,937</u>	<u>\$ 337,507</u>	<u>\$ 46,700</u>	<u>\$ 5,249,409</u>	<u>\$ 4,804,560</u>

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

	Water District VI	Water District VII	June 30, 2006
	\$ 742,764	\$ 551,022	\$ 3,959,923
	43,356	20,300	210,441
	7,095	17,791	57,771
	<u>793,215</u>	<u>589,113</u>	<u>4,228,135</u>
	168,554	104,243	810,906
	-	-	409,264
	93,528	91,146	730,306
	25,254	8,035	277,955
	<u>287,336</u>	<u>203,424</u>	<u>2,228,431</u>
	505,879	385,689	1,999,704
	-	-	-
	98,420	-	404,826
	-	-	-
	(34,122)	(268,518)	(1,703,074)
	64,298	(268,518)	(1,219,893)
	359,993	310,825	1,006,743
	930,170	427,996	1,786,554
	9,420,880	3,444,229	26,713,834
	<u>10,351,050</u>	<u>3,872,225</u>	<u>\$ 28,500,388</u>

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

Beaufort County, North Carolina
Combining Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2006

	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	\$ 487,471	\$ 690,913	\$ 749,259	\$ 812,656	\$ 354,767
Cash Paid for Goods, Services, & Employees	(338,268)	(337,291)	(344,178)	(365,783)	(158,207)
Net Cash Provided by (Used for) Operating Activities	<u>149,203</u>	<u>353,622</u>	<u>405,081</u>	<u>446,873</u>	<u>196,560</u>
Cash Flows from Noncapital Financing Activities:					
Loan reimbursements	-	-	-	-	-
Short term advances	-	-	-	125,224	194,260
Operating Transfers In/(Out)	283,742	-	-	(283,742)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>283,742</u>	<u>-</u>	<u>-</u>	<u>(158,518)</u>	<u>194,260</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(192,429)	(137,280)	(10,211)	(21,046)	(5,074)
Other financing activities	291,855	1,962	12,589	-	-
Principal Paid on Bond Maturities and Capital Leases	(61,500)	(73,000)	(109,800)	(113,000)	(84,225)
Interest Paid on Bond\Note Maturities and Capital Leases	(260,852)	(253,192)	(315,152)	(379,098)	(192,140)
Proceeds of Capital Leases, Bonds and Notes	-	-	-	-	-
Capital Contributions	240,568	11,000	11,000	73,357	-
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>17,642</u>	<u>(450,510)</u>	<u>(411,574)</u>	<u>(439,787)</u>	<u>(281,439)</u>
Cash Flows from Investing Activities:					
Interest on investments	25,983	23,767	13,090	12,664	2,851
Net Increase (Decrease) in Cash and Cash Equivalents	476,570	(73,121)	6,597	(138,768)	112,232
Cash and cash equivalents, July 1	306,693	542,691	8,841	138,768	(112,232)
Cash and cash equivalents, June 30	<u>\$ 783,263</u>	<u>\$ 469,570</u>	<u>\$ 15,438</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Activities:					
Operating Income (Loss)	\$ 122,556	\$ 201,749	\$ 266,570	\$ 393,025	\$ 124,236
Adjustments to Reconcile Operating Income to Net Cash Provided					
Operating Activities:					
Depreciation	6,080	84,742	109,164	11,587	33,093
Changes in Assets and Liabilities:					
(Increase) Decrease					
in Accounts Receivable	30,964	75,620	53,566	46,333	42,776
in Due from other funds	-	-	-	-	-
Increase (Decrease)					
in Accounts Payable & accrued liabilities	(3,151)	(4,295)	(16,626)	794	(2,144)
in Due to other funds	(729)	(1,054)	(988)	(1,095)	(519)
in Customer Deposits	(6,825)	(3,800)	(7,050)	(4,400)	(975)
in Compensated absences payable	308	660	445	629	93
Total Adjustments	<u>26,647</u>	<u>151,873</u>	<u>138,511</u>	<u>53,848</u>	<u>72,324</u>
Net Cash Provided by Operating Activities	<u>\$ 149,203</u>	<u>\$ 353,622</u>	<u>\$ 405,081</u>	<u>\$ 446,873</u>	<u>\$ 196,560</u>

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

Water District VI	Water District VII	Totals June 30, 2006
\$ 762,717	\$ 572,877	\$ 4,430,660
(336,085)	(119,164)	(1,998,976)
<u>426,632</u>	<u>453,713</u>	<u>2,431,684</u>
-	-	-
-	103,308	422,792
-	-	-
-	103,308	422,792
(666,605)	(397,091)	(1,429,736)
98,420	-	404,826
-	(79,500)	(521,025)
(34,122)	(268,518)	(1,703,074)
-	-	-
<u>359,993</u>	<u>310,825</u>	<u>1,006,743</u>
<u>(242,314)</u>	<u>(434,284)</u>	<u>(2,242,266)</u>
-	-	78,355
184,318	122,737	690,565
<u>1,127,030</u>	<u>(31,719)</u>	<u>1,980,072</u>
<u>\$ 1,311,348</u>	<u>\$ 91,018</u>	<u>\$ 2,670,637</u>
\$ 505,879	\$ 385,689	\$ 1,999,704
25,254	8,035	277,955
(30,498)	(16,236)	202,525
-	-	-
(87,930)	75,702	(37,650)
(1,405)	(853)	(6,643)
14,100	1,101	(7,849)
<u>1,232</u>	<u>275</u>	<u>3,642</u>
<u>(79,247)</u>	<u>68,024</u>	<u>431,980</u>
<u>\$ 426,632</u>	<u>\$ 453,713</u>	<u>\$ 2,431,684</u>

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

BEAUFORT COUNTY, NORTH CAROLINA

For the Fiscal Year Ended June 30, 2006

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 and Beaufort County ABC Board (*the Board*) 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

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.

Public School Fund: This is the County's capital project fund. It accounts for all financial activity for the construction of new schools.

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. The Motor Vehicle Tax Fund, which accounts for registered motor vehicles property taxes that are billed and collected by the County for various municipalities and special districts within the County.

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 2005 to February 2006 apply to the fiscal year ended June 30, 2006. Uncollected taxes, which are billed during this period, are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2006 registration renewals will vary from 7 to 18 months after December 31, 2005. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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.

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.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

Notes to the financial statements

accounts, money market accounts, and certificates of deposit.

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

The County, the Hospital and the ABC Board'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 and the Hospital 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, 2005. 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 accounts for inventories using the "purchases method". Under the purchases method, purchases are recorded as expenditures when purchased. The County 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.

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.

Notes to the financial statements

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

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 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

Notes to the financial statements

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 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 2006-2007 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 includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets.

The net adjustment of (\$16,055,842) consists of several elements as follows:

therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 10,690,669
Less accumulated depreciation	<u>(4,544,651)</u>
Net capital assets	6,146,018
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	389,716
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	2,902,292
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	(24,536,056)
Compensated absences	(545,981)
Net pension obligation	(222,488)
Accrued landfill charges payable	<u>(189,343)</u>
Total adjustment	<u>\$ (16,055,842)</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 \$957,887 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures in the fund statements but capitalized as assets in the statement of activities	\$ 1,621,842
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.	(505,001)
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.	1,402,650
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 and pension expense are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(59,423)
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.	(861,915)
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 6/30/05	(3,355,491)
Recording of tax receipts deferred in the fund statement as of 6/30/06	2,715,225
Total adjustment	\$ <u>957,887</u>

II. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

None.

B. Deficit Fund Balance or Net Assets of Individual Funds

Net assets in the Public Schools Capital Project fund is a negative \$240,169, this is due to the construction activity for schools that are titled in the name of County Board of Education. There is no plan of corrective action; nothing can be done until the debt is retired. However, all future transactions will leave the title in the County's name. Net assets in several Special Revenue

Notes to the financial statements

and Capital Project funds are the result of timing differences with funding agencies.

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 and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the Hospital'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 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 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 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 and the ABC Board do not have policies regarding custodial credit risk for deposits.

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

At June 30, 2006, the County's deposits had a carrying amount of \$6,542,082 and a bank balance of \$8,272,807. Of the bank balance, \$300,000 was covered by federal depository insurance the remaining balance was covered by collateral and held under the Pooling Method.

At September 30, 2005, the Hospital's deposits had a carrying amount of \$3,397,862 and a bank balance of \$3,577,985. Of the bank balance, \$293,393 was covered by federal depository insurance; the remaining \$3,284,592 was covered by collateral held under the Pooling Method.

At June 30, 2006, the carry amount of deposits for Beaufort County ABC Board was \$435,460 and the bank balance was \$553,207. Of the bank balance, \$172,543 was covered by federal depository insurance and \$380,664 was collateralized under the Pooling Method.

2. Investments

At June 30, 2006, Beaufort County had \$16,016,440 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The County has no policy regarding credit risk.

At June 30, 2006, the ABC Board had no money in the above type investments.

At September 30, 2005, the Beaufort County Hospital's 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

Notes to the financial statements

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
2004	637,265	36,643	673,908
2005	637,265	36,236	673,501
2006	555,345	-	555,345
Total	\$ 1,829,875	\$ 72,879	\$ 1,902,754

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:

Fund	30-Jun-06
Property Taxes Receivable	
General Fund	\$ 730,000
Accounts Receivable	
Enterprise Fund	136,651
Total	\$ <u>866,651</u>

Receivables at the government-wide level at June 30, 2006, were as follows:

	Accounts	Taxes & Related Accrued Interest	Fees	Due From Other Governments	Other	Total
Governmental Activities:						
General	\$ 2,857,053	\$ 3,889,979	\$ -	\$ 36,975	\$ 826,023	\$ 7,610,030
Other Governmental	77,718	132,029	-	-	-	209,747
Total Receivables	-	-	-	-	-	-
Allowance for Doubt Accounts	-	(730,000)	-	-	-	(730,000)
Total Governmental Activities	\$ 2,934,771	\$ 3,292,008	\$ -	\$ 36,975	\$ 826,023	\$ 7,089,777
Business-Type Activities						
Water Districts	\$ 661,706	\$ -	\$ -	\$ -	\$ -	\$ 661,706
Allowance for Doubtfull Accounts	(136,651)	-	-	-	-	(136,651)
Total Business-Type Activities	\$ 525,055	\$ -	\$ -	\$ -	\$ -	\$ 525,055

5. Capital Assets

Capital asset activity for the year ended June 30, 2006, was as follows:

Notes to the financial statements

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,601,367	\$ -	\$ -	\$ -	\$ 1,601,367
Construction in progress	892,643	1,203,106	2,095,749	-	-
Total capital assets not being depreciated	<u>2,494,010</u>	<u>1,203,106</u>	<u>2,095,749</u>	<u>-</u>	<u>1,601,367</u>
Capital assets being depreciated:					
Buildings	9,434,171	2,095,749	-	-	11,529,920
Equipment and Vehicles	4,288,339	418,736	127,794	-	4,579,281
Total capital assets being depreciated	<u>13,722,510</u>	<u>2,514,485</u>	<u>127,794</u>	<u>-</u>	<u>16,109,201</u>
Less accumulated depreciation for:					
Buildings	7,333,108	217,124	-	-	7,550,232
Equipment and vehicles	3,854,235	287,877	127,794	-	4,014,318
Total accumulated depreciation	<u>11,187,343</u>	<u>505,001</u>	<u>127,794</u>	<u>-</u>	<u>11,564,550</u>
Total capital assets being depreciated, net	<u>2,535,167</u>				<u>4,544,651</u>
Governmental activity capital assets, net	<u>\$ 5,029,177</u>				<u>\$ 6,146,018</u>

The adjustment column was prepared in order to reconcile assets in the General Fund to the County's ledger.

Primary Government

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

General government	\$ 239,996
Public safety	233,645
Environmental protection	24,887
Economic and physical development	5,058
Human services	1,415
Total depreciation expense	<u>\$ 505,001</u>

Notes to the financial statements

Business-type activities:

Capital assets not being depreciated:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 75,961	\$ -	\$ -	\$ 75,961
Construction in progress	56,855,308	1,360,039	-	58,215,347
Total capital assets not being depreciated	56,931,269	1,360,039	-	58,291,308
Capital assets being depreciated:				
Plant and distribution	12,939,230	-	-	12,939,230
Furniture & maintenance equipment	265,872	19,018	-	284,890
Vehicles	154,929	50,679	-	205,608
Total capital assets being depreciated	13,360,031	69,697	-	13,429,728
Less accumulated depreciation for:				
Plant and distribution	1,953,406	219,716	-	2,173,122
Furniture & maintenance equipment	166,599	9,132	-	175,731
Vehicles	85,152	49,107	-	134,259
Total accumulated depreciation	2,205,157	277,955	-	2,483,112
Total capital assets being depreciated, net	11,154,874			10,946,616
Beaufort County Water District I-VII capital assets, net	68,086,143			69,237,924
Business-type activities capital assets, net	\$ 68,086,143			\$ 69,237,924

Construction commitments

The government has active construction projects as of June 30, 2006. The projects include the water district projects. At June 30, 2006, the government's had commitments with contractors.

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2006, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Land and Improvements	-	\$ 147,594	\$ -	\$ 147,594
Buildings	25 yrs	506,202	387,065	119,137
Furniture and Equipment	5-10 yrs	343,926	302,891	41,035
Motor Vehicles	4 yrs	15,277	15,277	-
Total		\$1,012,999	\$ 705,233	\$ 307,766

Activity for the Beaufort County Hospital for the year ended September 30, 2005, 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, 2006, were as follows :

	Vendors	Salaries & Benefits	Others	Total
Governmental Activities:				
General	\$ 1,205,003	\$ 119,524	\$ 992,967	\$ 2,317,494
Other Governmental	414,149	-	-	414,149
Total-governmental activities	\$ 1,619,152	\$ 119,524	\$ 992,967	\$ 2,731,643
Business-type Activities				
Water and Sewer Districts	123,740	\$ -	\$ -	\$ 123,740
Total - business-type activities	\$ 123,740	\$ -	\$ -	\$ 123,740

Notes to the financial statements

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 4.92% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.11% 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, 2006, 2005, and 2004 were \$474,829, \$437,663 and \$440,677, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2006 was \$13,349. 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2005, the Separation Allowance's membership consisted of:

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 - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting

Method Used to Value Investments - No funds are set aside to pay benefits and administrations costs. These expenditures are paid as they come due.

(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 benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

Notes to the financial statements

Although the County has chosen the pay as you go basis, it does maintain actuarial valuations that state what should be contributed now to cover benefits.

The annual required contribution for the current year was determined as part of the December 31, 2005 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 4.5% to 12.3% 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, 2005 was 25 years.

Annual required contribution	\$	39,606
Interest on net pension obligation		13,570
Adjustment to annual required contribution		(10,750)
Annual pension cost		42,426
Contributions made		7,109
Increase (decrease) in net pension obligation		35,317
Net pension obligation beginning of year		187,171
Net pension obligation end of year	\$	222,488

3 Year Trend Information

For Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2004	\$ 33,926	0.00%	\$ 150,660
2005	\$ 37,642	3.00%	\$ 187,171
2006	\$ 42,426	16.76%	\$ 222,488

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 officer's salary, and all amounts contributed are vested immediately.

Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2006 were \$252,134, which consisted of \$118,790 from the County and \$133,344 from the law enforcement officers.

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 that 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, 2006, the County's required and actual contributions were \$15,915.

Notes to the financial statements

e. Other Post Employment Benefits

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 will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. 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, 2006, the County made contributions to the State for death benefits of \$474,829. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 4.92% 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.

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. 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, 2006 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)	\$ 2,043,060	\$ -
Taxes receivable, net (Special revenue)	132,029	-
Landfill taxes	727,203	-
Installment Obligation Receivable	826,023	826,023
Total	<u>\$ 3,728,315</u>	<u>\$ 826,023</u>

Notes to the financial statements

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$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 does not carry any flood insurance.

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.

6. Contingent Liabilities

At June 30, 2006, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-term Obligations

a. 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	2005
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
	<hr/>
	2,919,699
Less allowance for depreciation	2,369,528
Total	<hr/>
	\$ 550,171

Notes to the financial statements

At September 30, 2005, the future minimum payments under the Hospital's capital leases consist of the following:

Year Ending September 30	Principal Payments	Interest Payments
2006	234,922	26,070
2007	78,252	2,104
2008	-	-
2009	-	-
2010	-	-
Total minimum lease payments	-	-
Less: amount representing interest	-	-
Present value of the minimum lease payments	<u>\$ 313,174</u>	<u>\$ 28,174</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, 2006 the draw down on the note was \$1,124,708. The building was sold and the note paid off in July 2006.

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 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, 2005, the Hospital had drawn down on these loans by incurring project expenditures of \$6,704,361. 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, 2006 in the Governmental Activities and for the Business Type Activities are as follows:

Notes to the financial statements

Year Ending June 30.	Business Type Activities		Governmental Activities		Total
	Principal	Interest	Principal	Interest	
2007	56,525	28,005	1,787,370	281,268	2,153,168
2008	56,525	25,566	688,395	248,315	1,018,801
2009	56,525	23,137	716,507	213,888	1,010,057
2010	56,525	19,626	642,375	176,772	895,298
2011	56,525	17,139	672,833	145,861	892,358
2012-2016	282,625	36,652	2,428,576	269,790	3,017,643
2017-2021	64,452	1,038	-	-	65,490
Total	\$ 629,702	\$ 151,163	\$ 6,936,056	\$ 1,335,894	\$ 9,052,815

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 \$7,650 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. Repaid in 2005.

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. Repaid in 2005.

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.

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, 2005, the Hospital had been advanced on these loans 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, 2005 and 2004, respectively.

Notes to the financial statements

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

2006	758,513
2007	669,743
2008	565,476
2009	-
2010	-
Thereafter	-
Total Payable	1,993,732
Less Current Maturities	(758,513)
Long Term Portion	<u>\$ 1,235,219</u>

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2006:

	Balance 07/01/05	Additions	Retirements	Balance 6/30/2006	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 18,365,000	\$ -	\$ (765,000)	\$ 17,600,000	\$ 800,000
Installment Purchases	6,711,791	861,915	(637,650)	6,936,056	1,787,370
Compensated Absences	521,875	24,106	-	545,981	-
Net Pension Obligation	187,171	35,317	-	222,488	-
Landfill Postclosure Care	189,343	-	-	189,343	-
Total	<u>\$ 25,975,180</u>	<u>\$ 921,338</u>	<u>\$ (1,402,650)</u>	<u>\$ 25,493,868</u>	<u>\$ 2,587,370</u>
Business Type Activities:					
General Obligation Bonds	\$ 42,659,300	\$ -	\$ (464,500)	\$ 42,194,800	\$ 606,500
Installment Purchases	686,227	-	(56,525)	629,702	56,525
Total	<u>\$ 43,345,527</u>	<u>\$ -</u>	<u>\$ (521,025)</u>	<u>\$ 42,824,502</u>	<u>\$ 663,025</u>

At June 30, 2006, Beaufort County had a legal debt margin of \$265,308,944. The Beginning Net Assets was restated to reflect the inclusion of the Net Pension Obligation.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2006, consists of the following:

From the Economic Development Special Revenue Fund to the Industrial Recruitment Special Revenue Fund	\$105,030
From the General fund to the Animal Shelter Capital Project Fund	286,953
From the General fund to the Industrial Recruitment Special Revenue Fund	165,209
Total	<u>\$557,192</u>

Notes to the financial statements

- 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.

The County's general obligation bonds payable at June 30, 2006 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%	\$ 600,000
\$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%	\$ -
Total	<u>\$ 17,600,000</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%	\$ 3,035,500
\$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%	\$ 2,253,800

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%	\$ 3,710,000
\$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%	\$ 382,500

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%	\$ 3,274,500
\$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%	\$ 336,500
\$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%	\$ 1,176,000
\$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%	\$ 177,000

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% \$ 2,861,500

\$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 \$ 4,168,000

\$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 \$ 839,500

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 \$ 2,987,500

\$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 \$ 719,000

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 \$ 2,501,000

\$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 \$ 3,072,500

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 \$ 42,194,800

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
2007	800,000	797,600	606,500	2,096,341
2008	1,000,000	761,600	637,500	2,066,937
2009	600,000	686,600	667,500	2,034,798
2010	800,000	650,600	700,500	2,000,851
2011	800,000	602,600	733,500	1,965,371
2012-2016	4,000,000	2,533,000	4,257,500	9,226,239
2017-2021	4,000,000	1,730,000	5,441,500	8,026,322
2022-2026	4,000,000	887,000	6,564,000	6,630,784
2027-2031	1,600,000	107,200	7,735,000	4,740,667
2032-2036	-	-	8,211,000	2,702,354
2037-2041	-	-	5,144,300	947,719
2042-2046	-	-	1,496,000	129,683
Total	\$ 17,600,000	\$ 8,756,200	\$ 42,194,800	\$ 42,568,066

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, 2006. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$126,700 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 \$1,437,544 and \$329,400 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2006. 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, 2006. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

Notes to the financial statements

VII. Summary Disclosure of Significant Commitments and Contingencies

1. Federal and State Assisted Programs

The County has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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 2006 of approximately \$2,958,325, which accounted for approximately 13.61% 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%
31-Dec-06	-	287,894	287,894	0.0%	1,546,967	18.61%

**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
2006	42,426	16.76%	222,488

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, 2005
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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 21,835,599	\$
Penalties and Interest		448,050	
Total	<u>21,688,489</u>	<u>22,283,649</u>	<u>595,160</u>
Local Option Sales Taxes:			
Article 39 One Percent		3,658,829	
Article 40 One - Half of One Percent		2,098,135	
Article 42 One - Half of One Percent		2,083,644	
Article 44 One - Half of One Percent		1,739,088	
Total	<u>9,265,880</u>	<u>9,579,696</u>	<u>313,816</u>
Other Taxes and Licenses:			
Documentary stamps		289,402	
Scrap tire disposal tax		52,984	
White goods disposal tax		14,101	
Privilege tax		8,578	
Rental vehicles receipt tax		16,008	
Total	<u>262,000</u>	<u>381,073</u>	<u>119,073</u>
Unrestricted Intergovernmental:			
Beer and wine tax		140,878	
Other		10,341	
Total	<u>283,500</u>	<u>151,219</u>	<u>(132,281)</u>
Restricted Intergovernmental:			
State and Federal Grants		9,312,058	
Loan reimbursements		935,590	
FEMA disaster funds		38,572	
ABC Tax		18,417	
Total	<u>9,076,523</u>	<u>10,304,637</u>	<u>1,228,114</u>
Permits and Fees:			
Building Permits and Inspection Fees		134,164	
Register of Deeds		307,413	
Other		7,148	
Total	<u>404,720</u>	<u>448,725</u>	<u>44,005</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Sales and Services:			
Rent and Concessions		163,525	
Rescue squad		69,701	
Prisoners' reimbursements		93,403	
Court costs		68,479	
Environmental Health Fees		95,520	
IV-D Deputy travel		52,328	
Patient fees - Nursing home & Health Dept.		227,364	
School resource officer		113,400	
Animal control fees		11,594	
Candidate fees		6,925	
Sheriff's fees		41,315	
Lanfill fees/charges		1,537,606	
Collection fees		336,469	
Cable fees		80,878	
Total	<u>2,270,805</u>	<u>2,898,507</u>	<u>627,702</u>
Investment Earnings	<u>757,501</u>	<u>760,470</u>	<u>2,969</u>
Miscellaneous:			
Sale of Assets/Insurance Claims		90,387	
Donations		4,856	
Miscellaneous		17,069	
Total	<u>1,937,669</u>	<u>112,312</u>	<u>(1,825,357)</u>
TOTAL REVENUES	<u>45,947,087</u>	<u>46,920,288</u>	<u>973,201</u>
Expenditures:			
General Government:			
Governing body		104,781	
County manager		624,132	
Finance		367,525	
Tax administration		1,165,337	
Legal		54,311	
Register of deeds		293,445	
Elections		228,264	
Public buildings		982,846	
Court facilities		266,295	
Total general government	<u>4,383,060</u>	<u>4,086,936</u>	<u>296,124</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:			
Sheriff		2,994,174	
Jail		1,211,891	
Criminal justice partnership		61,396	
Emergency communications		364,137	
Emergency management		185,570	
Fire protection		110,681	
Inspections		246,621	
Ambulance/Rescue service		219,961	
Animal control		261,509	
Medical examiner		23,025	
Total	<u>5,987,609</u>	<u>5,678,965</u>	<u>308,644</u>
Economic and physical development:			
Economic development		306,878	
Agricultural extension		208,205	
Soil/water conservation		111,254	
Total	<u>751,498</u>	<u>626,337</u>	<u>125,161</u>
Human services:			
Administration - general		221,161	
Aids control/STD		95,374	
TB program		48,732	
Immunization		119,634	
Health promotion		117,741	
Child health		309,934	
Maternal health		461,336	
WIC - Administration		270,347	
Environmental health		543,717	
Family planning		345,255	
Other health programs		116,034	
Total human services	<u>2,869,885</u>	<u>2,649,265</u>	<u>220,620</u>
Mental Health:			
General appropriation		155,691	
Other		64,064	
Alcohol rehab		17,000	
Total	<u>236,755</u>	<u>236,755</u>	<u>-</u>
Beaufort County Develop Center	<u>55,000</u>	<u>55,000</u>	<u>-</u>
NC Elderly handicapped transportation	<u>19,862</u>	<u>19,862</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Social services:			
Administration		4,207,145	
State In-Home Aging Services		464,770	
Day care		2,512,115	
Medical assistance		4,175,454	
Energy assistance		164,558	
County provided assistance		1,742	
Transportation		46,941	
Child support enforcement		692,816	
Aid to the blind program		11,842	
Special assistance		491,063	
Foster care		443,376	
Work first program		68,298	
Total	<u>13,861,501</u>	<u>13,280,120</u>	<u>581,381</u>
Other human services			
County home		-	
Veterans services		37,967	
Youth services		183,767	
Total	<u>223,310</u>	<u>221,734</u>	<u>1,576</u>
Total Social Services	<u>14,084,811</u>	<u>13,501,854</u>	<u>582,957</u>
Total Human Services	<u>17,266,313</u>	<u>16,462,736</u>	<u>803,577</u>
Cultural and Recreational:			
Recreation		50,969	
Library and museum		140,000	
Special Appropriations		73,000	
Total Cultural and Recreational	<u>271,527</u>	<u>263,969</u>	<u>7,558</u>
Environmental protection:			
Solid waste	<u>2,936,168</u>	<u>2,843,232</u>	<u>92,936</u>
Education:			
Public Schools:			
Current Expense		9,178,283	
Capital Outlay		1,034,520	
Community Colleges:			
Current Expense		1,437,544	
Capital Outlay		329,400	
Total Education	<u>11,979,747</u>	<u>11,979,747</u>	<u>-</u>
Debt Service:			
Principal Retirement	1,398,667	1,402,650	
Interest and Fees	1,259,229	1,148,955	
Total Debt Service	<u>2,657,896</u>	<u>2,551,605</u>	<u>106,291</u>
TOTAL EXPENDITURES	<u>46,233,818</u>	<u>44,493,527</u>	<u>1,740,291</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues over Expenditures	<u>(286,731)</u>	<u>2,426,761</u>	<u>2,713,492</u>
Other financing sources (uses):			
Proceeds From Capital Leases	-	-	
Fund Balance Appropriated	1,205,379	-	
Operating Transfers (to)/from Other Funds:			
Capital Projects	(286,953)	(286,953)	
Special revenue fund - federal & state seizure fund	-	-	
Special revenue fund - industrial recruitment	(631,695)	(165,209)	
Operating Transfers (to)/from Component Units	-	-	
Beaufort County ABC Board	-	92,095	
Warren Field Airport Commission	-	-	
Total Other Financing Sources (Uses)	<u>286,731</u>	<u>(360,067)</u>	<u>(646,798)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	2,066,694	<u>\$ 2,066,694</u>
Fund balances:			
Beginning of year, July 1		<u>17,892,927</u>	
End of year, June 30		<u>\$ 19,959,621</u>	

Combining Balance Sheets Nonmajor Governmental Funds

Beaufort County, North Carolina
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2006

	<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	\$ 36,334	\$ -	\$ -	\$ -	\$ 489,916
Accounts Receivable	-	2,418	-	-	-	48,923
Taxes Receivable (Net)	-	-	11,284	-	120,745	-
Due from other funds	-	-	-	-	-	-
Total Assets	<u>\$ 11,701</u>	<u>\$ 38,752</u>	<u>\$ 11,284</u>	<u>\$ -</u>	<u>\$ 120,745</u>	<u>\$ 538,839</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,013	\$ -	\$ -	\$ -	\$ 109
Due to other funds	-	-	-	-	-	-
Deferred Revenue	-	-	11,284	-	120,745	-
Total Liabilities	<u>-</u>	<u>1,013</u>	<u>11,284</u>	<u>-</u>	<u>120,745</u>	<u>109</u>
Fund Balances:						
Reserved by State Statute Designated for Subsequent Year's Expenditures	-	-	-	-	-	48,923
Undesignated	11,701	37,739	-	-	-	489,807
Total Fund Balances	<u>11,701</u>	<u>37,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,730</u>
Total Liabilities and Fund Balances	<u>\$ 11,701</u>	<u>\$ 38,752</u>	<u>\$ 11,284</u>	<u>\$ -</u>	<u>\$ 120,745</u>	<u>\$ 538,839</u>

NC Housing Finance Agency	Hazardous Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Industrial Recruitment	State & Federal Seizures	2004 CDBG Fund	2001 CDBG Fund	2005 CDBG Fund	Total Nonmajor Special Revenue Funds
\$ 46,665	\$ 2,121	\$ -	\$ -	\$ 337,765	\$ (12,500)	\$ 19,916	\$ -	\$ -	\$ -	\$ 931,918
-	-	-	-	-	12,500	7,041	-	-	6,836	77,718
-	-	-	-	-	-	-	-	-	-	132,029
<u>\$ 46,665</u>	<u>\$ 2,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,765</u>	<u>\$ -</u>	<u>\$ 26,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,836</u>	<u>\$ 1,141,665</u>
\$ -	\$ -	\$ 25,564	\$ 3,799	\$ -	\$ -	\$ 247	\$ 16,255	\$ 75,632	\$ 7,159	\$ 129,778
-	-	-	-	-	-	-	-	-	-	-
-	-	25,564	3,799	-	-	247	16,255	75,632	7,159	132,029
-	-	<u>25,564</u>	<u>3,799</u>	-	-	<u>247</u>	<u>16,255</u>	<u>75,632</u>	<u>7,159</u>	<u>261,807</u>
-	-	-	-	-	-	-	-	-	-	48,923
-	-	-	-	-	-	-	-	-	-	-
46,665	2,121	(25,564)	(3,799)	337,765	-	26,710	(16,255)	(75,632)	(323)	830,935
<u>46,665</u>	<u>2,121</u>	<u>(25,564)</u>	<u>(3,799)</u>	<u>337,765</u>	<u>-</u>	<u>26,710</u>	<u>(16,255)</u>	<u>(75,632)</u>	<u>(323)</u>	<u>879,858</u>
<u>\$ 46,665</u>	<u>\$ 2,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,765</u>	<u>\$ -</u>	<u>\$ 26,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,836</u>	<u>\$ 1,141,665</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	\$ -	\$ 167,695	\$ 57,352	\$ 155,326	\$ -	\$ 2,010	\$ -	\$ 396,997	\$ 1,328,915
-	-	-	-	-	-	-	-	-	-	-	77,718
-	-	-	-	-	-	-	-	-	-	-	132,029
<u>\$ -</u>	<u>\$ 14,394</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 167,695</u>	<u>\$ 57,352</u>	<u>\$ 155,326</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ -</u>	<u>\$ 396,997</u>	<u>\$ 1,538,662</u>
\$ -	\$ -	\$ -	\$ 17,250	\$ -	\$ -	\$ 13,820	\$ 8,000	\$ -	\$ -	\$ 39,070	\$ 168,848
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	17,250	-	-	13,820	8,000	-	-	39,070	132,029
-	-	-	<u>17,250</u>	-	-	<u>13,820</u>	<u>8,000</u>	-	-	<u>39,070</u>	<u>300,877</u>
-	-	-	-	-	-	-	-	-	-	-	48,923
-	-	-	-	-	-	-	-	-	-	-	-
-	14,394	220	(17,250)	167,695	57,352	141,506	(8,000)	2,010	-	357,927	1,188,862
-	14,394	220	(17,250)	167,695	57,352	141,506	(8,000)	2,010	-	357,927	1,237,785
<u>\$ -</u>	<u>\$ 14,394</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 167,695</u>	<u>\$ 57,352</u>	<u>\$ 155,326</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ -</u>	<u>\$ 396,997</u>	<u>\$ 1,538,662</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, 2006

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service	NC Housing Finance Agency
Revenues:							
Ad Valorem Taxes	\$ -	\$ -	\$ 54	\$ 831,268	\$ -	\$ -	\$ -
Investment Earnings	-	887	-	-	-	-	-
Sales Tax Revenue	-	-	-	-	-	-	-
Restricted Intergovernmental	-	299,850	-	-	-	306,520	20,503
Other	-	104,174	-	-	-	-	-
Total revenues	-	404,911	54	831,268	-	306,520	20,503
Expenditures:							
Current:							
Public Safety	-	-	-	831,268	-	181,089	-
Education	-	-	54	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Economic and Physical Development	-	307,259	-	-	-	-	-
Total Expenditures	-	307,259	54	831,268	-	181,089	-
Revenues Over (Under) Expenditures	-	97,652	-	-	-	125,431	20,503
Other Financing Sources:							
Transfers In	-	-	-	-	-	-	-
Transfers (Out)	-	(105,030)	-	-	-	-	-
From Primary Government	-	-	-	-	-	-	-
Proceeds from Debt Issuance	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(105,030)	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	-	(7,378)	-	-	-	125,431	20,503
Fund balances:							
Beginning of Year, July 1	11,701	45,117	-	-	-	413,299	26,162
End of year, June 30	\$ 11,701	\$ 37,739	\$ -	\$ -	\$ -	\$ 538,730	\$ 46,665

Hazardous Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Industrial Recruitment	State & Federal Seizures	2004 CDBG Fund	2001 CDBG Fund	2005 CDBG Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,322
-	-	-	11,480	-	-	-	-	-	12,367
-	-	-	-	-	-	-	-	-	-
-	-	-	-	70,000	52,516	42,127	-	526,695	1,318,211
-	-	-	-	35,000	13	-	-	-	139,187
-	-	-	11,480	105,000	52,529	42,127	-	526,695	2,301,087
-	-	-	-	-	93,943	-	-	-	1,106,300
-	-	-	-	-	-	-	-	-	54
-	-	-	-	-	-	-	-	-	-
-	-	-	-	375,239	-	24,764	-	527,018	1,234,280
-	-	-	-	375,239	93,943	24,764	-	527,018	2,340,634
-	-	-	11,480	(270,239)	(41,414)	17,363	-	(323)	(39,547)
-	-	-	-	270,239	-	-	-	-	270,239
-	-	-	-	-	-	-	-	-	(105,030)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	270,239	-	-	-	-	165,209
-	-	-	11,480	-	(41,414)	17,363	-	(323)	125,662
2,121	(25,564)	(3,799)	326,285	-	68,124	(33,618)	(75,632)	-	754,196
\$ 2,121	\$ (25,564)	\$ (3,799)	\$ 337,765	\$ -	\$ 26,710	\$ (16,255)	\$ (75,632)	\$ (323)	\$ 879,858

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,322
-	-	-	-	-	-	-	-	-	7,521	7,521	19,888
-	-	-	-	136,968	-	-	-	-	-	-	136,968
-	-	-	-	-	-	1,206,410	111,517	-	-	1,317,927	2,636,138
-	-	-	-	45,355	-	3,744	-	-	-	49,099	188,286
-	-	-	-	182,323	-	1,210,154	111,517	-	7,521	1,374,547	3,812,602
-	-	-	-	-	-	-	-	-	-	-	1,106,300
-	-	-	-	-	-	-	-	-	-	-	54
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	70,608	-	1,058,751	119,517	456,981	746,125	2,451,982	3,686,262
-	-	-	-	70,608	-	1,058,751	119,517	456,981	746,125	2,451,982	4,792,616
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	111,715	-	151,403	(8,000)	(456,981)	(738,604)	(1,077,435)	(980,014)
-	-	-	-	-	-	-	-	-	286,953	286,953	557,192
-	-	-	-	-	-	-	-	-	-	-	(105,030)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	38,502	-	-	-	823,413	-	861,915	861,915
-	-	-	-	38,502	-	-	-	823,413	286,953	1,148,868	1,314,077
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	150,217	-	151,403	(8,000)	366,432	(451,651)	208,401	334,063
-	14,394	220	(17,250)	17,478	57,352	(9,897)	-	(364,422)	451,651	149,526	903,722
\$ -	\$ 14,394	\$ 220	\$ (17,250)	\$ 167,695	\$ 57,352	\$ 141,506	\$ (8,000)	\$ 2,010	\$ -	\$ 357,927	\$ 1,237,785

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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Miscellaneous	\$	\$ -	\$
Investment Earnings		-	
Total Revenue	-	-	-
Expenditures			
Total Economic & Physical Development	-	-	-
Total Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	-	-
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	-	-	-
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		11,701	
End of Year, June 30		\$ 11,701	

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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 299,850	\$
Investment Earnings		887	
Other income		104,174	
Total revenues	<u>443,958</u>	<u>404,911</u>	<u>(39,047)</u>
Expenditures:			
Economic and Physical development		307,259	
Total Expenditures	<u>338,928</u>	<u>307,259</u>	<u>31,669</u>
Revenues Over (Under) Expenditures	<u>105,030</u>	<u>97,652</u>	<u>(7,378)</u>
Other Financing Sources (Uses):			
Proceeds from Installment Loan			
Transfers to Other Funds	<u>(105,030)</u>	<u>(105,030)</u>	
Total Other Financing Sources (Uses)	<u>(105,030)</u>	<u>(105,030)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	-	(7,378)	(7,378)
Fund Balance Appropriated		-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>-</u>	(7,378)	\$ <u>(7,378)</u>
Fund Balance:			
Beginning of Year, July 1		<u>45,117</u>	
End of Year, June 30		\$ <u><u>37,739</u></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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$ _____	\$ _____ 54	\$ _____ 54
Expenditures:			
Education - School current expense	_____	54	
Total Expenditures	_____	54	(54)
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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad valorem taxes:			
Total Revenues	\$ 814,990	831,268	\$ 16,278
Expenditures:			
Public safety:			
Total Expenditures	814,990	831,268	(16,278)
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	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance:			
Beginning of Year, July 1		-	
End of Year, June 30		\$ <u>-</u>	

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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Operating Transfers in	-	-	-
Total Other Financing	-	-	-
Sources (Uses)	-	-	-
Revenues and Other Financing			
Sources Over (Under) Uses	-	-	-
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated			
Transfer in(out)	-	-	-
Fund Balance Over (Under)			
Expenditures and Other Uses	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		-	
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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Emergency Telephone System Charges		\$ 306,520	
Total Revenues	\$ 182,518	306,520	\$ 124,002
Expenditures:			
Public safety:			
E 911 Service		181,089	
Capital Outlay		-	
Total Expenditures	182,518	181,089	1,429
Revenues Over (Under) Expenditures	-	125,431	125,431
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	-	125,431	125,431
Fund Balance Appropriated		-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	125,431	\$ 125,431
Fund Balance:			
Beginning of Year, July 1		413,299	
End of Year, June 30		\$ 538,730	

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, 2006

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental Emergency Management Grant	\$ 500,000	\$ 455,588	\$ 20,503	\$ 476,091	\$ (23,909)
Total Revenues	<u>500,000</u>	<u>455,588</u>	<u>20,503</u>	<u>476,091</u>	<u>(23,909)</u>
Expenditures:					
Current:					
Economic and physical development	515,000	444,426	-	444,426	70,574
Revenues over expenditures	(15,000)	11,162	20,503	31,665	46,665
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	<u>\$ -</u>	<u>\$ 26,162</u>	20,503	<u>\$ 46,665</u>	<u>\$ 46,665</u>
Fund balances:					
Beginning of year, July 1			<u>26,162</u>		
End of year, June 30			<u>\$ 46,665</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, 2006

	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>-</u>	<u>\$ 2,121</u>	<u>\$ 2,121</u>
Fund balances:					
Beginning of year, July 1			<u>2,121</u>		
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, 2006

	Project Author - ization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 1,621,128	\$ 1,618,686	\$ -	\$ 1,618,686	\$ (2,442)
Interest Income	-	-	-	-	-
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:	1,201,128	1,234,250	-	1,234,250	(33,122)
Revenues over expenditures	420,000	384,436	-	384,436	(35,564)
Other Financing Sources (Uses):					
Transfers to other funds	(420,000)	(410,000)	-	(410,000)	(10,000)
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>-</u>	<u>\$ (25,564)</u>	<u>\$ (25,564)</u>
Fund balances:					
Beginning of year, July 1			(25,564)		
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, 2006

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 850,000	\$ 603,456	\$ -	\$ 603,456	\$ (246,544)
Interest Income	-	-	-	-	-
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>-</u>	<u>\$ (3,799)</u>	<u>\$ (3,799)</u>
Fund balances:					
Beginning of year, July 1			(3,799)		
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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Investment Earnings	\$ -	\$ 11,480	\$ 11,480
Expenditures	-	-	-
Revenues Over (Under) Expenditures	-	11,480	11,480
Other Financing Sources (Uses):			
Operating Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	11,480	11,480
Fund Balance Appropriated	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	11,480	\$ 11,480
Fund Balance:			
Beginning of Year, July 1		326,285	
End of Year, June 30		\$ 337,765	

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, 2006

	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>1,173,065</u>	<u>-</u>	<u>1,173,065</u>	<u>16,935</u>
Revenues over expenditures	(90,000)	(87,433)	-	(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>\$ (75,632)</u>	<u>-</u>	<u>\$ (75,632)</u>	<u>\$ (75,632)</u>
Fund balances:					
Beginning of year, July 1			<u>(75,632)</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, 2006

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 353,557	\$ 42,127	\$ 395,684	\$ (4,316)
Interest Income	-	-	-	-	-
Total Revenues	<u>400,000</u>	<u>353,557</u>	<u>42,127</u>	<u>395,684</u>	<u>(4,316)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>400,000</u>	<u>387,175</u>	<u>24,764</u>	<u>411,939</u>	<u>(11,939)</u>
Revenues over expenditures	-	(33,618)	17,363	(16,255)	(16,255)
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>\$ (33,618)</u>	17,363	<u>\$ (16,255)</u>	<u>\$ (16,255)</u>
Fund balances:					
Beginning of year, July 1			<u>(33,618)</u>		
End of year, June 30			<u>\$ (16,255)</u>		

Beaufort County, North Carolina
CDBG Fund
05-E-1411
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2006

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 3,399,024	\$ -	\$ 526,695	\$ 526,695	\$ (2,872,329)
Interest Income	-	-	-	-	-
Total Revenues	<u>3,399,024</u>	<u>-</u>	<u>526,695</u>	<u>526,695</u>	<u>(2,872,329)</u>
Expenditures:					
Current:					
Economic and physical development:	<u>3,399,024</u>	<u>-</u>	<u>527,018</u>	<u>527,018</u>	<u>2,872,006</u>
Revenues over expenditures	-	-	(323)	(323)	(323)
Other Financing Sources (Uses):					
Local 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>	<u>(323)</u>	<u>\$ (323)</u>	<u>\$ (323)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (323)</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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 70,000	\$
Miscellaneous		35,000	
Investment Earnings		-	
Total Revenue	<u>375,239</u>	<u>105,000</u>	<u>(270,239)</u>
Expenditures		375,239	
Total Economic & Physical Development	<u>375,239</u>	<u>375,239</u>	<u>-</u>
Total Expenditures	<u>375,239</u>	<u>375,239</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(270,239)</u>	<u>(270,239)</u>
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	270,239	-
Proceeds from Lease Purchase	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>270,239</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(270,239)</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>\$ (270,239)</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, 2006

	2006		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Restricted Intergovernmental	\$	\$ 52,516	\$
Miscellaneous		13	
Investment Earnings		-	
Total Revenue	<u>146,922</u>	<u>52,529</u>	<u>(94,393)</u>
Expenditures		93,943	
Total Public Safety	<u>146,922</u>	<u>93,943</u>	<u>52,979</u>
Total Expenditures	<u>146,922</u>	<u>93,943</u>	<u>52,979</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(41,414)</u>	<u>(41,414)</u>
Other Financing Sources (Uses):			
Operating Transfers from General Fund	-	-	-
Proceeds from Lease Purchase	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	(41,414)	(41,414)
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>(41,414)</u>	<u>\$ (41,414)</u>
Fund Balance:			
Beginning of Year, July 1		<u>68,124</u>	
End of Year, June 30		<u>\$ 26,710</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance 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	727,293	-	727,293	71,707
Rehabilitation	3,086,430	2,786,160	-	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	95,155	-	95,155	8,056
Total Expenditures	<u>8,370,422</u>	<u>8,135,382</u>	<u>-</u>	<u>8,135,382</u>	<u>235,040</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>14,394</u>	<u>-</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>\$ 14,394</u>	<u>-</u>	<u>\$ 14,394</u>	<u>\$ 14,394</u>
Fund balances:					
Beginning of year, July 1			<u>14,394</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, 2006

	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, 2006

	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	1,298,545	-	1,298,545	(59,830)
Total Expenditures	<u>1,392,222</u>	<u>1,405,642</u>	<u>-</u>	<u>1,405,642</u>	<u>(13,420)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(17,250)</u>	<u>-</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>-</u>	<u>\$ (17,250)</u>	<u>\$ (17,250)</u>
Fund balances:					
Beginning of year, July 1			<u>17,250</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	19,714	182,323	202,037	202,037
Investment Income	210,000	279,153	-	279,153	69,153
Total Revenues	<u>210,000</u>	<u>298,867</u>	<u>182,323</u>	<u>481,190</u>	<u>271,190</u>
Expenditures					
Economic & Physical Development:					
Construction	6,540,000	6,947,248	70,608	7,017,856	(477,856)
Contingency	170,000	-	-	-	170,000
Total Expenditures	<u>6,710,000</u>	<u>6,947,248</u>	<u>70,608</u>	<u>7,017,856</u>	<u>(307,856)</u>
Revenues Over (Under) Expenditures	<u>(6,500,000)</u>	<u>(6,648,381)</u>	<u>111,715</u>	<u>(6,536,666)</u>	<u>(36,666)</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	38,502	6,538,502	1,538,502
Total Other Financing Sources (Uses)	<u>6,500,000</u>	<u>6,665,859</u>	<u>38,502</u>	<u>6,704,361</u>	<u>204,361</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 17,478</u>	150,217	<u>\$ 167,695</u>	<u>\$ 167,695</u>
Fund balances:					
Beginning of year, July 1			<u>17,478</u>		
End of year, June 30			<u>\$ 167,695</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, 2006

	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, 2006

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental - HMGP	\$ 1,160,178	\$ 24,426	\$ 959,218	\$ 983,644	\$ (176,534)
Restricted intergovernmental - CDBG	-	-	247,192	247,192	247,192
Other	-	-	3,744	3,744	3,744
Interest Income	-	-	-	-	-
Total Revenues	<u>1,160,178</u>	<u>24,426</u>	<u>1,210,154</u>	<u>1,234,580</u>	<u>74,402</u>
Expenditures:					
Current:					
Economic and physical development:	<u>1,160,178</u>	<u>34,323</u>	<u>1,058,751</u>	<u>1,093,074</u>	<u>67,104</u>
Revenues over expenditures	-	(9,897)	151,403	141,506	141,506
Other Financing Sources (Uses):					
Homeowners 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>\$ (9,897)</u>	151,403	<u>\$ 141,506</u>	<u>\$ 141,506</u>
Fund balances:					
Beginning of year, July 1			<u>(9,897)</u>		
End of year, June 30			<u>\$ 141,506</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, 2006

	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	296,317	428,093	428,093
Total Revenues	<u>17,219,624</u>	<u>17,131,776</u>	<u>296,317</u>	<u>17,428,093</u>	<u>208,469</u>
Expenditures					
Economic & Physical Development:					
Construction	17,219,624	1,964,931	15,703,331	17,668,262	(448,638)
Total Expenditures	<u>17,219,624</u>	<u>1,964,931</u>	<u>15,703,331</u>	<u>17,668,262</u>	<u>(448,638)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>15,166,845</u>	<u>(15,407,014)</u>	<u>(240,169)</u>	<u>(240,169)</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>\$ 15,166,845</u>	<u>(15,407,014)</u>	<u>\$ (240,169)</u>	<u>\$ (240,169)</u>
Fund balances:					
Beginning of year, July 1			<u>15,166,845</u>		
End of year, June 30			<u>\$ (240,169)</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, 2006

	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	456,981	1,084,196	315,804
Total Expenditures	<u>1,400,000</u>	<u>627,215</u>	<u>456,981</u>	<u>1,084,196</u>	<u>315,804</u>
Revenues Over (Under) Expenditures	<u>(1,400,000)</u>	<u>(627,215)</u>	<u>(456,981)</u>	<u>(1,084,196)</u>	<u>315,804</u>
Other financing sources:					
Loan Proceeds	1,400,000	262,793	823,413	1,086,206	(313,794)
Total Other Financing Sources (Uses)	<u>1,400,000</u>	<u>262,793</u>	<u>823,413</u>	<u>1,086,206</u>	<u>(313,794)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (364,422)</u>	366,432	<u>\$ 2,010</u>	<u>\$ 2,010</u>
Fund balances:					
Beginning of year, July 1			<u>(364,422)</u>		
End of year, June 30			<u>\$ 2,010</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Donations	\$ -	\$ 1,650	\$ -	\$ 1,650	\$ 1,650
Investment Income	-	16,406	7,521	23,927	23,927
Total Revenues	<u>-</u>	<u>18,056</u>	<u>7,521</u>	<u>25,577</u>	<u>25,577</u>
Expenditures					
Economic & Physical Development:					
Construction	787,909	354,314	746,125	1,100,439	(312,530)
Contingency	-	-	-	-	-
Total Expenditures	<u>787,909</u>	<u>354,314</u>	<u>746,125</u>	<u>1,100,439</u>	<u>(312,530)</u>
Revenues Over (Under) Expenditures	<u>(787,909)</u>	<u>(336,258)</u>	<u>(738,604)</u>	<u>(1,074,862)</u>	<u>(286,953)</u>
Other financing sources:					
Transfer in from general fund	787,909	787,909	286,953	1,074,862	286,953
Total Other Financing Sources (Uses)	<u>787,909</u>	<u>787,909</u>	<u>286,953</u>	<u>1,074,862</u>	<u>286,953</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 451,651</u>	<u>(451,651)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>451,651</u>		
End of year, June 30			<u>\$ -</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grants	\$ 338,657	\$ 71,530	\$ 111,517	\$ 183,047	\$ (155,610)
Investment Income	-	-	-	-	-
Total Revenues	<u>338,657</u>	<u>71,530</u>	<u>111,517</u>	<u>183,047</u>	<u>(155,610)</u>
Expenditures					
Economic & Physical Development:					
Construction	338,657	71,530	119,517	191,047	147,610
Total Expenditures	<u>338,657</u>	<u>71,530</u>	<u>119,517</u>	<u>191,047</u>	<u>147,610</u>
Revenues Over (Under) Expenditures	-	-	(8,000)	(8,000)	(8,000)
Other financing sources:					
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	(8,000)	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ (8,000)</u>		

Enterprise Funds

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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 420,735	\$
Tap on Fees		27,375	
Miscellaneous		300,252	
Total Operating Revenues	<u>701,755</u>	<u>748,362</u>	<u>46,607</u>
Nonoperating Revenues			
Interest on Investments	<u>2,000</u>	<u>25,983</u>	<u>23,983</u>
Total Revenues	<u>703,755</u>	<u>774,345</u>	<u>70,590</u>
Expenditures:			
Administration:			
Supplies		875	
Telephone		6,580	
Travel		6,881	
Utilities		8,286	
Other administration expenses		2,676	
Total	<u>28,500</u>	<u>25,298</u>	<u>3,202</u>
Water treatment & distribution:			
Salaries and employee benefits		89,768	
Water purchase		69,575	
Supplies		16,806	
Maintenance		17,794	
Other expenses		108,630	
Total	<u>303,000</u>	<u>302,573</u>	<u>427</u>
Budgetary Appropriations:			
Capital Outlay		7,479	
Interest Paid		260,852	
Debt Principal		61,500	
Total	<u>372,255</u>	<u>329,831</u>	<u>42,424</u>
Total Expenditures	<u>703,755</u>	<u>657,702</u>	<u>46,053</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>116,643</u>	<u>116,643</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Transfer to other funds		-	
Transfer from other funds		283,742	
Total Other Financing Sources (Uses)	-	283,742	283,742
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	400,385	400,385
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 400,385	\$ 400,385

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 400,385
Budgetary Appropriations:	
Capital Outlay	7,479
Capital contributions - grant	#REF!
Principal Payments	61,500
Adjustments:	
Depreciation	(6,080)
Total reconciling items	#REF!
Net Income	\$ #REF!

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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales		\$ 570,700	
Tap on Fees		37,025	
Miscellaneous		9,530	
Total Operating Revenues	\$ 713,272	617,255	\$ (96,017)
Nonoperating Revenues			
Interest on Investments	6,000	23,767	17,767
Total Revenues	719,272	641,022	(78,250)
Expenditures:			
Administration:			
Supplies		1,323	
Telephone		9,954	
Travel		10,409	
Utilities		11,698	
Other administration expenses		4,179	
Total	40,000	37,563	2,437
Water treatment & distribution:			
Salaries and employee benefits		129,293	
Water purchase		98,223	
Supplies		25,286	
Maintenance		26,820	
Other expenses		11,617	
Total	300,000	291,239	8,761
Budgetary Appropriations:			
Capital Outlay		11,312	
Interest Paid		253,192	
Debt Principal		73,000	
Total	740,128	337,504	402,624
Total Expenditures	1,080,128	666,306	413,822
Revenues Over (Under) Expenditures	(360,856)	(25,284)	335,572

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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Transfer to other funds	-	-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(360,856)	(25,284)	335,572
Appropriated Fund Balance	360,856	-	(360,856)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (25,284)	\$ (25,284)

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (25,284)
Budgetary Appropriations:	
Capital Outlay	11,312
Capital contributions - grant	#REF!
Principal Payments	73,000
Adjustments:	
Loss on disposal of asset	-
Depreciation	(84,742)
Total reconciling items	#REF!
Net Income	\$ #REF!

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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 662,593	\$
Tap on Fees		26,725	
Miscellaneous		18,964	
Total Operating Revenues	<u>701,171</u>	<u>708,282</u>	<u>7,111</u>
Nonoperating Revenues			
Interest on Investments	<u>2,500</u>	<u>13,090</u>	<u>10,590</u>
Total Revenues	<u>703,671</u>	<u>721,372</u>	<u>17,701</u>
Expenditures:			
Administration:			
Supplies		1,194	
Telephone		8,985	
Travel		9,395	
Utilities		11,210	
Other administration expenses		3,773	
Total	<u>35,000</u>	<u>34,557</u>	<u>443</u>
Water treatment & distribution:			
Salaries and employee benefits		121,167	
Water purchase		94,131	
Supplies		22,929	
Maintenance		24,277	
Other expenses		22,898	
Total	<u>286,000</u>	<u>285,402</u>	<u>598</u>
Budgetary Appropriations:			
Capital Outlay		10,211	
Interest Paid		315,152	
Debt Principal		109,800	
Total	<u>504,475</u>	<u>435,163</u>	<u>69,312</u>
Total Expenditures	<u>825,475</u>	<u>755,122</u>	<u>70,353</u>
Revenues Over (Under) Expenditures	<u>(121,804)</u>	<u>(33,750)</u>	<u>88,054</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Bond Proceeds		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	<u>121,804</u>	<u>-</u>	<u>(121,804)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(33,750)	(33,750)
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>\$ (33,750)</u>	<u>\$ (33,750)</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>(33,750)</u>
Budgetary Appropriations:	
Capital Outlay	10,211
Principal Payments	109,800
Capital contributions - grant	#REF!
Adjustments:	
Depreciation	<u>(109,164)</u>
Total reconciling items	#REF!
Net Income	<u>\$ #REF!</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 713,603	\$
Tap on Fees		46,635	
Miscellaneous		6,085	
Total Operating Revenues	<u>812,062</u>	<u>766,323</u>	<u>(45,739)</u>
Nonoperating Revenues			
Interest on Investments	<u>15,000</u>	<u>12,664</u>	<u>(2,336)</u>
Total Revenues	<u>827,062</u>	<u>778,987</u>	<u>(48,075)</u>
Expenditures:			
Administration:			
Supplies		1,357	
Telephone		10,205	
Travel		10,672	
Utilities		12,186	
Other administration expenses		4,231	
Total	<u>40,000</u>	<u>38,651</u>	<u>1,349</u>
Water treatment & distribution:			
Salaries and employee benefits		134,327	
Water purchase		102,316	
Supplies		25,957	
Maintenance		27,522	
Other expenses		32,938	
Total	<u>325,000</u>	<u>323,060</u>	<u>1,940</u>
Budgetary Appropriations:			
Capital Outlay		11,598	
Interest Paid		379,098	
Debt Principal		113,000	
Total	<u>567,078</u>	<u>503,696</u>	<u>63,382</u>
Total Expenditures	<u>932,078</u>	<u>865,407</u>	<u>66,671</u>
Revenues Over (Under) Expenditures	<u>(105,016)</u>	<u>(86,420)</u>	<u>18,596</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Transfer to other funds		(283,742)	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	<u>105,016</u>	<u>(283,742)</u>	<u>(388,758)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(370,162)	(370,162)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (370,162)</u>	<u>\$ (370,162)</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>(370,162)</u>
Budgetary Appropriations:	
Capital Outlay	11,598
Principal Payments	113,000
Adjustments:	
Capital contribution - grant	#REF!
Capital project - other revenue	-
Depreciation	<u>(11,587)</u>
Total reconciling items	<u>#REF!</u>
Net Income	<u>\$ #REF!</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 298,506	\$
Tap on Fees		9,025	
Miscellaneous		4,460	
Total Operating Revenues	<u>365,820</u>	<u>311,991</u>	<u>(53,829)</u>
Nonoperating Revenues			
Interest on Investments	<u>1,500</u>	<u>2,851</u>	<u>1,351</u>
Total Revenues	<u>367,320</u>	<u>314,842</u>	<u>(52,478)</u>
Expenditures:			
Administration:			
Supplies		594	
Telephone		4,465	
Travel		4,669	
Utilities		5,361	
Other administration expenses		1,874	
Total	<u>17,000</u>	<u>16,963</u>	<u>37</u>
Water distribution			
Salaries and employee benefits		63,554	
Water purchase		45,019	
Supplies		11,482	
Maintenance		12,119	
Other expenses		5,525	
Total	<u>138,000</u>	<u>137,699</u>	<u>301</u>
Budgetary Appropriations:			
Capital Outlay		5,074	
Interest Paid		192,140	
Debt Principal		84,225	
Total	<u>284,611</u>	<u>281,439</u>	<u>3,172</u>
Total Expenditures	<u>439,611</u>	<u>436,101</u>	<u>3,510</u>
Revenues Over (Under) Expenditures	<u>(72,291)</u>	<u>(121,259)</u>	<u>(48,968)</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Damage reimbursement			
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	<u>72,291</u>	<u>-</u>	<u>(72,291)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(121,259)	(121,259)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (121,259)</u>	<u>\$ (121,259)</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>(121,259)</u>
Budgetary Appropriations:	
Capital Outlay	5,074
Principal Payments	84,225
Capital contribution - grant	#REF!
Adjustments:	
Loss on disposal of asset	-
Depreciation	<u>(33,093)</u>
Total reconciling items	#REF!
Net Income	<u>\$ #REF!</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 742,764	\$
Tap on Fees		43,356	
Miscellaneous		105,515	
Total Operating Revenues	<u>824,106</u>	<u>891,635</u>	<u>67,529</u>
Nonoperating Revenues			
Interest on Investments	<u>43,484</u>	<u>-</u>	<u>(43,484)</u>
Total Revenues	<u>867,590</u>	<u>891,635</u>	<u>24,045</u>
Expenditures:			
Administration:			
Supplies		1,809	
Telephone		13,603	
Travel		14,225	
Utilities		41,245	
Other administration expenses		4,341	
Total	<u>77,500</u>	<u>75,223</u>	<u>2,277</u>
Water distribution:			
Salaries and employee benefits		168,554	
Supplies & maintenance		13,524	
Other expenses		4,781	
Total	<u>749,199</u>	<u>186,859</u>	<u>562,340</u>
Budgetary Appropriations:			
Capital Outlay		15,459	
Interest Paid		34,122	
Debt Principal		-	
Total	<u>50,000</u>	<u>49,581</u>	<u>419</u>
Total Expenditures	<u>876,699</u>	<u>311,663</u>	<u>565,036</u>
Revenues Over (Under) Expenditures	<u>(9,109)</u>	<u>579,972</u>	<u>589,081</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Other Financing Sources and (Uses):			
Grants		-	
Repayment of advance		-	
Transfer to other funds		-	
Transfer from other funds		-	
Total Other Financing Sources (Uses)	<u>9,109</u>	<u>-</u>	<u>(9,109)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	579,972	579,972
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>\$ 579,972</u>	<u>\$ 579,972</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>579,972</u>
Budgetary Appropriations:	
Capital Outlay	15,459
Principal Payments	-
Adjustments:	
Capital contribution - grant	#REF!
Capital project - transfer in	-
Depreciation	<u>(25,254)</u>
Total reconciling items	#REF!
Net Income	\$ <u>#REF!</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, 2006

	2006		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues			
Water sales	\$	\$ 551,022	\$
Tap on Fees		20,300	
Miscellaneous		17,791	
Total Operating Revenues	<u>617,441</u>	<u>589,113</u>	<u>(28,328)</u>
Nonoperating Revenues			
Interest on Investments	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	<u>618,441</u>	<u>589,113</u>	<u>(29,328)</u>
Expenditures:			
Administration:			
Supplies		1,002	
Telephone		7,537	
Travel		7,882	
Utilities		23,183	
Other administration expenses		3,071	
Total	<u>43,000</u>	<u>42,675</u>	<u>325</u>
Water distribution:			
Salaries and employee benefits		104,243	
Supplies		19,304	
Maintenance		20,409	
Other expenses		8,758	
Total	<u>246,432</u>	<u>152,714</u>	<u>93,718</u>
Budgetary Appropriations:			
Capital Outlay		8,566	
Interest Paid		268,518	
Debt Principal		79,500	
Total	<u>348,250</u>	<u>356,584</u>	<u>(8,334)</u>
Total Expenditures	<u>637,682</u>	<u>551,973</u>	<u>85,709</u>
Revenues Over (Under) Expenditures	<u>(19,241)</u>	<u>37,140</u>	<u>56,381</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, 2006

	2006		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)	<u>19,241</u>	<u>-</u>	<u>(19,241)</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	37,140	37,140
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 37,140</u>	<u>\$ 37,140</u>

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>37,140</u>
Budgetary Appropriations:	
Capital Outlay	8,566
Principal Payments	79,500
Adjustments:	
Capital contribution - grant	#REF!
Loss on disposal of asset	-
Depreciation	<u>(8,035)</u>
Total reconciling items	#REF!
Net Income	<u>\$ #REF!</u>

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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant - Clean water grant	\$ 3,502,652	\$ 2,866,443	\$ 240,568	\$ 3,107,011	\$ (395,641)
Developer contribution	13,747	20,095	85,530	105,625	91,878
Investment Income	-	-	-	-	-
Total Revenues	<u>3,516,399</u>	<u>2,886,538</u>	<u>326,098</u>	<u>3,212,636</u>	<u>(303,763)</u>
Expenditures:					
Administration	14,238	45,065	-	45,065	(30,827)
Engineering	325,821	400,609	-	400,609	(74,788)
Inspection	28,750	161,683	-	161,683	(132,933)
Construction	9,343,947	7,472,772	184,950	7,657,722	1,686,225
Total Expenditures	<u>9,712,756</u>	<u>8,080,129</u>	<u>184,950</u>	<u>8,265,079</u>	<u>1,447,677</u>
Revenues Over (Under) Expenditures	<u>(6,196,357)</u>	<u>(5,193,591)</u>	<u>141,148</u>	<u>(5,052,443)</u>	<u>1,143,914</u>
Other financing sources:					
Bond anticipation notes	5,467,300	5,467,300	-	5,467,300	-
Transfer from/to other funds	729,057	815,000	283,742	1,098,742	369,685
Total Other Financing Sources (Uses)	<u>6,196,357</u>	<u>6,282,300</u>	<u>283,742</u>	<u>6,566,042</u>	<u>369,685</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 1,088,709</u>	<u>\$ 424,890</u>	<u>\$ 1,513,599</u>	<u>\$ 1,513,599</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,800,620	\$ 222,451	\$ 11,000	\$ 233,451	\$ (1,567,169)
Other	-	-	1,962	1,962	1,962
Investment Income	-	-	-	-	-
Total Revenues	<u>1,800,620</u>	<u>222,451</u>	<u>12,962</u>	<u>235,413</u>	<u>(1,565,207)</u>
Expenditures:					
Engineering	148,325	11,162	-	11,162	137,163
Construction	1,442,644	71,655	125,968	197,623	1,245,021
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>125,968</u>	<u>224,412</u>	<u>1,576,208</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>124,007</u>	<u>(113,006)</u>	<u>11,001</u>	<u>11,001</u>
Other financing sources:					
Transfer from other funds	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 124,007</u>	<u>\$ (113,006)</u>	<u>\$ 11,001</u>	<u>\$ 11,001</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,123,795	\$ 482,419	\$ 11,000	\$ 493,419	\$ (630,376)
Other	-	-	12,589	12,589	12,589
Investment Income	-	-	335	335	-
Total Revenues	<u>1,123,795</u>	<u>482,419</u>	<u>23,924</u>	<u>506,343</u>	<u>(617,787)</u>
Expenditures:					
Engineering	92,464	64,220	-	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>495,008</u>	<u>-</u>	<u>495,008</u>	<u>628,787</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(12,589)</u>	<u>23,924</u>	<u>11,335</u>	<u>11,000</u>
Other financing sources:					
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (12,589)</u>	<u>\$ 23,924</u>	<u>\$ 11,335</u>	<u>\$ 11,000</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,269,300	\$ 3,257,783	\$ 73,357	\$ 3,331,140	\$ 61,840
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>3,347,079</u>	<u>73,357</u>	<u>3,420,436</u>	<u>33,436</u>
Expenditures:					
Engineering	610,057	559,027	1,916	560,943	49,114
Construction	6,330,020	6,641,732	-	6,641,732	(311,712)
Interest	604,252	525,168	-	525,168	79,084
Administrative services	700	866	53	919	(219)
Legal and accounting	51,354	51,354	7,479	58,833	(7,479)
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	168,154	-	-	-	168,154
Total Expenditures	<u>8,604,685</u>	<u>8,616,918</u>	<u>9,448</u>	<u>8,626,366</u>	<u>(21,681)</u>
Revenues Over (Under) Expenditures	<u>(5,217,685)</u>	<u>(5,269,839)</u>	<u>63,909</u>	<u>(5,205,930)</u>	<u>11,755</u>
Other financing sources:					
From District IV Phase II	53,543	53,543	-	53,543	-
To Water District I	(283,742)	-	(283,742)	(283,742)	-
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>5,217,685</u>	<u>5,501,427</u>	<u>(283,742)</u>	<u>5,217,685</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 231,588</u>	<u>\$ (219,833)</u>	<u>\$ 11,755</u>	<u>\$ 11,755</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, 2006

	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 other Districts	(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, 2006

	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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance 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, 2006

	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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,000,000	\$ 3,073,308	\$ -	\$ 3,073,308	\$ 73,308
State grant	1,364,000	1,364,000	-	1,364,000	-
Other restricted grants	5,378,079	3,631,850	303,240	3,935,090	(1,442,989)
Other	-	82,324	56,753	139,077	139,077
Investment Income	-	-	-	-	-
Total Revenues	<u>9,742,079</u>	<u>8,151,482</u>	<u>359,993</u>	<u>8,511,475</u>	<u>(1,230,604)</u>
Expenditures:					
Engineering	924,723	945,435	-	945,435	(20,712)
Construction	17,240,974	16,281,715	108,844	16,390,559	850,415
Land purchase	197,832	83,875	94,925	178,800	19,032
Inspection	573,506	675,898	-	675,898	(102,392)
Interest	1,245,100	515,622	447,377	962,999	282,101
Contingency	359,944	-	-	-	359,944
Total Expenditures	<u>20,542,079</u>	<u>18,502,545</u>	<u>651,146</u>	<u>19,153,691</u>	<u>1,388,388</u>
Revenues Over (Under) Expenditures	<u>(10,800,000)</u>	<u>(10,351,063)</u>	<u>(291,153)</u>	<u>(10,642,216)</u>	<u>157,784</u>
Other financing sources:					
Loans	10,700,000	10,700,000	-	10,700,000	-
Transfer from/to other funds	100,000	128,900	-	128,900	28,900
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 477,837</u>	<u>\$ (291,153)</u>	<u>\$ 186,684</u>	<u>\$ 186,684</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Positive (Negative)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 2,514,598	\$ 3,378,455	\$ 310,825	\$ 3,689,280	\$ 1,174,682
Tap fees	31,000	178,963	-	178,963	147,963
Investment Income	-	-	-	-	-
Total Revenues	<u>2,545,598</u>	<u>3,557,418</u>	<u>310,825</u>	<u>3,868,243</u>	<u>1,322,645</u>
Expenditures:					
Engineering	572,042	603,808	-	603,808	(31,766)
Construction	7,386,648	8,270,896	388,525	8,659,421	(1,272,773)
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>9,462,752</u>	<u>388,525</u>	<u>9,851,277</u>	<u>(1,305,679)</u>
Revenues Over (Under) Expenditures	<u>(6,000,000)</u>	<u>(5,905,334)</u>	<u>(77,700)</u>	<u>(5,983,034)</u>	<u>16,966</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>\$ 194,666</u>	<u>\$ (77,700)</u>	<u>\$ 116,966</u>	<u>\$ 116,966</u>

Beaufort County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Net</u> <u>Change</u>	<u>June 30, 2006</u>
Social Services Fund:			
Cash and Investments	\$ <u>33,332</u>	\$ <u>16,302</u>	\$ <u>49,634</u>
Liabilities	\$ <u>33,332</u>	\$ <u>16,302</u>	\$ <u>49,634</u>
Sheriff Accounts:			
Cash and Investments	\$ <u>6,474</u>	\$ <u>(2,873)</u>	\$ <u>3,601</u>
Liabilities	\$ <u>6,474</u>	\$ <u>(2,873)</u>	\$ <u>3,601</u>
Motor Vehicle Tax:			
Cash and Investments	\$ <u>-</u>	\$ <u>1,002</u>	\$ <u>1,002</u>
Liabilities	\$ <u>-</u>	\$ <u>1,002</u>	\$ <u>1,002</u>
Total - All Agency Funds:			
Cash and Investments	\$ <u>39,806</u>	\$ <u>13,429</u>	\$ <u>53,235</u>
Liabilities	\$ <u>39,806</u>	\$ <u>13,429</u>	\$ <u>53,235</u>

Other Schedules

Beaufort County, North Carolina
 Analysis of Current Tax Levy
 County - Wide Levy
 For the Fiscal Year Ended June 30, 2006

	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	\$ 3,635,585,167	0.6000%	\$ 21,813,511	\$ 19,502,528	\$ 2,310,983
Penalties			36,004	36,004	-
Total Original Levy	<u>3,635,585,167</u>		<u>21,849,515</u>	<u>19,538,532</u>	<u>2,310,983</u>
Discoveries:					
Current year taxes	8,142,833	0.6000%	48,857	48,857	-
Penalties			-	-	-
Total Discoveries	<u>8,142,833</u>		<u>48,857</u>	<u>48,857</u>	<u>-</u>
Abatements					
Current Year Taxes	(20,665,500)	0.6000%	(123,993)	(86,272)	(37,721)
Penalties			-	-	-
Total Abatements	<u>(20,665,500)</u>		<u>(123,993)</u>	<u>(86,272)</u>	<u>(37,721)</u>
Total for Year	<u>\$ 3,623,062,500</u>		21,774,379	19,501,117	2,273,262
Uncollected taxes at June 30, 2006			1,086,447	712,165	374,282
Current year's taxes collected			<u>\$ 20,687,932</u>	<u>\$ 18,788,952</u>	<u>\$ 1,898,980</u>
Current levy collection percentage			<u>95.01%</u>	<u>96.35%</u>	<u>83.54%</u>

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2006

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 2,423,036,145
Personal Property	1,127,620,039
Public Service Companies ²	<u>72,406,316</u>
Total Assessed Valuation	<u>3,623,062,500</u>
Tax Rate per \$100	0.6
Levy (includes discoveries, releases and abatements) ³	<u>\$ 21,774,379</u>

¹ Percentage of appraised value has been established by statute.

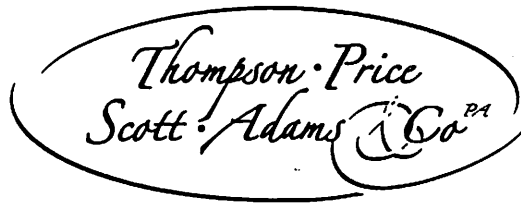
² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

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, 2006

Taxpayer	Type of Business	2005 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate Mining/Acid Production	\$ 493,054,154	13.61 %
Purified Acid Partnership	Acid Production	92,829,770	2.56
Weyerhaeuser Co.	Tree Farm Operation	58,524,979	1.62
Tideland Electric Membership	Utilities	23,194,047	0.64
Carolina Telephone & Telegraph	Communications	19,318,407	0.53
Stanadyne Automotive Corp.	Automotive Diesel Components	16,536,482	0.46
Fountain Powerboats Inc.	Powerboats	12,786,802	0.35
Guy Shavender Trucking, Inc.	Transportation	12,303,732	0.34
Carolina Power & Light Co.	Utilities	11,844,481	0.33
Wal-Mart Real Estate	Commercial Real Estate	9,857,682	0.27
Total		<u>\$ 750,250,536</u>	<u>20.71 %</u>

Compliance Section



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

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, 2006, which collectively comprises Beaufort County's basic financial statements and have issued our report thereon dated October 23, 2006. We did not audit the financial statements of the Beaufort County ABC Board or Beaufort County Hospital. 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 or Beaufort County Hospital 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 or Beaufort County ABC Board 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 an opinion 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 or other matters 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., P.A.

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

October 23, 2006



CERTIFIED PUBLIC ACCOUNTANTS

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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**

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, 2006. 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, 2006.

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.

October 23, 2006



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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, 2006. 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 of 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, 2006.

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 applicable sections of 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.
October 23, 2006*

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2006

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 Xno

- Reportable condition(s) identified
that are not considered to be
material weaknesses ___yes xno

Noncompliance material to financial
statements noted ___yes Xno

Federal Awards

Internal control over major federal 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 federal programs: Unqualified.

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 ___yes Xno

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

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2006

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 1,828,194

Auditee qualified as low-risk auditee? yes no

State Awards

Internal control over major state 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 state programs: Unqualified.

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

Identification of major state programs:

Name of State Program or Cluster

State/County Special Assistance for Adults
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, 2006

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, 2006

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, 2006

Status: N/A

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2006

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	\$ 303,240	\$ -	\$ -
Total USDA		<u>303,240</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 - Noncash	10.551	5,877,163	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561	348,040	-	348,040
Total Food Stamp Cluster		<u>6,225,203</u>	<u>-</u>	<u>348,040</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	232,677	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	1,133,943	-	-
Passed-through Mid East Commission Council of Governments:				
USDA Supplement	10.550	9,947	-	-
Total U.S. Dept. of Agriculture		<u>7,905,010</u>	<u>-</u>	<u>348,040</u>
<u>U. S. Department of Commerce</u>				
Passed-through N.C. Dept. of Health & Natural Resources				
Division of Coastal Management				
Coastal Zone Management	11.419	36,400	-	-
<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	-		
Home Land Security Grant Program	97.004	78,360		
Public Assistance Grants - Disaster Areas	97.036	28,929	9,643	
Emergency Management Performance Grant	97.042	17,182		
Hazardous Mitigation Grant	97.039	811,670		
		<u>936,141</u>	<u>9,643</u>	<u>-</u>

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2006

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	4,423	9,350	1,739
In-home Services:				
Title III-B	93.044	118,306	3,380	13,158
SSBG	93.667	24,291	694	2,702
Congregate Nutrition Title III-C	93.045	22,289	1,311	3,205
Home - Delivered Nutrition - Title III-C	93.045	37,515	2,207	6,999
Total Aging Cluster		206,824	16,942	27,805
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Work First Administration	93.558	109,669	36,629	81,987
TANF Domestic Violence	93.558	8,399	-	-
Work First Service	93.558	411,488	174,613	390,842
TANF Payment and Penalties	93.558	361,570	(357)	(247)
TANF Up	93.558	654	-	-
TANF Foster Care	93.558	20,600	-	-
Child Support Enforcement	93.563	535,162	-	275,689
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	217,095	25,329	-
Child Welfare Services-State Grants	93.645	14,113	3,695	1,009
Social Services Block Grant	93.667	232,926	22,889	77,769
Independent Living Grant	93.674	2,948	737	-
Foster Care and Adoption Cluster:				
Title IV-E Foster Care-Administration	93.658	207,608	38,151	169,142
Foster Care-Direct Benefit Payments	93.658	49,680	13,285	15,235
Title IV-E Foster Care-Administration	93.659	68,202	-	68,202
Adoption Assistance-Direct Payments	93.659	291,981	83,842	83,842
Total Foster Care and Adoption Cluster		617,471	135,278	336,421

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2006

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Division of Child Development:				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services:				
Child Care Development Fund-Administration	93.596	87,594	-	-
Subsidized Child Care Cluster:				
Child Care and Development Block Grant	93.575	714,961	-	-
Child Care and Development Fund - Mandatory	93.596	322,692	-	-
Child Care and Development Fund - Match	93.596	201,478	105,280	-
		1,326,725	105,280	-
Social Services Block Grant	93.667	51,611	-	-
Temporary Assistance for Needy Families	93.558	227,184	-	-
Smart Start		-	41,437	-
State Appropriations		-	419,725	-
More at Four		-	-	-
TANF - Maintenance		-	410,465	-
Total Subsidized Child Care Cluster		1,605,520	976,907	-
<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	45,840,310	22,710,565	3,927,144
Division of Social Services:				
Medical Assistance Program	93.778	593,125	32,667	560,458
Administration:				
Health Choice	93.767	27,754	2,213	7,303
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Immunization Action Plan	93.268	13,372	-	-
Tuberculosis Control Program	93.116	1,160	-	-
Family Planning Services	93.217	35,082	-	-
Bioterrorism Grant	93.283	80,340	-	-
Prevention Investigations & Tech. Assistance	93.283	27,090	-	-
Statewide Health Promotion Program	93.991	19,838	-	-
Temporary Assistance for Needy Families	93.558	6,989	-	-
Maternal and Child Health Services Block Grant	93.994	240,569	-	-
Total U.S. Dept. of Health and Human Services		51,230,068	24,138,107	5,686,178
<u>Dept. of Housing and Urban Development(HUD)</u>				
CDBG Grant	14.228	816,014	-	-
Total Dept. of Housing and Urban Development(HUD)		816,014	-	-
Total Federal Awards		60,923,633	24,138,107	6,034,218

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2006

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		-	150	-
Foster Care at Risk Max		-	27,709	15,915
Adoption Subsidy		-	106,045	18,184
Work First Non Reimbursement		-	-	56,835
TANF		-	1,286	-
CPS Expansion to State		-	46,514	-
County Funded Programs/Non Allocating costs		-	-	1,369,340
CP & L Energy Program		-	1,297	-
State/County Special Assistance for Adults		-	491,065	514,319
State Foster Care Benefits Program		16,151	105,287	58,773
Division of Public Health:				
Communicable disease		-	2,684	-
General Health		-	31,025	-
Health Promotion		-	6,796	-
TB Medical Services		-	1,776	-
Public Health Nurse Training		-	1,200	-
Tuberculosis		-	23,945	-
Aids		-	33,923	-
Direct Grant: State appropriation - soil & water		-	18,931	-
Division of Aging:				
90 % State Funds		-	148,475	17,531
Total N. C. Department of Health and Human Services		<u>16,151</u>	<u>1,048,106</u>	<u>2,050,897</u>
<u>N.C. Dept. of Juvenile Justice</u>				
Juvenile Crime Prevention		-	157,255	-
Total Office of Governor		-	157,255	-
<u>N.C. Dept. of Transportation</u>				
Elderly and Disabled Transportation Assistance Program (E&DTAP)		-	49,654	-
ROAP - Work First		-	6,163	-
Safe Roads		-	8,451	-
Rural General Public		-	46,941	-
Total N. C. Dept. Of Transportation		-	<u>111,189</u>	-
<u>N.C. Dept. of Health & Natural Resources</u>				
Scrap Tire Grant		-	15,493	-
Total N.C. Dept. of Health & Natural Resources		-	<u>15,493</u>	-

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2006

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>N.C. Department of EHNR</u> Clean Water Bond Supplemental Grants Program		-	646,750	-
<u>N.C. Dept. of Corrections</u> Criminal Justice Partnership Program		-	61,369	-
<u>North Carolina Rural Economic Development Center</u> Clean Water Bond Supplemental Grants Program		-	111,517	-
<u>N.C. Dept. of Administration</u> Veterans		-	2,000	-
Total State Awards		16,151	2,153,679	2,050,897
Total Federal and State Awards		\$ 60,939,784	\$ 26,291,786	\$ 8,085,115

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

1. 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.

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

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 / 2006Fiscal Period End Dates Must
Be In 2004, 2005, or 2006**2. Type of Circular A-133 audit**1 Single audit 2 Program-specific audit**3. Audit period covered**1 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 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

JIM CHRISMAN

Title

FINANCE OFFICER

d. Auditee contact telephone

(252) 946 - 0079

e. Auditee contact FAX

() -

f. Auditee contact E-mail

JIM.CHRISMAN@NCMAIL.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
11 / 7 / 2006

Printed Name of certifying official

Jim W. Chrisman

Printed Title of certifying official

Assistant County Manager/Finance Officer

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

() -

f. Auditor contact E-mail

GSADAMS@TPSACPAS.COM

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 / 6 / 2006

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)) \$ 1,828,194

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	0760	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WATER SYSTEM DEVELOPMENT	\$ 303,240 .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
1	0551	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP - NON CASH	\$ 5,877,163 .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	0561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOOD STAMP	\$ 348,040 .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	0557	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIC - ADMIN	\$ 232,677 .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	0557	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIC	\$ 1,133,943 .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	0550	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	USDA SUPPLEMENT	\$ 9,947 .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	1419	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COASTAL ZONE MGMT	\$ 36,400 .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	7004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOMLAND SECURITY GRANT	\$ 78,360 .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	7036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DISASTER AREAS	\$ 28,929 .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	7042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY MGMT PERFORMANCE GRANT	\$ 17,182 .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 →				\$ 60,939,784 .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 |
| | | | P. Other |

⁵ N/A for NONE

FORM SF-500 (5-2001)

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	7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARDOUS MITIGATION GRANT	\$ 811,670 .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	\$ 4,423 .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	\$ 118,306 .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	\$ 24,291 .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	\$ 22,289 .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
9	3 .045	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOME DELIVERED NUTRITION	\$ 37,515 .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	\$ 109,669 .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	\$ 8,399 .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	\$ 411,488 .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 PAYMENT & PENALTIES	\$ 361,570 .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 →

\$ 60,939,784 .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-304 (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 UP	\$ 654 .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	\$ 20,600 .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	\$ 535,162 .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 ENERGY ASSISTANCE	\$ 217,095 .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	\$ 14,113 .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	\$ 232,926 .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	3 674	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INDEPENDENT LIVING GRANT	\$ 2,948 .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	TITELIV - FOSTER CARE ADMIN	\$ 207,608 .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	FOSTER CARE - DIRECT PMTS	\$ 49,680 .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
9	3 659	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE IV E FOSTER CARE ADMIN	\$ 68,202 .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 → \$ 60,939,784 .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 |
| | | | 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 - DIRECT PMT	\$ 291,981 .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
9	3 .596	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD CARE & DEVELOPMENT ADMIN	\$ 87,594 .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	\$ 714,961 .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	\$ 322,692 .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 AND DEVEELOPMENT FUND - MATCH	\$ 201,478 .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	\$ 51,611 .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	\$ 227,184 .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	\$ 45,840,310 .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 PROGRAM	\$ 593,125 .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	\$ 27,754 .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				\$ 60,939,784 .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 | 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 |
| | | | P. Other |

⁵ N/A for NONE

FORM SF-510 (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 .268	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IMMUNIZATION ACTION PLAN	\$ 13,372 .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 .116	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TB CONTROL PROGRAM	\$ 1,160 .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 .217	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FAMILY PLANNING SERVICES	\$ 35,082 .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 .283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BIO TERRORISM GRANT	\$ 80,340 .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 .283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PREVENTION INVESTIGATIONS	\$ 27,090 .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	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 .994	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MATERNAL AND CHILD HEALTH BG	\$ 240,569 .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	\$ 816,014 .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 .659	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FOSTER CARE	\$ 16,151 .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 →				\$ 60,939,784 .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
- 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

Item 5 Continuation Sheet

f. List the multiple DUNS covered in the report.

c. List the multiple Employer Identification Numbers (EINs) covered in this report.

f. List the multiple DUNS covered in the report.		c. List the multiple Employer Identification Numbers (EINs) covered in this report.	
1	N / A	21	N / A
2	-	22	-
3	-	23	-
4	-	24	-
5	-	25	-
6	-	26	-
7	-	27	-
8	-	28	-
9	-	29	-
10	-	30	-
11	-	31	-
12	-	32	-
13	-	33	-
14	-	34	-
15	-	35	-
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		60	-

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CERTIFIED PUBLIC ACCOUNTANTS

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Elizabethtown, NC
Whiteville, NC

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, 2006, 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, Mr. Chrisman 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.

Thompson, Price, Scott, Adams & Co., P.A.
October 23, 2006

Members

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