

Thompson, Price, Scott, Adams & Co., P.A.
————— CERTIFIED PUBLIC ACCOUNTANTS —————

BEAUFORT COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2001

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June 30, 2001

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FINANCIAL SECTION

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

~~CERTIFIED PUBLIC ACCOUNTANTS~~

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

Offices:
Wilmington
Elizabethtown
Whiteville

Gregory S. Adams, CPA
R. Bryon Scott, CPA
Alan W. Thompson, CPA
Lorna O. Butler, CPA
Andy Wayne, CPA
Jaime Goldwin, CPA
Edward Cline, CPA
John A. Carraway, CPA

Independent Auditor's Report

To the Board of County Commissioners
Beaufort County, North Carolina

We have audited the accompanying general-purpose financial statements of Beaufort County, North Carolina as of and for the year ended June 30, 2001 as listed in the table of contents. These general purpose financial statements are the responsibility of Beaufort County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Beaufort County Hospital Association, Beaufort County ABC Board, or Warren Field Commission is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 general purpose financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our report and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Beaufort County, North Carolina as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types 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 29, 2001 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

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Beaufort County, North Carolina taken as a whole. The combining and individual fund financial statements and schedules, 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 Nonprofit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Thompson, Price, Scott, Adams & Co., P.A.
October 29, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

Beaufort County, North Carolina
 Combined Balance Sheet - All Fund Types and Account Groups
 And Discretely Presented Component Units

Exhibit 1

June 30, 2001

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
Assets and other debits				
Assets:				
Cash & Investments	\$ 5,863,846	\$ 943,205	\$ 2,606,794	\$ 1,733,551
Taxes Receivables (Net)	2,897,063	101,283	-	-
Accounts Receivable (Net)	2,514,166	33,582	10,271	517,737
Due from other funds	567,829	28,149	-	-
Due from component unit	45,188	-	-	-
Prepaid Expenses	-	-	-	-
Inventories	-	-	-	-
Fixed Assets (Net)	-	-	-	45,230,322
Installment obligation receivable - current	99,991	-	-	-
Restricted assets	-	-	-	1,443,770
Installment obligation receivable - non current	1,264,533	-	-	-
Other assets (net of amortization)	-	-	-	-
Other investments	-	-	-	-
Other debits:				
Amount to be provided for retirement of general long - term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 13,252,616	\$ 1,106,219	\$ 2,617,065	\$ 48,925,380
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,294,198	\$ 311,849	\$ 545,667	\$ 1,031,555
Customer Deposits	-	-	-	41,500
Due to Component Unit	-	-	-	-
Current Portion of All Debt	-	-	-	5,855,325
Miscellaneous Liabilities	-	-	-	-
Due to Other Fund	28,149	-	-	567,829
Deferred Revenues	4,261,588	101,283	-	-
Compensated absences payable	-	-	-	16,124
Noncurrent Portion of All Debt	-	-	-	28,563,302
Total liabilities	5,583,935	413,132	545,667	36,075,635
Equity and other credits:				
Contributed capital (Net)	-	-	-	8,364,047
Investment in General Fixed Assets	-	-	-	-
Retained Earnings (Deficit)	-	-	-	4,485,698
Fund balances:				
Reserved by State Statute	3,067,562	33,582	10,271	-
Reserved for Encumbrances	-	-	-	-
Designated for Subsequent Years' Expenditures	-	-	-	-
Designated - Other	-	-	-	-
Undesignated	4,601,119	659,505	2,061,127	-
Total equity and other credits	7,668,681	693,087	2,071,398	12,849,745
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 13,252,616	\$ 1,106,219	\$ 2,617,065	\$ 48,925,380

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

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Component Units		
	General Fixed Assets	General Long - Term Debt	Primary Government	Beaufort County		Warren Field Commission
	Agency			Hospital	ABC Board	
\$ 68,721	\$ -	\$ -	\$ 11,216,117	\$ 1,411,952	\$ 300,032	\$ 109,713
-	-	-	2,998,346	-	-	-
-	-	-	3,075,756	8,195,305	-	4,530
-	-	-	595,978	-	-	-
-	-	-	45,188	-	-	-
-	-	-	-	205,151	677	-
-	-	-	-	1,158,229	390,874	-
-	16,796,789	-	62,027,111	11,684,818	362,065	1,361,983
-	-	-	99,991	-	-	-
-	-	-	1,443,770	-	-	109,295
-	-	-	1,264,533	-	-	-
-	-	-	-	508,970	133	-
-	-	-	-	92,002	-	-
-	-	14,832,634	14,832,634	-	-	-
<u>\$ 68,721</u>	<u>\$ 16,796,789</u>	<u>\$ 14,832,634</u>	<u>\$ 97,599,424</u>	<u>\$ 23,256,427</u>	<u>\$ 1,053,781</u>	<u>\$ 1,585,521</u>
\$ 68,721	\$ -	\$ -	\$ 3,251,990	\$ 5,155,666	\$ 224,753	\$ 111,068
-	-	-	41,500	-	-	-
-	-	-	-	-	45,188	-
-	-	1,713,684	7,569,009	689,068	-	-
-	-	-	-	-	-	-
-	-	-	595,978	-	-	-
-	-	-	4,362,871	-	-	-
-	-	476,532	492,656	688,796	-	-
-	-	12,642,418	41,205,720	2,602,507	-	-
<u>68,721</u>	<u>-</u>	<u>14,832,634</u>	<u>57,519,724</u>	<u>9,136,037</u>	<u>269,941</u>	<u>111,068</u>
-	-	-	8,364,047	-	-	1,465,051
-	16,796,789	-	16,796,789	-	-	-
-	-	-	4,485,698	-	783,840	9,402
-	-	-	3,111,415	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,321,751	14,120,390	-	-
-	16,796,789	-	40,079,700	14,120,390	783,840	1,474,453
<u>\$ 68,721</u>	<u>\$ 16,796,789</u>	<u>\$ 14,832,634</u>	<u>\$ 97,599,424</u>	<u>\$ 23,256,427</u>	<u>\$ 1,053,781</u>	<u>\$ 1,585,521</u>

Beaufort County, North Carolina
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2001

Exhibit 2

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
Revenues:				
Ad Valorem Taxes	\$ 16,387,910	\$ 1,141,804	\$ -	\$ 17,529,714
Local Option Sales Taxes	6,713,462	-	-	6,713,462
Other Taxes and Licenses	184,948	-	-	184,948
Unrestricted Intergovernmental Revenues	1,544,023	-	-	1,544,023
Restricted Intergovernmental Revenues	8,233,133	2,891,671	1,768,859	12,893,663
Permits and Fees	307,201	-	-	307,201
Sales and Services	4,579,745	-	-	4,579,745
Investment Earnings	316,773	32,484	102,830	452,087
Program Earnings	-	-	-	-
Other	397,965	-	-	397,965
Total Revenues	<u>38,665,160</u>	<u>4,065,959</u>	<u>1,871,689</u>	<u>44,602,808</u>
Expenditures:				
General Government	3,685,514	-	-	3,685,514
Public Safety	4,414,479	1,027,636	-	5,442,115
Economic and Physical Development	1,359,557	2,153,266	5,721,572	9,234,395
Human Services	13,958,071	-	-	13,958,071
Cultural and Recreational	234,999	-	-	234,999
Environmental Protection	3,499,399	-	-	3,499,399
Education	10,042,830	656	-	10,043,486
Debt Service	2,564,140	-	-	2,564,140
Total Expenditures	<u>39,758,989</u>	<u>3,181,558</u>	<u>5,721,572</u>	<u>48,662,119</u>
Revenues Over (Under) Expenditures	<u>(1,093,829)</u>	<u>884,401</u>	<u>(3,849,883)</u>	<u>(4,059,311)</u>
Other Financing Sources (Uses):				
Proceeds from loans, bonds, & leases	-	-	1,665,859	1,665,859
Operating Transfers to Component Unit	(46,000)	-	-	(46,000)
Operating Transfers from Other Funds	961,000	-	-	961,000
Operating Transfers to Other Funds	-	(311,859)	-	(311,859)
Operating Transfers from Component Unit	86,113	-	-	86,113
Local contribution	-	-	201,000	201,000
Total Other Financing Sources (Uses)	<u>1,001,113</u>	<u>(311,859)</u>	<u>1,866,859</u>	<u>2,556,113</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(92,716)	572,542	(1,983,024)	(1,503,198)
Fund Balances:				
Beginning of Year, July 1	<u>7,761,397</u>	<u>120,545</u>	<u>4,054,422</u>	<u>11,936,364</u>
End of Year, June 30	<u>\$ 7,668,681</u>	<u>\$ 693,087</u>	<u>\$ 2,071,398</u>	<u>\$ 10,433,166</u>

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

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General and Special Revenue Funds
For the Fiscal Year Ended June 30, 2001**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad Valorem Taxes	\$ 16,476,487	\$ 16,387,910	\$ (88,577)
Local Option Sales Taxes	6,700,000	6,713,462	13,462
Other Taxes and Licenses	220,000	184,948	(35,052)
Unrestricted Intergovernmental Revenues	1,499,650	1,544,023	44,373
Restricted Intergovernmental Revenues	10,670,253	8,233,133	(2,437,120)
Permits and Fees	357,000	307,201	(49,799)
Sales and Services	4,963,662	4,579,745	(383,917)
Investment Earnings	435,000	316,773	(118,227)
Program Earnings	-	-	-
Miscellaneous	426,814	397,965	(28,849)
Total Revenues	<u>41,748,866</u>	<u>38,665,160</u>	<u>(3,083,706)</u>
Expenditures:			
General Government	4,011,071	3,685,514	325,557
Public Safety	4,634,539	4,414,479	220,060
Economic and Physical Development	1,497,407	1,359,557	137,850
Human Services	15,585,694	13,958,071	1,627,623
Cultural and Recreational	254,333	234,999	19,334
Environmental Protection	3,593,127	3,499,399	93,728
Education	10,042,830	10,042,830	-
Debt Service	2,581,416	2,564,140	17,276
Total Expenditures	<u>42,200,417</u>	<u>39,758,989</u>	<u>2,441,428</u>
Revenues Over (Under) Expenditures	<u>(451,551)</u>	<u>(1,093,829)</u>	<u>(642,278)</u>
Other Financing Sources (Uses):			
Proceeds from Capital Lease/ Bonds	-	-	-
Operating Transfers from Other Funds	143,000	961,000	818,000
Operating Transfers to Other Funds	-	-	-
Operating Transfers from Component Unit	80,000	86,113	6,113
Operating Transfers to Component Unit	(46,000)	(46,000)	-
Operating Transfers from Primary Government	-	-	-
Operating Transfers to Primary Government	-	-	-
Total Other Financing Sources (Uses)	<u>177,000</u>	<u>1,001,113</u>	<u>824,113</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(274,551)	(92,716)	181,835
Fund Balance Appropriated / (Designated)	<u>274,551</u>	<u>-</u>	<u>(274,551)</u>
Revenues and Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>(92,716)</u>	<u>\$ (92,716)</u>
Fund Balances:			
Beginning of Year, July 1		<u>7,761,397</u>	
End of Year, June 30		<u>\$ 7,668,681</u>	

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

Special Revenue Funds		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 818,200	\$ 835,903	\$ 17,703
-	-	-
-	-	-
-	-	-
237,755	237,755	-
-	-	-
-	-	-
330,800	32,484	(298,316)
300,000	305,901	5,901
-	-	-
<u>1,686,755</u>	<u>1,412,043</u>	<u>(274,712)</u>
-	-	-
1,117,200	1,027,636	89,564
568,555	380,852	187,703
-	-	-
-	-	-
1,000	656	344
-	-	-
<u>1,686,755</u>	<u>1,409,144</u>	<u>277,611</u>
-	2,899	2,899
-	-	-
-	-	-
-	(146,000)	(146,000)
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>(146,000)</u>	<u>(146,000)</u>
-	(143,101)	(143,101)
-	-	-
<u>\$ -</u>	<u>(143,101)</u>	<u>\$ (143,101)</u>
	<u>875,417</u>	
	<u>\$ 732,316</u>	

Beaufort County, North Carolina
**Combined Statement of Revenues, Expenses, and
 Changes in Retained Earnings
 All Proprietary Fund Types**
 For the Fiscal Year Ended June 30, 2001

Exhibit 4

	Proprietary Fund			
	Type	Component Unit		
	Enterprise Primary Government	Beaufort County		Warren Field Airport Commission
	Hospital	ABC Board		
Operating Revenues				
Charges for Services	\$ 2,455,659	\$ 34,951,870	\$ 2,339,300	\$ 258,820
Water taps	485,042	-	-	-
Other Operating Revenues	97,761	579,564	-	-
Total Operating Revenues	<u>3,038,462</u>	<u>35,531,434</u>	<u>2,339,300</u>	<u>258,820</u>
Operating Expenses:				
Hospital Operations	-	34,031,618	-	-
Water District Operations	935,510	-	-	-
Cost of goods sold	-	-	1,616,018	103,060
Store and warehouse	-	-	299,526	-
Administration	172,397	-	279,638	-
Depreciation	252,534	1,304,077	40,573	112,210
Total Operating Expenses	<u>1,360,441</u>	<u>35,335,695</u>	<u>2,235,755</u>	<u>215,270</u>
Operating Income	<u>1,678,021</u>	<u>195,739</u>	<u>103,545</u>	<u>43,550</u>
Nonoperating Revenues (Expenses):				
Interest Earned on Investment	237,059	90,982	7,199	9,876
Gifts and Grants	2,899,685	179,539	-	-
Other	-	-	-	-
Law enforcement/Alcohol education	-	283,373	(22,167)	-
Interest on Long-term Debt	(1,509,924)	-	-	-
Total nonoperating revenues (expenses)	<u>1,626,820</u>	<u>553,894</u>	<u>(14,968)</u>	<u>9,876</u>
Income before operating transfers	<u>3,304,841</u>	<u>749,633</u>	<u>88,577</u>	<u>53,426</u>
Operating Transfers from Other Funds:				
Transfers In	40,000	-	-	-
Transfers Out	(815,000)	-	(84,892)	-
Total operating transfers	<u>(775,000)</u>	<u>-</u>	<u>(84,892)</u>	<u>-</u>
Net income	2,529,841	749,633	3,685	53,426
Add depreciation on contributed capital	-	-	-	73,043
Increase in retained earnings	2,529,841	749,633	3,685	126,469
Retained earnings:				
Beginning of year	1,955,857	13,370,757	780,155	(117,067)
End of year	<u>\$ 4,485,698</u>	<u>\$ 14,120,390</u>	<u>\$ 783,840</u>	<u>\$ 9,402</u>

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

Beaufort County, North Carolina
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

Exhibit 5

	Proprietary Fund			
	Type	Component Unit		
	Enterprise Primary Government	Beaufort County		Warren Field Airport Commission
		Hospital	ABC Board	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 3,236,241	\$ 30,664,027	\$ 2,342,547	\$ 278,093
Cash Paid for Goods and Services	(1,134,408)	(12,210,499)	(1,863,385)	(101,093)
Cash Paid to Employees	-	(17,546,068)	(337,368)	-
Customer Deposits	(5,500)	-	-	-
Other Operating Revenue	-	434,214	-	-
Net Cash Used by Operating Activities	<u>2,096,333</u>	<u>1,341,674</u>	<u>141,794</u>	<u>177,000</u>
Cash Flows from Noncapital Financing Activities:				
Unrestricted Gifts and Bequest	-	179,539	-	-
Capital grants and local matches	-	-	-	(11,913)
Other activities	(1,473,826)	(124,891)	(107,059)	-
Net Cash Provided by Noncapital Financing Activities	<u>(1,473,826)</u>	<u>54,648</u>	<u>(107,059)</u>	<u>(11,913)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(8,563,610)	(3,407,065)	(13,587)	(152,262)
Proceeds from Sale of Capital Assets	-	189,782	-	-
Principal Paid on Bond and Equipment Contracts	(342,525)	(493,039)	-	-
Interest Paid on Bonds and Equipment Contracts	(1,509,924)	(87,701)	-	-
Investment activity	-	(35,000)	-	-
Grant Received	9,040,543	-	-	-
Proceeds from Capital Leases, Bonds and Notes	-	2,215,424	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,375,516)</u>	<u>(1,617,599)</u>	<u>(13,587)</u>	<u>(152,262)</u>
Cash Flows from Investing Activities:				
Interest on Investments	255,983	90,982	7,199	9,876
Net Increase (Decrease) in Cash and Cash Equivalents	(497,026)	(130,295)	28,347	22,701
Cash and Cash Equivalents, July 1	<u>3,674,347</u>	<u>1,542,247</u>	<u>271,685</u>	<u>196,307</u>
Cash and Cash Equivalents, June 30	<u>\$ 3,177,321</u>	<u>\$ 1,411,952</u>	<u>\$ 300,032</u>	<u>\$ 219,008</u>

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

	Proprietary Fund			
	Type	Component Unit		
	Enterprise	Beaufort County		Warren Field
	Primary	Hospital	ABC Board	Airport
	Government			Commission
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 1,678,021	\$ 195,739	\$ 103,545	\$ 43,550
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	252,534	1,304,077	40,573	112,210
Provision for Uncollectible Accounts		-	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease				
in Receivables	(37,579)	(741,257)	(2,324)	23,207
in Due from other funds	553	(281,626)	-	-
Increase (Decrease)				
in Accounts Payable and Accrued Liabilities	197,801	864,741	-	(1,967)
in Accrued Vacation Payable	8,103	-	-	-
in Customer Deposits	(3,100)	-	-	-
Total Adjustments	418,312	1,145,935	38,249	133,450
Net cash provided by operating activities	\$ 2,096,333	\$ 1,341,674	\$ 141,794	\$ 177,000

Notes to Financial Statements

BEAUFORT COUNTY, NORTH CAROLINA
For the Fiscal Year Ended June 30, 2001

NOTE 1: 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. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The seven blended component units, although they are legally separate entities, are, in substance, part of the County's operations.

Blended Component Units

County Water District I-Washington Township
County Water District II-Long Acre West
County Water District III-Long Acre East
County Water District IV-Bath Township
County Water District V-Pantego Township
County Water District VI-Southside High School
County Water District VII-Richland Township

The water districts named above (the "Districts") exist to provide and maintain a water system for the County residents within the districts. Under State law [G.S. 162A-89], the County's board of commissioners also serve as the governing board for each District. Therefore, each District is reported as an enterprise fund in the County's financial statements. The Districts do not issue separate financial statements.

Discretely Presented Component Unit

Beaufort County Hospital Association, Inc.

Beaufort County Hospital is a public hospital operated by a not-for-profit corporation, which leases the hospital facilities from the County. The Beaufort County Commissioners oversight authority is limited to appointing Hospital board members and County ownership of the Hospital physical plant. The Hospital has independent budgeting and accounting functions and is reported as an independent reporting entity. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

Beaufort County ABC Board

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. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Warren Field Airport Commission

The Airport governing board is composed of five members, three of which, are appointed by Beaufort County, and two of which are appointed by the City of Washington, North Carolina. Beaufort County and City of Washington, have an ongoing financial responsibility to the Airport. The Airport, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the individual component units, which issue financial statements, may be obtained at the administrative offices of those entities.

Beaufort County Airport
P.O. Box 2552
Washington, NC 27889

Beaufort County Hospital
628 East 12th Street
Washington, NC 27889

Warren Field Airport Commission
P.O. Box 610 Airport Road
Washington, NC 27889

Notes to Financial Statements

B. Basis of Presentation - Fund Accounting

The accounts of the County are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds, but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds.

The County has the following fund categories (further divided by fund type) and account groups:

Governmental Funds are used to account for Beaufort County's general governmental activities. Governmental funds include the following fund types:

General Fund - The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Fund- Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains Special Revenue Funds as detailed in the supplementary schedules.

Capital Projects Funds- Capital Projects Funds account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains Capital Project Funds as detailed in the supplementary schedules. (See also Note 14).

Proprietary Funds includes the following fund types:

Enterprise Funds - Enterprise Funds are used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Beaufort County has seven Enterprise Funds, Water District I, II, III, IV, V, VI, VII.

Fiduciary Funds - account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

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; the County Home Fund which accounts for monies deposited with the County Home for patient expenditures; and the Inmate Fund which accounts for monies deposited with the Sheriff's Office.

Account Groups - The general fixed assets account group is used to account for fixed assets that are not accounted for in proprietary funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Notes to Financial Statements

The Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting. The governmental fund types and agency funds are presented in the financial statements on this same basis. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available") to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgements, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The County recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. The County considers all revenues available if they are collected within 60 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 2000 to February 2001 apply to the fiscal year ended June 30, 2001. Uncollected taxes, which are billed during this period, are shown as a receivable on these financial statements. For those motor vehicles, which are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date, upon which the interest begins to accrue passed prior June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2001 because they are intended to finance the County's operations during the 2002 fiscal year.

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

Proprietary Funds are presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

Notes to Financial Statements

D. 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 project funds), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the 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 the general fund, at the departmental level for the special revenue and enterprise funds, and at the objective level for the grant project funds. The County Manager is authorized to transfer appropriations within a fund; however, the governing board must approve any revisions that alter the total expenditures of any fund. During the year, several amendments to the original budget were necessary, the effects which were not material.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 - Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.

June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

July 1 - The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The County has no encumbrances outstanding at year-end and any unencumbered appropriations lapse at year-end.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

The County, the Hospital, the ABC Board, and the Airport's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

2. Cash and Cash Equivalents

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

Notes to Financial Statements

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.

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, 2000. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Inventory

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

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

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

7. Fixed Assets

The County's general fixed assets are recorded at original cost. Donated assets are listed at the market value at the date of donation. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. The total of such estimates is not considered large enough that the errors would be material when fixed assets are considered as a whole.

Public domain or infrastructure general fixed assets are not capitalized because such assets are immovable and of value only to the County. Also, the County has elected not to capitalize those interest costs, which are incurred during the construction period of general fixed assets.

Property, plant, and equipment in the proprietary funds of the County and those of the Hospital, the Airport, and the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of proprietary fund type fixed assets is reflected in the capitalized value of the asset constructed. Plant assets of the County are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances.

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

Notes to Financial Statements

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

Buildings	10-25 years
Cleaning & Excavation	25 years
Lighting	10-25 years
Fuel Tanks & Pumps	5-10 years
Equipment	5-10 years

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

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

8. Long-term Debt

For governmental fund types, bond issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For the proprietary fund types, material bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. The long-term debt for water improvement is carried within the enterprise funds, rather than in the General Long-term Debt account group. Water revenues are meeting the debt service requirements for the water debt but the taxing power of the District is pledged to make these payments if water by water revenues should ever be insufficient. Long-term debt for other purposes is included in the General Long-term Debt Account Group. Included within the General Long-term Debt Account Group are the hospital improvement bonds issued by the County. The debt service requirements for all of the debt carried in the general long-term debt group are appropriated annually in the General Fund.

9. Fund Equity

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

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

The governmental fund types classify fund balances as follows:

Reserved

Reserved for Health Services - Portion of fund balance representing the cumulative excess of federal and state revenues and local fees over expenditures, restricted for health service expenses only.

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, which 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 2001-2002 budget ordinance.

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

Notes to Financial Statements

F. Revenues, Expenditures and Expenses

1. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "operating transfers-out" in the General Fund and "operating transfers in" in the receiving fund. The County's General Fund also transfers funds to the Airport. In addition, the ABC Board makes quarterly transfers to the County's General Fund. These transfers represent the County's portion of the ABC Board's surpluses which the ABC Board is required by State statute to distribute to the County.

2. Compensated Absences

The vacation policy of the County, the Hospital, and the ABC Board, provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the County's governmental funds. The County's liability for accumulated earned vacation as of June 30, 2001 is recorded in the General Long-Term Debt Account Group. For the County's proprietary funds, the Hospital, and the ABC Board, an expense and a liability for compensated absences and salary-related payments are recorded within those funds 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.

G. Total (Memorandum Only) Columns

The total columns on the accompanying financial statements are captioned as "Total (Memorandum Only)" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflect financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

H. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 2: Detail Notes on All Funds and Account Groups

A. Assets

1. Deposits

All of the County's, the Hospital's, the ABC Board's and the Airport's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the Hospital's, the Airport's or the ABC Board's agents in these units names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the Hospital, the Airport and the ABC Board, these deposits are considered to be held by their agents in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits.

Notes to Financial Statements

The State Treasurer does not confirm this information with the County the Hospital, the Airport or the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, the Airport or the ABC Board under the Pooling Method, the potential exists for the undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2001, the County's deposits had a carrying amount of \$6,554,707 and a bank balance of \$6,719,308. Of the bank balance, \$200,000 was covered by federal depository insurance, the remaining \$6,298,477 was covered by collateral and held under the Pooling Method.

At September 30, 2000, the Hospital's deposits had a carrying amount of \$1,283,382 and a bank balance of \$1,590,387. Of the bank balance, \$100,000 was covered by federal depository insurance, the remaining \$1,490,387 was covered by collateral held under the Pooling Method.

At June 30, 2001, the carry amount of deposits for Beaufort County ABC Board was \$300,032 and the bank balance was \$268,149. Of the bank balance, \$252,399 was covered by federal depository insurance and \$15,750 was collateralized under the Pooling Method.

At June 30, 2001, the Airport's deposits had a carrying amount of \$219,008 and a bank balance of \$243,661 with \$100,000 of the amount being covered by federal depository insurance, and \$143,661 collateralized under the Pooling Method.

2. Investments

The County's, the Hospital's, the ABC Board's, and the Airport's investments are categorized to give an indication of the level of custodial risk assumed by each of these entities at year-end. In the following tables, Column A includes investments that are insured or registered or for which the securities are held by the County, the Hospital, the ABC Board, or the Airport, or their agents in the entity's name. Column B includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's, the Hospital's, the ABC Board's, or the Airport's name. The County's investments in the Deferred Compensation Agency Fund are held by third-party custodians who take delivery of the investments on behalf of the County. The County's, the Hospital's, the ABC Board's, and the Airport's investments in the North Carolina Capital Management Trust are exempt from risk categorization because the County, the Hospital, the ABC Board, and the Airport, do not own any identifiable securities in these mutual funds.

At June 30, 2001, the County's investment balances were as follows:

Categories	A	B	Reported Value	Fair Value
Repurchase Agreements	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Common Stock	3,764	-	3,764	9,000
Total	\$ 3,764	\$ 1,500,000		
NC Capital Management Trust:				
Cash Portfolio			4,713,640	4,713,876
Total Investment			\$ 6,217,404	\$ 6,222,876

The County's repurchase agreements are eligible because they do meet the requirements of State law [G.S. 159-30(c) (12)]. The underlying security is held by the financial institution providing the transaction and is not in the County's name

At June 30, 2001, the ABC Board had no money in the above type investments.

At September 30, 2000, the Beaufort County Hospital's investments consisted of the following:

Categories	A	B	C	Cost Value	Market Value
Repurchase Agreements	\$ 128,570	\$ -	\$ -	\$ 128,570	\$ 128,570

At June 30, 2001, Warren Field Commission had no money in the above type investments.

Notes to Financial Statements

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

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

Year Levied	Tax	Interest	Total
1997	\$ 341,194	\$ 81,034	\$ 422,228
1998	353,927	52,204	406,131
1999	387,940	21,157	409,097
2000	365,575	21,021	386,596
Total	\$ 1,448,636	\$ 175,416	\$ 1,624,052

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-01
Property Taxes Receivable	
General Fund	\$ 390,000
Special Revenue Fund	10,848
Accounts Receivable	
General Fund	10,100
Enterprise Fund	186,652
Total	\$ 597,600

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$4,959,038.

5. Fixed Assets

A summary of changes in the County's general fixed assets follows:

By Type:	General				General
	Fixed Assets	Adjustments			Fixed Assets
	1-Jul-00	& Additions	Retirements	Transfers	30-Jun-01
Land	\$ 842,532	\$ -	\$ (50,000)	\$ -	\$ 792,532
Building	11,069,856	-	-	-	11,069,856
Vehicles and Equipment	4,637,999	482,370	(185,968)	-	4,934,401
Construction in Progress	-	-	-	-	-
Total	\$ 16,550,387	\$ 482,370	\$ (235,968)	\$ -	\$ 16,796,789

Notes to Financial Statements

A summary of changes in the County's general fixed assets follows:

By Type:	General				General
	Fixed Assets	Adjustments			Fixed Assets
	1-Jul-00	& Additions	Retirements	Transfers	30-Jun-01
General Government	\$ 2,898,820	\$ 13,005	\$ (46,827)	\$ -	\$ 2,864,998
Public Safety	3,344,391	337,545	(105,323)	-	3,576,613
Human Services	8,793,759	81,513	(79,498)	-	8,795,774
Environmental Protection	1,325,456	25,930	(4,320)	-	1,347,066
Economic Development	187,961	24,377	-	-	212,338
Construction in Progress	-	-	-	-	-
Total	\$ 16,550,387	\$ 482,370	\$ (235,968)	\$ -	\$ 16,796,789

6. Summary of Proprietary Fixed Assets

The fixed assets of the Water District I Fund at June 30, 2001 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Construction in Progress	\$ 6,209,621	\$ -	\$ 6,209,621

The fixed assets of the Water District II Fund at June 30, 2001 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Plant & Distribution System	\$ 4,549,677	\$ 508,570	\$ 4,041,107
Furniture & Maintenance Equipment	59,279	42,505	16,774
Vehicles	26,251	22,088	4,163
Totals	\$ 4,635,207	\$ 573,163	\$ 4,062,044

The fixed assets of the Water District III Fund at June 30, 2001 are as follows:

	Fixed Assets	Accumulated Depreciation	Net
Land	\$ 2,000	\$ -	\$ 2,000
Plant & Distribution System	5,880,338	520,786	5,359,552
Furniture & Maintenance Equipment	46,128	19,571	26,557
Vehicles	20,333	14,519	5,814
Construction in Progress	-	-	-
Totals	\$ 5,948,799	\$ 554,876	\$ 5,393,923

Notes to Financial Statements

The fixed assets of the Water District IV Fund at June 30, 2001 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant & Distribution System	\$ 89,943	\$ -	\$ 89,943
Furniture & Maintenance Equipment	26,852	11,093	15,759
Construction in Progress	<u>12,048,744</u>	<u>-</u>	<u>12,048,744</u>
Totals	<u>\$ 12,165,539</u>	<u>\$ 11,093</u>	<u>\$ 12,154,446</u>

The fixed assets of the Water District V Fund at June 30, 2001 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant & Distribution System	\$ 1,529,759	\$ -	\$ 1,529,759
Furniture & Maintenance Equipment	7,658	4,343	3,315
Construction in Progress	<u>7,618,094</u>	<u>-</u>	<u>7,618,094</u>
Totals	<u>\$ 9,155,511</u>	<u>\$ 4,343</u>	<u>\$ 9,151,168</u>

The fixed assets of the Water District VI Fund at June 30, 2001 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant & Distribution System			-
Totals	<u>\$ 861,006</u>	<u>\$ -</u>	<u>\$ 861,006</u>

The fixed assets of the Water District VII Fund at June 30, 2001 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Maintenance Equipment	\$ 22,394	\$ 8,041	\$ 14,353
Construction in Progress	<u>7,383,221</u>	<u>-</u>	<u>7,383,221</u>
Totals	<u>\$ 7,405,615</u>	<u>\$ 8,041</u>	<u>\$ 7,397,574</u>

The following is a summary of proprietary fund type fixed assets for the ABC Board at June 30, 2001:

Land	\$ 147,584
Buildings	470,053
Furniture & Equipment	250,051
Vehicles	<u>19,624</u>
Total	887,312
Less Accumulated Depreciation	<u>(525,247)</u>
Fixed Assets, Net	<u>\$ 362,065</u>

Notes to Financial Statements

The following is a summary of fixed assets for Beaufort County Hospital at September 30, 2000:

Land & Improvements	\$ 1,712,079
Buildings	10,660,452
Equipment	11,022,371
Equipment Under Capital Lease	1,842,449
Construction in Progress	<u>2,468,453</u>
Total	27,705,804
Less Accumulated Depreciation	<u>(16,020,986)</u>
Fixed Assets, Net	<u>\$ 11,684,818</u>

The following is a summary of fixed assets for Warren Field Airport Commission at June 30, 2001:

Land & Equipment	\$ 497,226
Terminal Building	465,859
Clearing & Excavation	2,730
Lighting	2,655,831
Fuel Tanks & Pumps	57,212
Equipment	407,132
Construction in Progress	<u>22,870</u>
Total	4,108,860
Less Accumulated Depreciation	<u>(2,746,877)</u>
Fixed Assets, Net	<u>\$ 1,361,983</u>

Tideland Mental Health Center has entered into an agreement with Beaufort County to repay the debt in fifteen annual payments of \$166,003, including principal and interest, at the rate of 5.2%. Prepayments will not reduce the interest included in the established payments schedule.

For Beaufort County the receivable as of June 30, 2001 including \$461,479 of interest is:

Year Ending June 30,	Installment Receivable
2001	\$ 166,003
2002	166,003
2003	166,003
2004	166,003
2005	166,003
Thereafter	<u>996,018</u>
Total	<u>\$ 1,826,033</u>

Notes to Financial Statements

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

Funding Policy - Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.93% and 4.63%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 5.10% and 4.47%, respectively 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, 2001, 2000, and 1999 were \$420,790, \$329,295 and \$358,031, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2001 were \$14,085. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description - Beaufort County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provision to the North Carolina General Assembly. The County has made no contributions to this plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2000, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	2
Terminated Plan Members Entitled to, But Not Yet Receiving Benefits	0
Active Plan Members	<u>43</u>
Total	<u>45</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 administration costs. These expenditures are paid as they come due.

Notes to Financial Statements

(3) Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts on a pay as you go basis through appropriations through the general fund. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2000 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.9% to 9.8% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation allowance for the current year were as follows:

Annual Required Contribution	\$ 23,744
Interest on Net Pension Obligation	4,725
Adjustment to Annual Required Contribution	(6,063)
Annual Pension Cost	22,406
Contributions 6-30-01	(21,258)
Increase (decrease) in Net Pension Obligation	1,148
Net Pension Obligation Beginning of Year	<u>65,178</u>
Net Pension Obligation End of Year	<u>\$ 66,326</u>

<u>3 Year Trend Information:</u>	<u>Annual Pension</u>	<u>Percentage APC</u>	<u>Net Pension</u>
<u>Fiscal Year Ended, June 30</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
1999	17,402	100.31%	65,577
2000	22,501	101.77%	65,178
2001	22,406	94.88%	66,326

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officers salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2001 were \$276,362, which consisted of \$100,006 from the County and \$176,356 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 who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the Fiscal year ended June 30, 2001, the County's required and actual contributions were \$ 9,382.

Notes to Financial Statements

e. Hospital Defined Contribution Employee Benefit Plans

The Hospital Board of Trustees has approved implementation of a defined contribution employee benefit plan effective October 1, 1996. This plan is to replace the defined benefit pension plan discussed below to provide more flexibility in future funding and a better benefit to the employees. However, plan documents have not been adopted pending a ruling from the Pension Benefit Guaranty Corporation (PBGC) regarding the Hospital's governmental status. The Board has approved an initial funding policy of 2% of earnings for all employees meeting a one-year of service requirement. The Hospital also has a Section 403(b) voluntary supplemental plan to which employees can voluntarily contribute. The Hospital will match employee contributions to this plan in excess of 2% of their earnings up to a maximum of 3%. (An employee contributing 5% would receive a 3% match from the hospital plus the 2%)

Estimated contributions to the above plans for the fiscal year ended September 30, 2000 and 1999 have been accrued in the amounts of \$4242,211 and \$479,931, respectively. Also, interest has been accrued at the rate of 7.5% annually. These amounts are included in employees benefits expense and retirement plan contributions payable. Funds will be transferred to a trust account after the plan and trust are established by approval of plan documents as noted above.

f. Beaufort County Hospital Pension Plan

The Hospital has terminated this noncontributory defined benefit pension plan and adopted a defined contribution plan. In, contemplation of this termination, the board of trustees froze the plan benefits as of September 30, 1996. The plan has been significantly over funded for several years; however, the laws and regulations governing defined benefit pension plans required the actuarial present value of accumulated plan benefits to be calculated using the rate for thirty year U.S. Treasury bonds for plan terminations. The actuarial present values are being determined for the plan using assumed rates of return of 7.5%. Use of a substantially lower rate for termination purposes would increase the present value of required benefits and could substantially reduce the over funded amount.

The Hospital has relied upon opinions from legal council since 1991 that the plan is a governmental plan and exempt from: (1) annual filing requirements with the IRS and US Department of Labor (DOL) and (2) payment of insurance premiums to the Pension Benefit Guaranty Corporation (PBGC). The Hospital has received an advisory opinion from DOL that the Hospital is a government agency or instrumentality. Accordingly, the Plan is a governmental plan and is excluded from Title I coverage under ERISA. Title I coverage is the annual filing requirements to the IRS and DOL. However, this advisory opinion does not constitute a ruling as to the Plan's status under Title IV of ERISA administered by PBGC. PBGC supervises termination of most ERISA covered plans other than governmental plans. The Hospital may not seek an advisory opinion from PBGC regarding its governmental status. If the plan is not determined to be a governmental plan by PBGC, it could be subject to PBGC insurance premiums for all years since 1991 plus interest and penalties. This ruling is not expected to have a material effect on the Hospital's financial positions.

There was no expense charged to operations for benefits provided by this pension plan for the year ended September 30, 2000 and 1999.

In October 1999, the Hospital began distributing the retirement benefits accrued in the pension plan. As of September 30, 2000, benefits in the amount of \$23,938 were owed to participants who could not be located or who had not yet returned the required paperwork.

g. Beaufort County Hospital Deferred Compensation Agreement

The Hospital entered into a deferred compensation agreement with Kenneth E. Ragland, the Chief Executive Officer of the Hospital. Mr. Ragland may elect to defer salary payments due to him under this agreement. These deferrals are credited to an Account on the records of the Hospital and are not transferred to any separate account for the benefit of Mr. Ragland. The Hospital agreed to credit this Account with \$7,500 each year until Mr. Raglands' employment terminates. The Hospital also agreed to match salary deferrals by Mr. Ragland in excess of \$5,000 annually, up to \$5,000, for a maximum credit by the Hospital of \$12,500.

The Account is also credited with earnings computed at the average rate being received by the Hospital on certificates of deposits. Mr. Ragland can receive payments from this Account after his employment terminates at age sixty-five. If he voluntarily resigns before attaining the age of sixty-five for any reason other than death or disability, all rights to this Account shall forfeit. The balance in this account at September 30, 2000 of \$101,744 is included in accrued liabilities on the balance sheet. Annual increases are included in employee benefits expense.

Notes to Financial Statements

h. Warren Field Airport Commission

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

2. Post employment Health Care Benefits

The County will provide individual hospitalization to any retired employee that meets either one of the following criteria:

Twenty (20) years of service with Beaufort County and reached age 60; or
Thirty (30) years of service with Beaufort County with no age requirement.

This benefit is offered until the individual is eligible for Medicare.

3. Closure and Postclosure 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 postclosure 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 postclosure 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 postclosure care liability at June 30, 2001 represents a cumulative amount reported to date. These amounts are based on what it would cost to perform all postclosure 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 Revenues

The balance in deferred revenues at year-end is composed of the following elements:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Fund</u>
Property Taxes Receivable	\$ 2,277,061	\$ 101,283	\$ 2,378,344
Prepaid Taxes	619,903	-	619,903
Installment Obligation Receivables	1,364,524	-	1,364,624
Total	<u>\$ 4,261,488</u>	<u>\$ 101,283</u>	<u>\$ 4,362,871</u>

5. Commitments

The County had commitments for building construction and water district expansion projects. These projects are being funded mainly by debt proceeds, grants and general fund appropriations.

The ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees. For the year ended June 30, 2001 \$0.00 was paid.

6. 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 commercial companies 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 coverage, and single occurrence losses of \$350,000 for workers' compensation.

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

Notes to Financial Statements

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

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

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

7. Claims and Judgements

At June 30, 2001, 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.

8. Long-term Obligations

a. Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments.

The Hospital leases equipment that is used for professional and administrative services. The leases expire in various years through 2002. Leases for the following classes of equipment have been accounted for as capital leases and are classified as separately in the Hospital's balance sheet.

Laboratory	\$ 176,460
Radiology	1,163,445
CCU	214,390
Telephone System	136,638
Obstetric	101,716
Patient Rooms	<u>49,800</u>
Total	1,842,449
Less Allowance for Depreciation	<u>(1,721,112)</u>
Total	<u>\$ 121,337</u>

Amortization of capital leases is included in depreciation and amortization expense. Future minimum payments, by year and in the aggregate, under the capital leases with initial or remaining terms of one year or more consist of the following at September 30, 2000:

2001	\$ 137,956
2002	<u>8,731</u>
Total Minimum Lease Payments	146,687
Amounts Representing Interest	<u>9,159</u>
Present Value of Net Minimum Lease Payments	<u>\$ 155,846</u>

Notes to Financial Statements

b. General Obligations Indebtedness- the County records long term debt of the governmental funds at face value in the general long-term debt account group. 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, 2001 are comprised of the following individual issues:

Serviced by the County's General Fund

\$2,000,000 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% \$ 1,200,000

\$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% \$ 4,255,000

Serviced by Water District I:

\$5,467,300 1999 Water Bond Anticipation notes, dated December 19, 2000; maturing September 12, 2001. \$ 5,467,300

Serviced by Water District II Long Acre West:

\$4,226,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$39,500 to \$158,000 through June 1, 2034; interest at 6.125% \$ 4,006,000

\$434,000 1998 Water Serial Bond due in annual installments; beginning in 1998; of \$4,500 to \$18,000 through June 1, 2034; interest at 6.125% \$ 411,000

Serviced by Water District III Long Acre East:

\$3,728,000 1998 Serial Bonds due in annual installments; beginning in 1998; of \$35,000 to \$140,000 through June 1, 2034; interest at 6.125% \$ 3,535,000

#381,000 1991 Water Serial Bond due in annual installments; beginning in 1998; of \$4,000 to \$16,000 through June 1, 2034; interest at 5.625% \$ 361,000

\$1,304,000 1998 Water Serial Bond due in annual installments; beginning in 1999; of \$13,500 to \$54,000 through June 1, 2036; with interest only for 1998 and 1999; interest at 5.625%. \$ 1,261,500

\$197,000 1998 Water Serial Bond due in annual installments beginning in 1999; of \$2,500 to \$10,000 through June 1, 2036; with interest only for 1998 and 1999; interest at 5.375%. \$ 189,500

Serviced by Water District IV Bath:

\$3,042,000 1999 Water Serial Bond due in annual installments; beginning in 1999; of \$33,000 to \$132,000 through June 1, 2038; interest only for 1999 and 2000; interest at 4.75% \$ 3,042,000

\$4,491,000 1998A Water Serial Bond due in annual installments; beginning in 1999; of \$48,500 to \$ 194,000 through June 1, 2038; with interest only for 1999 and 2000. \$ 4,442,500

\$909,000 1998B Water Serial Bond due in annual installments; beginning in 1999; of \$11,000 to \$40,000 through June 1, 2038; with interest only for 1999 and 2000. \$ 898,000

Serviced by Water District V Pantego:

\$3,223,000 1998A Water Serial Bond due in annual installments; beginning in 1999; of \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 and 2000. \$ 3,188,000

\$777,000 1998B Water Serial Bond due in annual installments; beginning in 1999; of \$9,000 to \$36,000 through June 1, 2038; with interest only for 1999 and 2000. \$ 768,000

Notes to Financial Statements

Serviced by Water District VII Richland:

\$2,692,000 Series A Water Bond due in annual installments; beginning in 1999; of \$28,500 to \$114,000 through June 1, 2038; with interest only for 1999 and 2000.	\$ 2,663,500
\$3,308,000 Series B Water Bond due in annual installments; beginning in 1999; of \$35,000 to \$140,000 through June 1, 2038; with interest only for 1999 and 2000.	\$ 3,273,000
TOTAL	<u>\$38,961,300</u>

Annual debt service requirements to maturity for the County's general obligation bonds including interest of \$919,025 for General Long Term Debt Account Group and \$32,703,187 for the Water Fund are as follows:

<u>Year Ending June 30,</u>	<u>Water Districts</u>	<u>General Long Term Debt</u>	<u>Total</u>
2002	\$ 7,254,982	\$ 1,314,575	\$ 8,569,557
2003	1,784,686	1,248,920	3,033,606
2004	1,784,999	1,178,150	2,963,149
2005	1,783,323	1,112,520	2,895,843
2006	1,784,730	841,860	2,626,590
Next 5 Years	8,901,493	678,000	9,579,493
Thereafter	<u>42,915,274</u>	-	<u>42,915,274</u>
Total	<u>\$ 66,209,487</u>	<u>\$ 6,374,025</u>	<u>\$ 72,583,512</u>

c. Installment Obligations

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%. This debt is included in the General Long Term Debt Account Group.

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 \$301,664 bearing interest at 4.40%. This debt is included in the General Long Term Debt Account Group.

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. 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. As of September 30, 2000, the Hospital had drawn down on this debt by incurring project expenditures of \$1,565,424. The County of Beaufort held the remaining debt proceeds in an interest-bearing account.

Beaufort County has secured financing for additional Hospital renovations in the amount of \$1,500,000. The Hospital will repay the County for the debt incurred on the Hospital's behalf in quarterly installments of \$36,001 including interest at 5.13% annually.

Notes to Financial Statements

For Beaufort County, the future minimum payments as of June 30, 2001 include interest of \$ 211,767 in the General Long Term Debt Account Group and \$370,491 for the Water Funds is as follows:

<u>Year Ending June 30,</u>	<u>Water Districts</u>	<u>General Long Term Debt</u>	<u>Total</u>
2002	\$ 620,292	\$ 136,741	\$ 757,033
2003	342,466	184,984	527,450
2004	83,372	197,610	280,982
2005	80,589	211,176	291,765
2006	77,807	196,587	274,394
Next 5 Years	200,230	879,923	1,080,153
Thereafter	121,804	603,318	725,122
Total	<u>\$ 1,526,560</u>	<u>\$ 2,410,339</u>	<u>\$ 3,936,899</u>

The Hospital issued an installment note payable to Nations Bank, N.A. 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 Nations Bank, N.A. 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 the Hospital. The proceeds of this note were used for operating cash flow.

The Hospital issued an installment note payable to Nations Bank, N.A. on January 25, 1996. This note is payable in monthly installments of \$2,691.61 plus interest at 5.25% annually, and one final payment of \$91,195 due January 24, 2001. This note is secured by real estate located in the Town of Aurora. The proceeds of this note were used to purchase the Aurora Medical Center building and surrounding 5.09 acres, Town of Aurora, North Carolina.

The Hospital issued an installment note payable to Nations Bank, N.A. on July 28, 1998. This note is payable in monthly installments of \$7,269.08 including interest at 4.10% annually. This note is secured by real estate located adjacent to the Hospital. The proceeds of this note were used to purchase approximately 16.4 acres of unimproved real estate adjacent to the Hospital.

First Citizens Bank and Trust

The Hospital entered into an installment purchase contract with First Citizens Bank and Trust Company, 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.

Wachovia Leasing Corporation

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

County of Beaufort

On January 12, 2000, the County of Beaufort secured financing for the Hospital's Expansion and Renovation Project, in the amount of \$5,000,000. 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. As of September 30, 2000, the Hospital had drawn down on this debt by incurring project expenditures of \$1,565,424. The County of Beaufort held the remaining debt proceeds in an interest-bearing account.

Notes to Financial Statements

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

2001	\$ 559,825
2002	484,338
2003	509,366
2004	535,133
2005	459,953
Thereafter	<u>605,432</u>
Total Payable	3,154,047
Less Current Maturities	<u>(559,825)</u>
Long Term Portion	<u>\$ 2,594,222</u>

The following is a summary of charges in the County's general long-term debt for the fiscal year ended June 30, 2001:

	Balance 07/01/00	Additions	Retirements	Balance 06/30/2001
By Type:				
General Obligation Bonds	\$ 6,535,000	\$ -	\$ 1,080,000	\$ 5,455,000
Capitalized Leases	-	-	-	-
Installment Purchases	7,991,662	1,500,000	779,903	8,711,759
Compensated Absences	464,616	11,916	-	476,532
Landfill Postclosure Care	189,343	-	-	189,343
Total	<u>\$ 15,180,621</u>	<u>\$ 1,511,916</u>	<u>\$ 1,859,903</u>	<u>\$ 14,832,634</u>
By Function:				
General Government	\$ -	\$ -	\$ -	\$ -
Economic & Physical Development	-	-	-	-
Education	5,383,300	-	1,080,000	4,303,300
Human Services	2,957,483	-	505,121	2,452,362
Environmental Protection	189,343	-	-	189,343
Public Safety	90,000	-	45,000	45,000
Compensated Absences	464,616	11,916	-	476,532
Hospital	6,095,879	1,500,000	229,782	7,366,097
Total	<u>\$ 15,180,621</u>	<u>\$ 1,511,916</u>	<u>\$ 1,859,903</u>	<u>\$ 14,832,634</u>

At June 30, 2001, Beaufort County had a legal debt margin of \$195,326,511.

9. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2001 is as follows:
Due to/from primary government and component units:

Notes to Financial Statements

C. Fund Equity

Enterprise Fund - Contributed Capital

Grants, entitlements, and shared revenues restricted for the acquisition or construction of capital assets are recorded as contributed capital prior to the implementation of GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions. As required by the GASB Statement 33, the County has begun recognizing capital contributions as revenue in the current year rather than as contributed capital. The County utilizes an option allowed under NCGA Statement 2 for the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings (Exhibit 4) whereby it closes depreciation expense on assets acquired or constructed through grants, entitlements, or shared revenues to the contributed capital account rather than to retained earnings.

The following is a summary of changes in contributed capital of the County for the fiscal year ended June 30, 2001.

<u>Source</u>	<u>Water District</u>
Beginning Balance, July 1, 2000	\$ 8,364,047
Additions	-
Ending Balance, June 30, 2001	<u>\$ 8,364,047</u>

D. Industrial Revenue Bond Outstanding

An industrial revenue bond was issued on August 28, 1982 for \$22,700,000 through Beaufort County Facilities and Pollution Control Financing Authority to Texasgulf Inc. (now PCS Phosphate Company, Inc.). The Bond is to be repaid by PCS Phosphate Company, Inc. and is not shown on the County's financial statements. The outstanding balance on the industrial revenue bond at June 30, 2001 was \$22,700,000.

NOTE 3: Related Organizations

The chairman of the County's governing board is also responsible for appointing the members of the board of the Beaufort County Industrial Control Facility, but the County's accountability for this organization does not extend beyond making these appointments. The Facility exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Facility and the Facility's debt is not included in determining the County's legal debt limit.

The County's governing board serves along with the County Nursing Home's governing board as directors of the Beaufort County Home Foundation. The Foundation is a non-profit organization created to raise funds for the County's Nursing Home. The Foundation's revenues are from gifts and grants.

NOTE 4: 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, 2001. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$111,000 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.

Notes to Financial Statements

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 \$1,050,000 and \$500,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2001. 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, 2001. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 264 East, Washington, NC 27889.

The County, in conjunction with four other counties, participates in the Tideland Mental Health Center. The County Commissioners appoint four members to the twenty-member board of the Center. In addition, One County Commissioner also serves on the Center's board. The Center, a multi-county public mental health authority, is a separate and distinct subdivision charged by State law with the responsibility of providing services for drug and mental health prevention, treatment and rehabilitation services. The County contributed \$120,000 to the Center during fiscal year ended June 30, 2001. Complete financial statements for the Center can be obtained from the Center's administrative offices at 1308 Highland Drive, Washington, NC 27889.

NOTE 5: Jointly Governed Organization

The County, in conjunction with four other counties and thirty-nine municipalities, established the Mid-East Commission. The participating governments established the Commission to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$12,047 to the Council during the fiscal year ended June 30, 2001.

NOTE 6: Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax

State law (Chapter 105, Article 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2001, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

NOTE 7: Public School Building Bond Act of 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve-month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each county.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. Beaufort County's matching requirement of \$.50 for each dollar of allocated bond proceeds has been fulfilled.

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Beaufort County requests bond funds by project to be transferred to an account established by Beaufort County Board of Education for payment of invoices. To date, the County has expended \$11,505,345 of their total allocation of \$11,585,308.

NOTE 8: School Facilities Finance Act of 1987

The General Assembly passed the School Facilities Finance Act of 1987 (Act) to assist county governments in meeting their public school facility capital needs. The Act created two State-funded programs for the construction and renewal of school facilities: the Public School Building Capital Fund administered by the Office of State Budget and Management and the Critical School Facilities Needs Fund administered by the State Board of Education.

Notes to Financial Statements

1. Public School Building Capital Fund

This program is funded using a portion of the corporate income taxes, which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue makes quarterly deposits into the fund of two thirty-first (2/31) of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund. (See below)

The corporate income taxes deposited into the fund are allocated to Beaufort County on the basis of the average daily membership (ADM) for Beaufort County Board of Education as determined by the State Board of Education. The Office of

State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2001, the balance of the County's ADM allocation account was \$1,351,588. The County must match this balance on the basis of one dollar for every three dollars of State funds.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2001, the County's disbursing account had a balance of \$ 0.00.

Funds in the allocation and disbursing accounts are considered State moneys until the County issues warrants to disburse them. At that time, they are recognized in the County's General Fund as a restricted intergovernmental revenue.

2. Critical School Facilities Needs Fund

This program is funded by the net collections of State income taxes imposed on corporations and received by the Department of Revenue. Each quarter, the Department of Revenue deposits \$ 2.5 million into the fund.

Grants are awarded by the State Board of Education based on the grant priority list established in 1998 by the Commission on School Facility Needs. A joint application must be made by the Beaufort County Board of Commissioners and the Beaufort County Board of Education. At June 30, 2001, the Boards had not submitted a grant application to the Commission on School Facility Needs.

NOTE 9: Summary Disclosure of Significant Contingencies

1. Federal and State Assisted Programs

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

2. Airport Contaminants

In January 1991 it was discovered that the Airport had an underground leak from one of its fuel tanks. Initial cleanup efforts concentrated on removal and remediation of contaminated soil. A plan for corrective action, which provided for a natural lessening of the contaminants with monitoring, has been submitted to the State of North Carolina for approval. Future costs have not been determined. No provision has been made in the financial statements for this contingency.

NOTE 10: Major Taxpayer

Beaufort County had property tax revenue from one taxpayer in 2001 of approximately \$2,715,634, which accounted for approximately 16% of net property tax levied.

Notes to Financial Statements

NOTE 11: Budget-to-GAAP-Reconciliation

Exhibit 3, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual, compares the budget and actual data by fund type for those governmental funds that adopt annual budgets. Therefore, only those Special Revenue Funds that adopt annual budgets are included on Exhibit 3. A budget-to-GAAP reconciliation for the Special Revenue Fund is below:

<u>Special Revenue Fund</u>	<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Assets</u>
Per Exhibit 3-Budgetary Basis	\$ (143,101)
Timing Difference	
Transactions of Funds with Multi-Year Budgets	
Revenues	2,653,916
Expenses	<u>(1,938,273)</u>
Per Exhibit 2-GAAP Basis	<u>\$ 572,542</u>

NOTE 12: Stewardship, Compliance, and Accountability

A. Deficit in Retained Earnings

There is a deficit in retained earnings of the following individual funds:

Water District II	\$ (67,784)
Water District II	\$ (372,650)

NOTE 13: Benefit Payments Issued by the State

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

Benefit Payments Issued by the State

	<u>Federal</u>	<u>State</u>
Food Stamp Program	\$ 3,841,747	\$ -
TANF Aid to Families with Dependent Children	954,979	-
Medicaid Assistance Program	29,331,355	14,801,390
Special Supplemental Food Program for Women, Infants and Children	1,081,986	-
Energy Assistance Payment	537,989	-
CWS Adopt Subsidy & Vendor	16,907	30,324
IV-E Adopt Subsidy & Vendor	163,055	44,534
Special Assistance-Aged & Disabled	-	463,565
IV-E Foster Home	280,804	6,484
State Foster Home	-	8,816
Community Based Alternative	-	170,108

Notes to Financial Statements

NOTE 14: Fountain PowerBoats Water/Sewer Construction Project

Beaufort County (the county) and the City of Washington (the city) have agreed to provide water and sewer to Fountain Power Boats, Inc. through a joint effort. The County applied for and received Industrial Development Fund Grants to construct the water and sewer lines necessary to complete this project. Upon completion the sewer line will be owned by the City and the water line will be owned by the County. The County has agreed to allow the City to use the water line to transport the City's water for a user fee of one dollar \$1.00 per annum, for a period of ninety-nine (99) years. This endeavor was undertaken in the interest of furthering economic development and the creation of new jobs. The Construction costs are accounted for in the County's Construction in Progress fund rather than the Enterprise Fund.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance

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

Exhibit A-1

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%

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

Exhibit A-2

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation End of Year
1998	18,827	34.89%	65,631
1999	17,402	100.31%	65,557
2000	22,501	101.77%	65,178
2001	22,406	94.88%	66,326

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, 2000
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Closed
Remaining Amortization Period	30 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

GENERAL FUND

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

Beaufort County, North Carolina
General Fund
Comparative Balance Sheets
June 30, 2001 and 2000

Exhibit B-1

	<u>June 30,</u> <u>2001</u>	<u>June 30,</u> <u>2000</u>
Assets		
Cash and Investments	\$ 5,863,846	\$ 4,852,432
Receivables (Net):		
Taxes	2,897,063	1,991,272
Due from other funds	567,829	2,495,429
Due from component unit	45,188	21,053
Accounts	2,514,166	2,949,876
Installment obligation receivable		
Current	99,991	90,350
Noncurrent	1,264,533	1,364,524
Total Assets	<u>\$ 13,252,616</u>	<u>\$ 13,764,936</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,294,198	\$ 1,490,837
Due to other funds	28,149	395,477
Deferred Revenues	4,261,588	4,117,225
Total Liabilities	<u>5,583,935</u>	<u>6,003,539</u>
 Fund balances:		
Reserved by State Statute	3,067,562	5,466,358
Reserved for Encumbrances	-	-
Unreserved:		
Designated for Subsequent Year's Expenditures	-	274,551
Designated - Other	-	-
Undesignated	4,601,119	2,020,488
Total Fund Balances	<u>7,668,681</u>	<u>7,761,397</u>
 Total Liabilities and Fund Balances	 <u>\$ 13,252,616</u>	 <u>\$ 13,764,936</u>

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Current Year Taxes	\$	\$ 15,326,989	\$	\$ 14,952,378
Prior Year Taxes		812,831		710,581
Penalties and Interest		248,090		225,774
Total		<u>16,476,487</u>		<u>15,888,733</u>
Local Option Sales Taxes:				
Article 39 One Percent		2,912,986		3,009,528
Article 40 One - Half of One Percent		1,908,367		1,851,211
Article 42 One - Half of One Percent		1,892,109		1,835,967
Total		<u>6,700,000</u>		<u>6,696,706</u>
Other Taxes and Licenses:				
Documentary stamps		106,947		98,033
Scrap tire disposal tax		42,195		39,745
White goods disposal tax		17,772		17,582
Privilege tax		9,440		9,861
E911 wireless surcharge		-		93,058
Other		8,594		186
Total		<u>220,000</u>		<u>258,465</u>
Unrestricted Intergovernmental:				
Inventories Tax Reimbursements		816,153		807,803
Intangibles tax		514,060		512,715
Beer and wine tax		128,228		124,553
Sales and gas tax refunds		14,502		31,757
Floyd - tax revenue loss		-		13,660
Food Stamp Tax Reimbursements		43,689		58,264
Senior citizens exemption		27,391		27,245
Total		<u>1,499,650</u>		<u>1,575,997</u>
Restricted Intergovernmental:				
State and Federal Grants		7,010,140		7,678,052
Loan reimbursements		1,064,940		286,396
NC United Way/Governors fund		-		627,909
ABC Tax		13,768		14,075
Facilities Fees		144,285		219,317
Total		<u>10,670,253</u>		<u>8,825,749</u>
Permits and Fees:				
Building Permits and Inspection Fees		112,994		142,970
Register of Deeds		181,358		177,021
Other		12,849		-
Total		<u>357,000</u>		<u>319,991</u>

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Sales and Services:				
Rent and Concessions		142,909		117,920
Rescue squad		7,332		18,617
Prisoners' reimbursements		191,699		40,562
Court costs		71,740		-
Environmental Health Fees		66,142		44,210
Medicaid fees		481,536		583,953
Patient fees - Nursing home & Health Dept.		1,185,900		975,136
Miscellaneous fees		-		-
School resource officer		30,777		52,148
Animal control fees		4,072		5,566
Candidate fees		-		1,651
Sheriff's fees		21,007		68,954
Lanfill fees/charges		2,267,774		2,349,358
Collection fees		60,247		60,505
Cable fees		48,610		66,789
Total	<u>4,963,662</u>	<u>4,579,745</u>	<u>(383,917)</u>	<u>4,385,369</u>
Investment Earnings	<u>435,000</u>	<u>316,773</u>	<u>(118,227)</u>	<u>388,374</u>
Miscellaneous:				
Sale of Assets/Insurance Claims		57,321		176,324
Reimbursement for VFD's		45,160		64,236
Donations		6,146		21,370
Miscellaneous		289,338		160,279
Total	<u>426,814</u>	<u>397,965</u>	<u>(28,849)</u>	<u>422,209</u>
TOTAL REVENUES	<u>41,748,866</u>	<u>38,665,160</u>	<u>(3,083,706)</u>	<u>38,761,593</u>
Expenditures:				
General Government:				
Governing body		80,350		76,130
County manager		399,602		454,730
Elections		128,451		127,214
Finance		216,615		216,757
Tax assessor		886,580		799,869
Legal		57,970		54,116
Register of deeds		217,185		186,198
Public buildings		1,016,063		875,480
Court facilities		173,551		173,197
Tax collector		288,858		258,579
Land records		220,289		293,162
Total general government	<u>4,011,071</u>	<u>3,685,514</u>	<u>325,557</u>	<u>3,515,432</u>

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Public Safety:				
Sheriff		2,369,115		2,195,227
Jail		978,643		885,046
Emergency communications		294,838		311,243
Emergency management		76,515		65,968
Fire protection		102,125		103,023
Inspections		222,054		197,827
Ambulance/Rescue service		206,943		214,001
Animal control		122,921		109,335
Medical examiner		41,325		27,600
Total	<u>4,634,539</u>	<u>4,414,479</u>	<u>220,060</u>	<u>4,109,270</u>
Economic and physical development				
Economic development		1,032,614		238,074
Agricultural extension		208,761		211,637
Soil/water conservation		118,182		83,393
Total	<u>1,497,407</u>	<u>1,359,557</u>	<u>137,850</u>	<u>533,104</u>
Human services:				
Administration - general		223,858		815,916
Aids control		28,682		24,534
TB program		36,709		37,963
Immunization		102,243		71,253
Health promotion		108,301		72,154
Child health		96,718		54,513
Maternal health		253,934		195,563
WIC - Administration		175,475		181,641
Environmental health		484,152		23,585
Family planning		273,395		218,778
Other health programs		84,939		74,980
Total human services	<u>2,177,124</u>	<u>1,868,406</u>	<u>308,718</u>	<u>1,770,880</u>
Mental Health:				
General appropriation		127,000		120,000
Alcohol rehab		17,000		24,000
Total	<u>144,000</u>	<u>144,000</u>	<u>-</u>	<u>144,000</u>
Beaufort County Develop Center	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>
NC Elderly handicapped transportation	<u>18,219</u>	<u>18,219</u>	<u>-</u>	<u>32,717</u>

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Social services:				
Administration		3,765,380		3,676,646
State In-Home Aging Services		285,917		255,824
AFDC program		-		1,399
Day care		2,041,467		1,968,731
Medical assistance		2,655,223		2,513,361
Other assistance		532,116		2,005,809
County provided services		6,057		4,227
Transportation - elderly		18,482		31,682
Child support enforcement		446,768		717,687
Aid to the blind program		17,918		16,869
Special assistance		466,654		431,691
Foster care		195,544		16,590
Work first program		98,498		83,290
Total	11,807,139	10,530,024	1,277,115	11,723,806
Other human services				
County home		1,089,453		1,089,453
Veterans services		30,862		30,715
Youth services		182,107		191,576
Total	1,344,212	1,302,422	41,790	1,311,744
Total Social Services	13,151,351	11,832,446	1,318,905	13,035,550
Total Human Services	15,585,694	13,958,071	1,627,623	15,078,147
Cultural and Recreational:				
Recreation		44,567		42,562
Library		127,800		116,740
Special Appropriations		62,632		44,352
Total Cultural and Recreational	254,333	234,999	19,334	203,654
Environmental protection:				
Solid waste	3,593,127	3,499,399	93,728	3,597,542
Education:				
Public Schools:				
Current Expense	7,320,950	7,320,950		7,000,000
Capital Outlay	1,171,880	1,171,880		1,400,000
Community Colleges:				
Current Expense	1,050,000	1,050,000		1,000,000
Capital Outlay	500,000	500,000		480,000
Total Education	10,042,830	10,042,830	-	9,880,000
Debt Service:				
Principal Retirement		2,170,650		1,858,329
Interest and Fees		393,490		590,170
Total Debt Service	2,581,416	2,564,140	17,276	2,448,499
TOTAL EXPENDITURES	42,200,417	39,758,989	2,441,428	39,365,648

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues over Expenditures	<u>(451,551)</u>	<u>(1,093,829)</u>	<u>(642,278)</u>	<u>(604,055)</u>
Other financing sources (uses):				
Proceeds From Capital Leases	-	-	-	-
Fund Balance Appropriated	274,551	-	(274,551)	-
Operating Transfers (to)/from Other Funds:				
Capital Projects	-	-	-	1,514
Capital Projects	-	-	-	(493,170)
Capital Projects	-	-	-	120,000
Water Districts	143,000	815,000	672,000	(875,000)
Special revenue fund - Capital Reserve	-	146,000	146,000	343
Operating Transfers (to)/from Component Units				
Beaufort County ABC Board	80,000	86,113	6,113	70,426
Warren Field Airport Commission	<u>(46,000)</u>	<u>(46,000)</u>	-	<u>(129,329)</u>
Total Other Financing Sources (Uses)	<u>451,551</u>	<u>1,001,113</u>	<u>549,562</u>	<u>(1,305,216)</u>
Revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	<u>(92,716)</u>	\$ <u>(92,716)</u>	<u>(1,909,271)</u>
Fund balances:				
Beginning of year, July 1		<u>7,761,397</u>		<u>9,670,668</u>
End of year, June 30		\$ <u>7,668,681</u>		\$ <u>7,761,397</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Combining Balance Sheets

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

Revaluation Fund

Economic Development

Washington Administration Unit

Fire District Funds (All Fire Districts)

Arbitrage Reserve

E911 Fund

NC Housing Finance Agency

Hazardous Mitigation

Disaster Relief Initiative Fund

NC Disaster Relief Initiative Fund

Capital Reserve

Beaufort County, North Carolina
Special Revenue Funds
Combining Balance Sheet
June 30, 2001
(With Comparative Totals for June 30, 2000)

Exhibit C-1

	<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	\$ 87,531	\$ -	\$ 227,659	\$ 147,250	\$ 161,651
Accounts Receivable	-	4,053	-	-	-	29,529
Taxes Receivable (Net)	-	-	9,859	91,424	-	-
Due from other funds	-	-	-	28,149	-	-
Total Assets	\$ 11,701	\$ 91,584	\$ 9,859	\$ 347,232	\$ 147,250	\$ 191,180
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ 14,042	\$ -	\$ 255,808	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deferred Revenue	-	-	9,859	91,424	-	-
Total Liabilities	-	14,042	9,859	347,232	-	-
Fund Balances:						
Reserved by State Statute	-	4,053	-	-	-	29,529
Designated for Subsequent Year's Expenditures	-	-	-	-	-	-
Undesignated	11,701	73,489	-	-	147,250	161,651
Total Fund Balances	11,701	77,542	-	-	147,250	191,180
Total Liabilities and Fund Balances	\$ 11,701	\$ 91,584	\$ 9,859	\$ 347,232	\$ 147,250	\$ 191,180

NC Housing Finance Agency	Hazardous Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals	
					June 30, 2001	June 30, 2000
\$ -	2,769	-	-	304,644	\$ 943,205	\$ 1,276,524
-	-	-	-	-	33,582	24,198
-	-	-	-	-	101,283	107,703
-	-	-	-	-	28,149	385,604
<u>\$ -</u>	<u>2,769</u>	<u>-</u>	<u>-</u>	<u>304,644</u>	<u>\$ 1,106,219</u>	<u>\$ 1,794,029</u>
\$ 1,405	33,995	2,800	3,799	-	\$ 311,849	\$ 299,756
-	-	-	-	-	-	1,261,315
-	-	-	-	-	101,283	112,414
<u>1,405</u>	<u>33,995</u>	<u>2,800</u>	<u>3,799</u>	<u>-</u>	<u>413,132</u>	<u>1,673,485</u>
-	-	-	-	-	33,582	23,130
-	-	-	-	-	-	-
(1,405)	(31,226)	(2,800)	(3,799)	304,644	659,505	97,414
<u>(1,405)</u>	<u>(31,226)</u>	<u>(2,800)</u>	<u>(3,799)</u>	<u>304,644</u>	<u>693,087</u>	<u>120,544</u>
<u>\$ -</u>	<u>2,769</u>	<u>-</u>	<u>-</u>	<u>304,644</u>	<u>\$ 1,106,219</u>	<u>\$ 1,794,029</u>

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	Revaluation	Economic Development	Washington Administrative Unit	Fire Tax Districts	Arbitrage Reserve	E911 Service
Revenues:						
Ad Valorem Taxes	\$ -	\$ -	\$ 656	\$ 835,247	\$ -	\$ 305,901
Investment Earnings	-	2,368	-	-	12,863	-
Sales Tax Revenue	-	-	-	-	-	-
Restricted Intergovernmental	-	237,755	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>240,123</u>	<u>656</u>	<u>835,247</u>	<u>12,863</u>	<u>305,901</u>
Expenditures:						
Current:						
Public Safety	-	-	-	835,247	-	192,389
Education	-	-	656	-	-	-
Debt Service	-	-	-	-	-	-
Economic and Physical Development	-	214,993	-	-	-	-
Total Expenditures	<u>-</u>	<u>214,993</u>	<u>656</u>	<u>835,247</u>	<u>-</u>	<u>192,389</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>25,130</u>	<u>-</u>	<u>-</u>	<u>12,863</u>	<u>113,512</u>
Other Financing Sources:						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	(165,859)	-
From Primary Government	-	-	-	-	-	-
Proceeds from Installment Loan	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,859)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>25,130</u>	<u>-</u>	<u>-</u>	<u>(152,996)</u>	<u>113,512</u>
Fund balances:						
Beginning of Year, July 1	<u>11,701</u>	<u>52,412</u>	<u>-</u>	<u>-</u>	<u>300,245</u>	<u>77,668</u>
End of year, June 30	<u>\$ 11,701</u>	<u>\$ 77,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,249</u>	<u>\$ 191,180</u>

NC Housing Finance Agency	Hazardous Mitigation	Disaster Relief Initiative	NC Disaster Relief Initiative	Capital Reserve	Totals	
					June 30, 2001	June 30, 2000
-	-	-	-	-	\$ 1,141,804	\$ 907,349
-	-	-	-	17,253	32,484	40,356
-	-	-	-	-	-	-
42,866	2,209,850	401,200	-	-	2,891,671	1,734,545
-	-	-	-	-	-	1,756
<u>42,866</u>	<u>2,209,850</u>	<u>401,200</u>	<u>-</u>	<u>17,253</u>	<u>4,065,959</u>	<u>2,684,006</u>
-	-	-	-	-	1,027,636	867,988
-	-	-	-	-	656	1,060
-	-	-	-	-	-	-
43,341	1,483,042	404,109	7,781	-	2,153,266	2,385,421
<u>43,341</u>	<u>1,483,042</u>	<u>404,109</u>	<u>7,781</u>	<u>-</u>	<u>3,181,558</u>	<u>3,254,469</u>
<u>(475)</u>	<u>726,808</u>	<u>(2,909)</u>	<u>(7,781)</u>	<u>17,253</u>	<u>884,401</u>	<u>(570,463)</u>
-	-	-	-	-	-	380,510
-	-	-	-	(146,000)	(311,859)	(580,343)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(146,000)	(311,859)	(199,833)
(475)	726,808	(2,909)	(7,781)	(128,747)	572,542	(770,296)
(930)	(758,034)	109	3,982	433,391	120,545	890,841
<u>(1,405)</u>	<u>(31,226)</u>	<u>(2,800)</u>	<u>(3,799)</u>	<u>304,644</u>	<u>\$ 693,087</u>	<u>\$ 120,545</u>

Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Total Economic & Physical Development	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of Year, July 1		<u>11,701</u>		<u>11,701</u>
End of Year, June 30		<u>\$ 11,701</u>		<u>\$ 11,701</u>

Economic Development

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Restricted Intergovernmental	\$	\$ 237,755	\$	\$ 170,385
Investment Earnings		2,368		2,232
Total revenues	<u>237,755</u>	<u>240,123</u>	<u>2,368</u>	<u>172,617</u>
Expenditures:				
Economic and Physical development		214,993		201,449
Total Expenditures	<u>237,755</u>	<u>214,993</u>	<u>22,762</u>	<u>201,449</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>25,130</u>	<u>25,130</u>	<u>(28,832)</u>
Other Financing Sources (Uses):				
Operating Transfers from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>-</u>	<u>25,130</u>	<u>25,130</u>	<u>(28,832)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ 25,130	\$ <u>25,130</u>	(28,832)
Fund Balance:				
Beginning of Year, July 1		<u>52,412</u>		<u>81,244</u>
End of Year, June 30		\$ <u>77,542</u>		\$ <u>52,412</u>

Beaufort County, North Carolina
Washington Administrative Unit
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2001

Exhibit C-5

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Ad valorem taxes	\$ 1,000	\$ 656	\$ (344)	\$ 1,061
Expenditures:				
Education - School current expense		656		1,061
Total Expenditures	1,000	656	344	1,061
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)
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

Exhibit C-6

For the Fiscal Year Ended June 30, 2001
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Total Revenues	\$ 817,200	835,247	\$ 18,047	631,262
Expenditures:				
Public safety:				
Total Expenditures	817,200	835,247	(18,047)	631,262
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Proceeds from Installment Loan	-	-	-	-
Transfer to General Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	-	-	-
Fund Balance Appropriated	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	-	\$ -	-
Fund Balance:				
Beginning of Year, July 1		-		-
End of Year, June 30		\$ -		\$ -

Arbitrage Reserve
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Investment Earnings	\$ 165,400	\$ 12,863	\$ (152,537)	\$ 8,683
Expenditures	-	-	-	
Revenues Over (Under) Expenditures	165,400	12,863	(152,537)	8,683
Other Financing Sources (Uses):				
Operating Transfers in	-	-	-	139,048
Total Other Financing Sources (Uses)	-	-	-	139,048
Revenues and Other Financing Sources Over (Under) Uses	165,400	12,863	(152,537)	147,731
Fund Balance Appropriated	-	-	-	-
Revenues, Other Sources and Appropriated Transfer in(out)	(165,400)	(165,858)	(458)	-
Fund Balance Over (Under) Expenditures and Other Uses	\$ -	(152,995)	\$ (152,995)	147,731
Fund Balance:				
Beginning of Year, July 1		300,245		152,514
End of Year, June 30		\$ 147,250		\$ 300,245

E911 Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2010

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Emergency Telephone System Charges		\$ 305,901		\$ 229,690
Total Revenues	\$ 300,000	305,901	\$ 5,901	229,690
Expenditures:				
Public safety:				
E 911 Service		164,919		181,346
Capital Outlay		27,470		18,727
Total Expenditures	300,000	192,389	107,611	200,073
Revenues Over (Under) Expenditures	-	113,512	113,512	29,617
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	-	113,512	113,512	29,617
Fund Balance Appropriated	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	113,512	\$ 113,512	29,617
Fund Balance:				
Beginning of Year, July 1		77,668		48,051
End of Year, June 30		\$ 191,180		\$ 77,668

Beaufort County, North Carolina
 NC Housing Finance Agency
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and For the Fiscal Year Ended June 30, 2001

Exhibit C-9

	Project Author - ization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental					
Emergency Management					
Grant	\$ 300,000	\$ 283,614	\$ 42,866	\$ 326,480	\$ 26,480
Total Revenues	<u>300,000</u>	<u>283,614</u>	<u>42,866</u>	<u>326,480</u>	<u>26,480</u>
Expenditures:					
Current:					
Economic and physical					
development	315,000	299,544	43,341	342,885	(27,885)
Revenues over expenditures	(15,000)	(15,930)	(475)	(16,405)	(1,405)
Other Financing Sources (Uses):					
Operating Transfer					
from General Fund	15,000	15,000	-	15,000	-
Total Other Financing	15,000	15,000	-	15,000	-
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>(930)</u>	(475)	\$ <u>(1,405)</u>	\$ <u>(1,405)</u>
Fund balances:					
Beginning of year, July 1			<u>(930)</u>		
End of year, June 30			\$ <u>(1,405)</u>		

Beaufort County, North Carolina
Hazardous Mitigation
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2001

Exhibit C-10

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental					
Emergency management & State grant	2,948,648	1,551,431	2,209,850	3,761,281	812,633
Total Revenues	<u>2,948,648</u>	<u>1,551,431</u>	<u>2,209,850</u>	<u>3,761,281</u>	<u>812,633</u>
Expenditures:					
Current:					
Economic and physical development:	2,948,648	2,309,465	1,483,042	3,792,507	(843,859)
Revenues over expenditures	-	(758,034)	726,808	(31,226)	(31,226)
Other Financing Sources (Uses):					
Residual Equity Transfer from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Revenues, Other Sources Over (Under)					
Expenditures and Other Uses	\$ -	\$ (758,034)	726,808	\$ (31,226)	\$ (31,226)
Fund balances:					
Beginning of year, July 1			(758,034)		
End of year, June 30			<u>\$ (31,226)</u>		

Beaufort County, North Carolina
 Disaster Relief Initiative Fund

Exhibit C-11

Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 From Inception and For the Fiscal Year Ended June 30, 2001

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental	\$ 1,421,128	1,062,808	401,200	1,464,008	42,880
Interest Income	\$ -	\$ -	-	\$ -	\$ -
Total Revenues	<u>1,421,128</u>	<u>1,062,808</u>	<u>401,200</u>	<u>1,464,008</u>	<u>42,880</u>
Expenditures:					
Current:					
Economic and physical development:	<u>1,421,128</u>	<u>652,699</u>	<u>404,109</u>	<u>1,056,808</u>	<u>364,320</u>
Revenues over expenditures	-	410,109	(2,909)	407,200	407,200
Other Financing Sources (Uses):					
Transfers to					
other funds	<u>-</u>	<u>(410,000)</u>	<u>-</u>	<u>(410,000)</u>	<u>410,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(410,000)</u>	<u>-</u>	<u>(410,000)</u>	<u>410,000</u>
Revenues, Other Sources Over (Under)					
Expenditures and Other Uses	\$ <u>-</u>	\$ <u>109</u>	(2,909)	\$ <u>(2,800)</u>	\$ <u>(2,800)</u>
Fund balances:					
Beginning of year, July 1			<u>109</u>		
End of year, June 30			\$ <u>(2,800)</u>		

Beaufort County, North Carolina
NC Disaster Relief Initiative Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2001

Exhibit C-12

	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:	<u>850,000</u>	<u>839,474</u>	<u>7,781</u>	<u>847,255</u>	<u>2,745</u>
Revenues over expenditures	-	(236,018)	(7,781)	(243,799)	(243,799)
Other Financing Sources (Uses):					
Transfers to					
other funds	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>(240,000)</u>
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>\$ 3,982</u>	(7,781)	<u>\$ (3,799)</u>	<u>\$ (3,799)</u>
Fund balances:					
Beginning of year, July 1			<u>3,982</u>		
End of year, June 30			<u>\$ (3,799)</u>		

Capital Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2001

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Investment Earnings	\$ 165,400	\$ 17,253	\$ (148,147)	\$ 38,124
Expenditures	165,400	-	165,400	-
Revenues Over (Under) Expenditures	-	17,253	17,253	38,124
Other Financing Sources (Uses):				
Operating Transfers in (out)	-	(146,000)	(146,000)	(338,538)
Total Other Financing Sources (Uses)	-	(146,000)	(146,000)	(338,538)
Revenues and Other Financing Sources Over (Under) Uses	-	(128,747)	(128,747)	(300,414)
Fund Balance Appropriated	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	(128,747)	\$ (128,747)	(300,414)
Fund Balance:				
Beginning of Year, July 1		433,391		733,805
End of Year, June 30		\$ 304,644		\$ 433,391

CAPITAL PROJECT FUNDS

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

Combining Balance Sheet

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

Fountain Power Boats Water/Sewer

NC Crisis Housing

HMGP Buyout

HMGP Bonnie

Hospital Renovations

Delta City Sewer

Bladen County, North Carolina
 Capital Projects Funds
 Combining Balance Sheets

June 30, 2001

(With Comparative Totals as of June 30, 2000)

	Fountain Power Boats Water/Sewer	NC Crisis Housing	HMGP Buyout	HMGP Bonnie	Hospital Renovations	Delta City Sewer	Totals	
							June 30, 2001	June 30, 2000
Current Assets								
Cash and Investments	\$ -	\$ 600	\$ -	\$ -	\$ 2,408,694	\$ 197,500	\$ 2,606,794	\$ 4,262,331
Accounts receivable	-	-	-	-	10,271	-	10,271	-
Total assets	\$ -	\$ 600	\$ -	\$ -	\$ 2,418,965	\$ 197,500	\$ 2,617,065	\$ 4,262,331

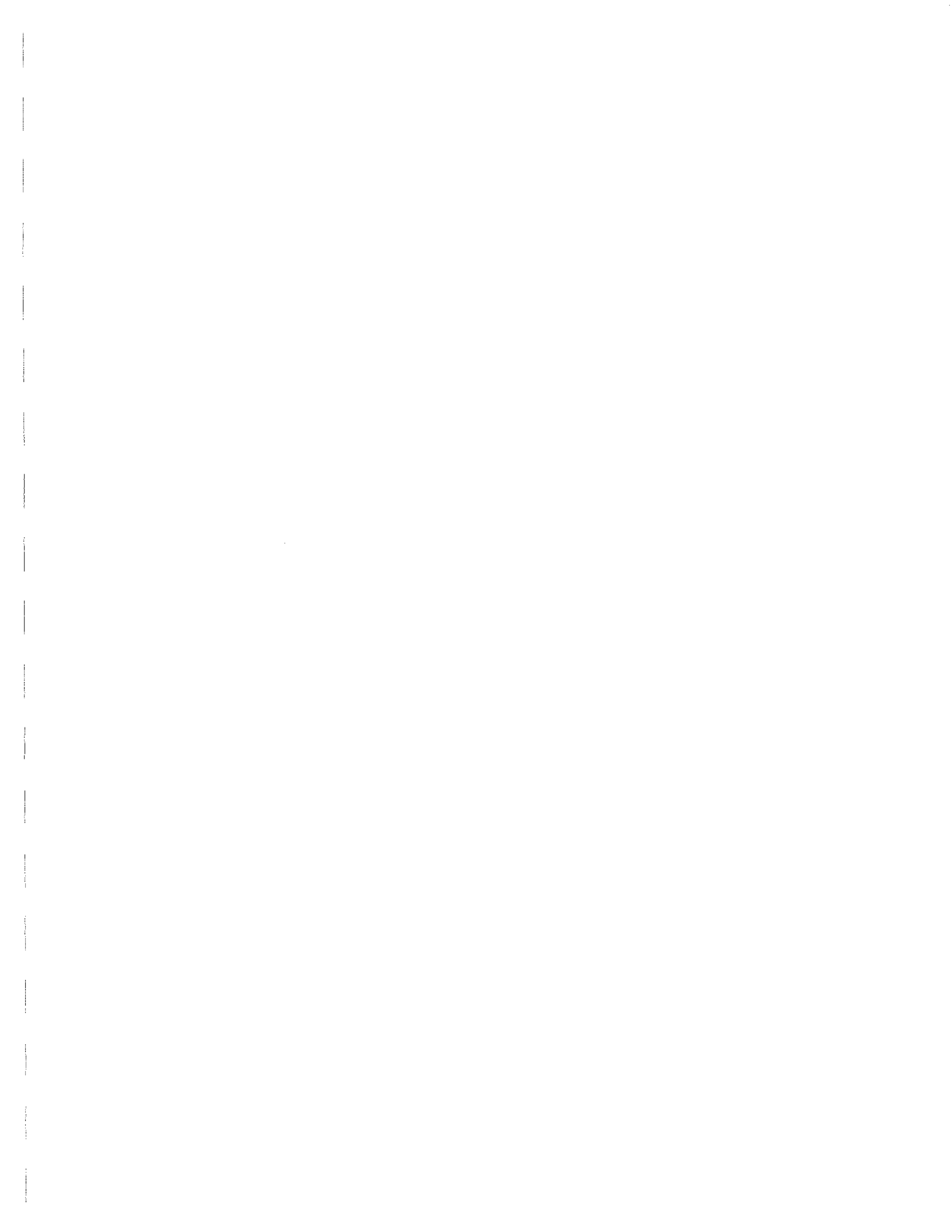
Liabilities and Fund Balances

Liabilities:								
Accounts Payable	\$ 3,020	\$ 211,219	\$ 1,454	\$ -	\$ 329,974	\$ -	\$ 545,667	\$ 207,909
Fund balances:								
Reserved by state statute	-	-	-	-	10,271	-	10,271	-
Unreserved:								
Fund balances	(3,020)	(210,619)	(1,454)	-	2,078,720	197,500	2,061,127	4,054,422
Total Fund Balances	(3,020)	(210,619)	(1,454)	-	2,088,991	197,500	2,071,398	4,054,422
Total Liabilities and Fund Balances	\$ -	\$ 600	\$ -	\$ -	\$ 2,418,965	\$ 197,500	\$ 2,617,065	\$ 4,262,331

Beaufort County
Capital Projects Fund
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

For the Fiscal Year Ended June 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	Fountain Power Boats Water/Sewer	NC Crisis Housing	HMGP Buyout	HMGP Bonnie	Hospital Renovations	Delta City Sewer	Totals	
							June 30, 2001	June 30, 2000
Revenues:								
Restricted Intergovernmental	\$ 10,665	\$ 1,534,932	\$ 19,699	\$ 27,781	\$ -	\$ 175,782	\$ 1,768,859	\$ 655,544
Investment Income	-	-	-	-	102,830	-	102,830	112,379
Total Revenues	<u>10,665</u>	<u>1,534,932</u>	<u>19,699</u>	<u>27,781</u>	<u>102,830</u>	<u>175,782</u>	<u>1,871,689</u>	<u>767,923</u>
Expenditures:								
Capital outlay:								
Economic Development	13,685	1,745,551	21,153	27,781	3,734,120	179,282	5,721,572	2,554,147
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>13,685</u>	<u>1,745,551</u>	<u>21,153</u>	<u>27,781</u>	<u>3,734,120</u>	<u>179,282</u>	<u>5,721,572</u>	<u>2,554,147</u>
Revenues Over (Under) Expenditures	<u>(3,020)</u>	<u>(210,619)</u>	<u>(1,454)</u>	<u>-</u>	<u>(3,631,290)</u>	<u>(3,500)</u>	<u>(3,849,883)</u>	<u>(1,786,224)</u>
Other Financing Sources (Uses):								
Transfer to in/(out)	-	-	-	-	-	-	-	571,146
Local contribution	-	-	-	-	-	201,000	201,000	-
Loan/Bond Proceeds	-	-	-	-	1,665,859	-	1,665,859	5,000,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665,859</u>	<u>201,000</u>	<u>1,866,859</u>	<u>5,571,146</u>
Revenues and Other Sources (Uses) Over (Under) Expenditures	<u>(3,020)</u>	<u>(210,619)</u>	<u>(1,454)</u>	<u>-</u>	<u>(1,965,431)</u>	<u>197,500</u>	<u>(1,983,024)</u>	<u>3,784,922</u>
Fund balances:								
Beginning of year, July 1	-	-	-	-	4,054,422	-	4,054,422	269,500
End of year, June 30	<u>(3,020)</u>	<u>(210,619)</u>	<u>(1,454)</u>	<u>-</u>	<u>2,088,991</u>	<u>197,500</u>	<u>2,071,398</u>	<u>4,054,422</u>



Beaufort County, North Carolina
Capital Project Fund - Fountain Power Boats Water/Sewer
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2001

Exhibit D-3

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Economic Development grant	\$ 925,000	\$ 397,844	\$ -	\$ 397,844	\$ (527,156)
CDBG Grant	432,512	417,963	10,665	428,628	(3,884)
Total Revenues	<u>1,357,512</u>	<u>815,807</u>	<u>10,665</u>	<u>826,472</u>	<u>(531,040)</u>
Expenditures					
Administration	42,800	26,096	13,685	39,781	3,019
Construction	1,314,712	789,711	-	789,711	525,001
Total Expenditures	<u>1,357,512</u>	<u>815,807</u>	<u>13,685</u>	<u>829,492</u>	<u>528,020</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(3,020)</u>	<u>(3,020)</u>	<u>(3,020)</u>
Other financing sources:					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ 1,314,712</u>	<u>\$ 789,711</u>	<u>(3,020)</u>	<u>\$ (3,020)</u>	<u>\$ (3,020)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (3,020)</u>		

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, 2001

	Project Authorization	Prior Years	Actual		Variance Favorable (Unfavorable)
			Current Year	Total to Date	
Revenues					
NC Crisis Housing	\$ 2,218,587	\$ -	\$ 1,534,932	\$ 1,534,932	\$ (683,655)
Investment Income	-	-	-	-	-
Total Revenues	<u>2,218,587</u>	<u>-</u>	<u>1,534,932</u>	<u>1,534,932</u>	<u>(683,655)</u>
Expenditures					
Economic & Physical Development:					
Administration	184,000	-	76,512	76,512	107,488
Rehabilitation	706,000	-	272,145	272,145	433,855
Replacement	962,000	-	1,396,894	1,396,894	(434,894)
Relocation	277,211	-	-	-	277,211
Total Expenditures	<u>2,129,211</u>	<u>-</u>	<u>1,745,551</u>	<u>1,745,551</u>	<u>383,660</u>
Revenues Over (Under) Expenditures	<u>89,376</u>	<u>-</u>	<u>(210,619)</u>	<u>(210,619)</u>	<u>(299,995)</u>
Other financing sources:					
Transfer to General Fund	(89,376)	-	-	-	89,376
Total Other Financing Sources (Uses)	<u>(89,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,376</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(210,619)</u>	<u>\$ (210,619)</u>	<u>\$ (210,619)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (210,619)</u>		

Beaufort County, North Carolina
Capital Project Fund - HMGP Buyout
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

Exhibit D-5

From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ 337,844	\$ -	\$ 19,699	\$ 19,699	\$ (318,145)
Investment Income	-	-	-	-	-
Total Revenues	<u>337,844</u>	<u>-</u>	<u>19,699</u>	<u>19,699</u>	<u>(318,145)</u>
Expenditures					
Economic & Physical Development:					
Administration	16,088	-	9,496	9,496	6,592
Support	11,100	-	-	-	11,100
Acquisition	310,656	-	11,657	11,657	298,999
Total Expenditures	<u>337,844</u>	<u>-</u>	<u>21,153</u>	<u>21,153</u>	<u>316,691</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(1,454)</u>	<u>(1,454)</u>	<u>(1,454)</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>(1,454)</u>	<u>\$ (1,454)</u>	<u>\$ (1,454)</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ (1,454)</u>		

Beaufort County, North Carolina
Capital Project Fund - HMGP Bonnie
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

Exhibit D-6

From Inception and for the Fiscal Year Ended June 30, 2001

	Project Authorization	Prior Years	Actual		Varinace Favorable (Unfavorable)
			Current Year	Total to Date	
Revenues					
Grant funds	\$ 1,392,222	\$ -	\$ 27,781	\$ 27,781	\$ (1,364,441)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,392,222</u>	<u>-</u>	<u>27,781</u>	<u>27,781</u>	<u>(1,364,441)</u>
Expenditures					
Economic & Physical Development:					
Administration	24,279	-	2,016	2,016	22,263
Survey/Easments	111,078	-	20,065	20,065	91,013
Relocation	18,150	-	-	-	18,150
Construction	1,238,715	-	5,700	5,700	1,233,015
Total Expenditures	<u>1,392,222</u>	<u>-</u>	<u>27,781</u>	<u>27,781</u>	<u>1,364,441</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>\$ -</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

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, 2001

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	210,000	100,833	102,830	203,663	(6,337)
Total Revenues	<u>210,000</u>	<u>100,833</u>	<u>102,830</u>	<u>203,663</u>	<u>(6,337)</u>
Expenditures					
Economic & Physical Development:					
Construction	6,540,000	1,046,411	3,734,120	4,780,531	1,759,469
Contingency	170,000	-	-	-	170,000
Total Expenditures	<u>6,710,000</u>	<u>1,046,411</u>	<u>3,734,120</u>	<u>4,780,531</u>	<u>1,929,469</u>
Revenues Over (Under) Expenditures	<u>(6,500,000)</u>	<u>(945,578)</u>	<u>(3,631,290)</u>	<u>(4,576,868)</u>	<u>1,923,132</u>
Other financing sources:					
Transfer in	1,500,000	-	165,859	165,859	(1,334,141)
Proceeds from long term debt	5,000,000	5,000,000	1,500,000	6,500,000	1,500,000
Total Other Financing Sources (Uses)	<u>6,500,000</u>	<u>5,000,000</u>	<u>1,665,859</u>	<u>6,665,859</u>	<u>165,859</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,965,431)</u>	<u>\$ 2,088,991</u>	<u>\$ 2,088,991</u>
Fund balances:					
Beginning of year, July 1			<u>4,054,422</u>		
End of year, June 30			<u>\$ 2,088,991</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, 2001

Exhibit D-8

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant funds	\$ 1,719,365	\$ -	\$ 175,782	\$ 175,782	\$ (1,543,583)
Investment Income	-	-	-	-	-
Total Revenues	<u>1,719,365</u>	<u>-</u>	<u>175,782</u>	<u>175,782</u>	<u>(1,543,583)</u>
Expenditures					
Economic & Physical Development:					
Construction	1,920,365	-	179,282	179,282	1,741,083
Contingency	-	-	-	-	-
Total Expenditures	<u>1,920,365</u>	<u>-</u>	<u>179,282</u>	<u>179,282</u>	<u>1,741,083</u>
Revenues Over (Under) Expenditures	<u>(201,000)</u>	<u>-</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>197,500</u>
Other financing sources:					
Local contribution	201,000	-	201,000	201,000	-
Total Other Financing Sources (Uses)	<u>201,000</u>	<u>-</u>	<u>201,000</u>	<u>201,000</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	197,500	<u>\$ 197,500</u>	<u>\$ 197,500</u>
Fund balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 197,500</u>		

ENTERPRISE FUNDS

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

Combining Balance Sheet

Combining Statement of Revenues, Expenditures, and Changes in Retained Earnings

Combining Statement of Cash Flows

Water District I-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District II-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District III-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District IV-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District V-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District VI-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District VII-Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP)

Water District I

Water District III

Water District IV- Water District IV (Phase II)

Water District V (Clean Water)

Water District V (Pantego)

Water District VI (Southside HS)

Water District VI (Chocowinity)

Water District VII

Beaufort County, North Carolina
Enterprise Fund
Combining Balance Sheets
 June 30, 2001
 (With Comparative Totals for June 30, 2000)

Exhibit E-1

	Water District <u>I</u>	Water District <u>II</u>	Water District <u>III</u>	Water District <u>IV</u>
Assets				
Current Assets:				
Cash and Investments	\$ 166,463	\$ 191,172	\$ 162,939	\$ 552,378
Accounts Receivable (Net)	28,468	117,652	111,472	116,012
Due from other Water Districts	-	-	-	-
Due from General fund	-	-	-	-
Total Current Assets	<u>194,931</u>	<u>308,824</u>	<u>274,411</u>	<u>668,390</u>
Restricted assets:				
Cash	438,439	-	-	857,093
Fixed Assets (Net)	<u>6,209,621</u>	<u>4,062,044</u>	<u>5,393,923</u>	<u>12,154,446</u>
Total Assets	<u>\$ 6,842,991</u>	<u>\$ 4,370,868</u>	<u>\$ 5,668,334</u>	<u>\$ 13,679,929</u>
Liabilities and Fund Equities				
Current Liabilities:				
Accounts Payable & Accrued Expenses	\$ 330,312	\$ 3,536	\$ 16,655	\$ 672,354
Accounts payable from restricted assets	-	-	-	-
Due to other Water Districts	-	-	-	-
Due to General Fund	2,500	-	199,980	105,914
Customer Deposits	225	15,050	9,950	9,000
Notes payable	-	-	24,300	-
Bond \Long-term Debt - Current Maturities	<u>5,467,300</u>	<u>57,500</u>	<u>68,500</u>	<u>94,000</u>
Total Current Liabilities	<u>5,800,337</u>	<u>76,086</u>	<u>319,385</u>	<u>881,268</u>
Other Liabilities:				
Compensated Absences Payable	2,418	3,066	2,902	3,063
Notes payable	-	-	340,197	-
Bonds \Long-term Debt - Noncurrent	<u>-</u>	<u>4,359,500</u>	<u>5,278,500</u>	<u>8,288,500</u>
Total Other Liabilities	<u>2,418</u>	<u>4,362,566</u>	<u>5,621,599</u>	<u>8,291,563</u>
Total Liabilities	<u>5,802,755</u>	<u>4,438,652</u>	<u>5,940,984</u>	<u>9,172,831</u>
Fund Equities:				
Contributed Capital (Net)	-	-	100,000	3,289,443
Retained Earnings	<u>1,040,236</u>	<u>(67,784)</u>	<u>(372,650)</u>	<u>1,217,655</u>
Total Fund Equities	<u>1,040,236</u>	<u>(67,784)</u>	<u>(272,650)</u>	<u>4,507,098</u>
Total Liabilities and Fund Equities	<u>\$ 6,842,991</u>	<u>\$ 4,370,868</u>	<u>\$ 5,668,334</u>	<u>\$ 13,679,929</u>

Water District V	Water District VI	Water District VII	Totals	
			June 30, 2001	June 30, 2000
\$ 353,867	\$ 182,682	\$ 124,050	\$ 1,733,551	\$ 2,148,803
58,521	20,368	65,244	517,737	486,338
-	-	-	-	553
-	-	-	-	-
<u>412,388</u>	<u>203,050</u>	<u>189,294</u>	<u>2,251,288</u>	<u>2,635,694</u>
-	-	148,238	1,443,770	1,525,544
<u>9,151,168</u>	<u>861,006</u>	<u>7,398,114</u>	<u>45,230,322</u>	<u>36,902,962</u>
<u>\$ 9,563,556</u>	<u>\$ 1,064,056</u>	<u>\$ 7,735,646</u>	<u>\$ 48,925,380</u>	<u>\$ 41,064,200</u>
\$ 4,007	\$ 656	\$ 4,035	\$ 1,031,555	\$ 162,971
-	-	-	-	553
-	-	-	-	-
52,958	-	206,477	567,829	1,224,241
2,100	75	5,100	41,500	44,600
32,225	-	-	56,525	56,525
45,500	-	66,000	5,798,800	319,000
<u>136,790</u>	<u>731</u>	<u>281,612</u>	<u>7,496,209</u>	<u>1,807,890</u>
1,612	645	2,418	16,124	8,021
515,605	-	-	855,802	912,327
<u>3,910,500</u>	<u>-</u>	<u>5,870,500</u>	<u>27,707,500</u>	<u>28,006,000</u>
<u>4,427,717</u>	<u>645</u>	<u>5,872,918</u>	<u>28,579,426</u>	<u>28,926,348</u>
<u>4,564,507</u>	<u>1,376</u>	<u>6,154,530</u>	<u>36,075,635</u>	<u>30,734,238</u>
2,792,604	650,000	1,532,000	8,364,047	8,364,047
2,206,445	412,680	49,116	4,485,698	1,965,915
<u>4,999,049</u>	<u>1,062,680</u>	<u>1,581,116</u>	<u>12,849,745</u>	<u>10,329,962</u>
<u>\$ 9,563,556</u>	<u>\$ 1,064,056</u>	<u>\$ 7,735,646</u>	<u>\$ 48,925,380</u>	<u>\$ 41,064,200</u>

Enterprise Fund

Combining Statement of Revenues, Expenses, and
Changes in Retained Earnings

For The Fiscal Year Ended June 30, 2001

(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	Water District I	Water District II	Water District III	Water District IV	Water District V
Operating revenues:					
Charges for Services	\$ 37,086	\$ 600,638	\$ 571,368	\$ 534,407	\$ 261,206
Water Taps	74,405	21,325	14,100	22,100	326,287
Other Operating Revenues	9,500	12,595	11,944	35,258	9,328
Total Operating Revenues	<u>120,991</u>	<u>634,558</u>	<u>597,412</u>	<u>591,765</u>	<u>596,821</u>
Operating expenses:					
Administration	20,150	36,866	27,836	33,924	20,767
Water treatment	1,152	20,170	15,329	22,088	24,427
Water distribution	8,169	189,348	148,222	191,183	180,240
Depreciation	-	105,381	127,978	9,375	3,870
Total operating expenses	<u>29,471</u>	<u>351,765</u>	<u>319,365</u>	<u>256,570</u>	<u>229,304</u>
Total Operating Income (Loss)	<u>91,520</u>	<u>282,793</u>	<u>278,047</u>	<u>335,195</u>	<u>367,517</u>
Nonoperating Revenues(Expenses):					
Sale of Assets	-	-	-	-	-
Grants	869,026	-	-	581,432	1,100,245
Transfer In	-	-	-	-	40,000
Miscellaneous revenue	-	-	-	-	-
Transfer Out	(815,000)	-	-	-	-
Interest Earned on Investments	66,310	32,521	29,576	64,332	19,950
Interest on Long-term Debt	-	(271,799)	(343,481)	(400,995)	(208,649)
Total Nonoperating Revenues (Expenses)	<u>120,336</u>	<u>(239,278)</u>	<u>(313,905)</u>	<u>244,769</u>	<u>951,546</u>
Net income	211,856	43,515	(35,858)	579,964	1,319,063
Retained earnings, beginning of year	<u>828,380</u>	<u>(111,299)</u>	<u>(336,792)</u>	<u>637,691</u>	<u>887,382</u>
Retained earnings, end of year	<u>\$ 1,040,236</u>	<u>\$ (67,784)</u>	<u>\$ (372,650)</u>	<u>\$ 1,217,655</u>	<u>\$ 2,206,445</u>

Water District VI	Water District VII	Totals	
		June 30, 2001	June 30, 2000
\$ 34,567	\$ 416,387	\$ 2,455,659	\$ 2,297,955
15,250	11,575	485,042	83,557
6,688	12,448	97,761	45,807
<u>56,505</u>	<u>440,410</u>	<u>3,038,462</u>	<u>2,427,319</u>
3,442	29,412	172,397	169,270
700	31,042	114,908	107,750
9,468	93,972	820,602	698,003
-	5,930	252,534	245,135
<u>13,610</u>	<u>160,356</u>	<u>1,360,441</u>	<u>1,220,158</u>
42,895	280,054	1,678,021	1,207,161
-	-	-	(1,781)
348,982	-	2,899,685	
-	-	40,000	875,000
-	-	-	14,022
-	-	(815,000)	(10,058)
5,998	18,372	237,059	144,234
<u>-</u>	<u>(285,000)</u>	<u>(1,509,924)</u>	<u>(1,099,095)</u>
354,980	(266,628)	851,820	(77,678)
397,875	13,426	2,529,841	1,129,483
14,805	35,690	1,955,857	826,374
<u>\$ 412,680</u>	<u>\$ 49,116</u>	<u>\$ 4,485,698</u>	<u>\$ 1,955,857</u>

Beaufort County, North Carolina
Enterprise Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

Exhibit E-3

	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	\$ 377,607	\$ 626,592	\$ 607,492	\$ 579,909	\$ 585,751
Cash Paid for Goods and Services	(24,553)	(259,195)	(204,476)	(261,668)	(229,489)
Customer Deposits (net)	225	(1,650)	(1,600)	(1,200)	(1,275)
Net Cash Provided by (Used for) Operating Activities	<u>353,279</u>	<u>365,747</u>	<u>401,416</u>	<u>317,041</u>	<u>354,987</u>
Cash Flows from Noncapital Financing Activities:					
Loan reimbursements	-	(507,950)	(150,876)	-	-
Operating Transfers In/(Out)	(815,000)	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(815,000)</u>	<u>(507,950)</u>	<u>(150,876)</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(5,796,069)	(7,000)	(5,320)	(1,144,218)	(1,264,548)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Principal Paid on Bond Maturities and Capital Leases	-	(54,500)	(88,800)	(59,500)	(76,225)
Interest Paid on Bond\Note Maturities and Capital Leases	-	(271,799)	(343,481)	(400,995)	(208,649)
Proceeds of Capital Leases, Bonds and Notes	-	-	-	-	-
Grant	6,336,326	-	-	1,221,249	1,141,274
Net Cash Provided (Used for) Capital and Related Financing Activities	<u>540,257</u>	<u>(333,299)</u>	<u>(437,601)</u>	<u>(383,464)</u>	<u>(408,148)</u>
Cash Flows from Investing Activities:					
Interest on investments	66,310	32,521	29,576	83,256	19,950
Net Increase (Decrease) in Cash and Cash Equivalents	144,846	(442,981)	(157,485)	16,833	(33,211)
Cash and cash equivalents, July 1	460,056	634,153	320,424	1,392,638	387,078
Cash and cash equivalents, June 30	<u>\$ 604,902</u>	<u>\$ 191,172</u>	<u>\$ 162,939</u>	<u>\$ 1,409,471</u>	<u>\$ 353,867</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Activities:					
Operating Income (Loss)	\$ 91,520	\$ 282,793	\$ 278,047	\$ 335,195	\$ 367,517
Adjustments to Reconcile Operating Income to Net Cash Provided Operating Activities:					
Depreciation	-	105,381	127,978	9,375	3,870
Changes in Assets and Liabilities:					
(Increase) Decrease					
in Accounts Receivable	(15,088)	(7,966)	3,900	(11,856)	(4,544)
in Due from other funds	-	553	-	-	-
Increase (Decrease)					
in Accounts Payable & accrued liabilities	271,704	(14,585)	(8,456)	(17,640)	(11,070)
in Due to other funds	2,500	-	(553)	(50)	-
in Customer Deposits	225	(1,650)	(1,600)	1,200	(1,275)
in Compensated absences payable	2,418	1,221	2,100	817	489
Total Adjustments	<u>261,759</u>	<u>82,954</u>	<u>123,369</u>	<u>(18,154)</u>	<u>(12,530)</u>
Net Cash Provided by Operating Activities	<u>353,279</u>	<u>365,747</u>	<u>401,416</u>	<u>317,041</u>	<u>354,987</u>

	Water	Water	Totals	
	District VI	District VII	June 30, 2001	June 30, 2000
\$	43,278	\$ 415,612	3,236,241	\$ 2,665,487
	(12,234)	(142,793)	(1,134,408)	(1,227,260)
	-	-	(5,500)	-
	<u>31,044</u>	<u>272,819</u>	<u>2,096,333</u>	<u>1,438,227</u>
	-	-	(658,826)	-
	-	-	(815,000)	875,000
	-	-	(1,473,826)	875,000
	(341,695)	(4,760)	(8,563,610)	(814,432)
	-	-	-	-
	-	(63,500)	(342,525)	(930,226)
	-	(285,000)	(1,509,924)	(1,099,095)
	-	-	-	-
	<u>341,694</u>	<u>-</u>	<u>9,040,543</u>	<u>1,133,943</u>
	(1)	(353,260)	(1,375,516)	(1,709,810)
	<u>5,998</u>	<u>18,372</u>	<u>255,983</u>	<u>144,234</u>
	37,041	(62,069)	(497,026)	747,651
	<u>145,641</u>	<u>334,357</u>	<u>3,674,347</u>	<u>2,926,696</u>
	<u>182,682</u>	<u>272,288</u>	<u>3,177,321</u>	<u>\$ 3,674,347</u>
\$	<u>42,895</u>	<u>\$ 280,054</u>	<u>\$ 1,678,021</u>	<u>\$ 1,207,161</u>
	-	5,930	252,534	245,135
	(13,227)	11,202	(37,579)	(32,777)
	-	-	553	249,239
	656	(24,679)	195,930	(252,237)
	-	(26)	1,871	13,138
	75	(75)	(3,100)	8,025
	<u>645</u>	<u>413</u>	<u>8,103</u>	<u>543</u>
	<u>(11,851)</u>	<u>(7,235)</u>	<u>418,312</u>	<u>231,066</u>
	<u>31,044</u>	<u>272,819</u>	<u>2,096,333</u>	<u>1,438,227</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, 2001

Exhibit E-4

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 37,086		\$ -
Tap on Fees		74,405		-
Miscellaneous		9,500		13,380
Total Operating Revenues	\$ 9,250	120,991	\$ 111,741	13,380
Nonoperating Revenues				
Interest on Investments	-	66,310	66,310	-
Total Revenues	9,250	187,301	178,051	13,380
Expenditures:				
Administration:				
Supplies		-		-
Telephone		-		-
Travel		-		-
Utilities		-		-
Other administration expenses		20,150		-
Total	1,750	20,150	(18,400)	-
Water treatment:				
Supplies		1,152		-
Testing		-		-
Total	1,000	1,152	(152)	-
Water distribution				
Salaries and employee benefits		5,563		-
Billing service		2,007		-
Water purchase		599		-
Maintenance		-		-
Total	6,500	8,169	(1,669)	-
Budgetary Appropriations:				
Capital Outlay		-		-
Interest Paid		-		-
Debt Principal		-		-
Total	-	-	-	-
Total Expenditures	9,250	29,471	(20,221)	-
Revenues Over (Under) Expenditures	-	157,830	157,830	13,380

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, 2001

Exhibit E-4

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Grants		869,026		-
Operating Transfer to other funds		(815,000)		-
Operating Transfer from other funds				-
Total Other Financing Sources (Uses)	-	54,026	54,026	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	211,856	211,856	13,380
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 211,856	\$ 211,856	\$ 13,380

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 211,856	\$ 13,380
Budgetary Appropriations:		
Capital Outlay	-	-
Principal Payments	-	-
Adjustments:		
Depreciation	-	-
Total reconciling items	-	-
Net Income	\$ 211,856	\$ 13,380

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, 2001

Exhibit E-5

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 600,638		\$ 560,107
Tap on Fees		21,325		22,975
Miscellaneous		12,595		7,856
Total Operating Revenues	\$ 620,524	634,558	\$ 14,034	590,938
Nonoperating Revenues				
Interest on Investments	8,000	32,521	24,521	28,475
Total Revenues	628,524	667,079	38,555	619,413
Expenditures:				
Administration:				
Supplies		740		595
Telephone		7,036		7,153
Travel		4,987		3,642
Utilities		12,701		10,849
Other administration expenses		11,402		4,481
Total	47,925	36,866	11,059	26,720
Water treatment:				
Supplies		18,084		16,020
Testing		2,086		8,827
Total	18,250	20,170	(1,920)	24,847
Water distribution				
Salaries and employee benefits		77,487		51,412
Billing service		22,798		17,817
Water purchase		79,771		72,838
Maintenance		9,492		7,020
Total	214,384	189,548	24,836	149,087
Budgetary Appropriations:				
Capital Outlay		7,000		12,011
Interest Paid		271,799		274,901
Debt Principal		54,500		51,000
Total	347,965	333,299	14,666	337,912
Total Expenditures	628,524	579,883	48,641	538,566
Revenues Over (Under) Expenditures	-	87,196	87,196	80,847

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, 2001

Exhibit E-5

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Bond Proceeds		-		-
Operating Transfer to other funds				-
Operating Transfer from other funds				12,000
Total Other Financing Sources (Uses)	-	-	-	12,000
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	87,196	87,196	92,847
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 87,196	\$ 87,196	\$ 92,847

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 87,196	\$ 92,847
Budgetary Appropriations:		
Capital Outlay	7,000	12,011
Principal Payments	54,500	51,000
Adjustments:		
Loss on disposal of asset	-	(933)
Depreciation	(105,381)	(103,981)
Total reconciling items	(43,881)	(41,903)
Net Income	\$ 43,315	\$ 50,944

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, 2001

Exhibit E-6

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 571,368		\$ 562,075
Tap on Fees		14,100		17,307
Miscellaneous		11,944		7,401
Total Operating Revenues	\$ 641,181	597,412	\$ (43,769)	586,783
Nonoperating Revenues				
Interest on Investments	7,000	29,576	22,576	23,346
Total Revenues	648,181	626,988	(21,193)	610,129
Expenditures:				
Administration:				
Supplies		562		259
Telephone		5,347		3,110
Travel		3,790		1,583
Utilities		9,538		10,608
Other administration expenses		8,599		8,222
Total	34,304	27,836	6,468	23,782
Water treatment:				
Supplies		13,744		6,836
Testing		1,585		3,838
Total	13,870	15,329	(1,459)	10,674
Water distribution				
Salaries and employee benefits		61,296		21,801
Billing service		17,327		7,746
Water purchase		62,385		31,668
Maintenance		7,214		1,200
Total	161,550	148,222	13,328	62,415
Budgetary Appropriations:				
Capital Outlay		5,320		5,225
Interest Paid		343,481		348,546
Debt Principal		88,800		85,300
Total	438,457	437,601	856	439,071
Total Expenditures	648,181	628,988	19,193	535,942
Revenues Over (Under) Expenditures	-	(2,000)	(2,000)	74,187

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, 2001

Exhibit E-6

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Bond Proceeds		-		-
Operating Transfer to other funds				-
Operating Transfer from other funds				43,057
Total Other Financing Sources (Uses)	-	-	-	43,057
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(2,000)	(2,000)	117,244
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (2,000)	\$ (2,000)	\$ 117,244

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (2,000)	\$ 117,244
Budgetary Appropriations:		
Capital Outlay	5,320	5,225
Principal Payments	88,800	85,300
Adjustments:		
Loss on disposal of asset		(627)
Depreciation	(127,978)	(126,914)
Total reconciling items	(33,858)	(37,016)
Net Income	\$ (35,858)	\$ 80,228

Beaufort County, North Carolina
Enterprise Fund - Water District IV
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)

Exhibit E-7

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 534,407		\$ 494,022
Tap on Fees		22,100		24,500
Miscellaneous		35,258		5,431
Total Operating Revenues	\$ 558,415	591,765	\$ 33,350	523,953
Nonoperating Revenues				
Interest on Investments	5,000	64,332	59,332	51,850
Total Revenues	563,415	656,097	92,682	575,803
Expenditures:				
Administration:				
Supplies		740		724
Telephone		8,093		8,708
Travel		4,987		4,434
Utilities		12,551		3,602
Other administration expenses		7,553		1,366
Total	61,657	33,924	27,733	18,834
Water treatment:				
Supplies		18,087		19,140
Testing		4,001		10,747
Total	22,165	22,088	77	29,887
Water distribution				
Salaries and employee benefits		79,311		60,452
Billing service		22,798		21,690
Water purchase		79,582		88,672
Maintenance		9,492		9,870
Total	214,384	191,183	23,201	180,684
Budgetary Appropriations:				
Capital Outlay		7,000		14,629
Interest Paid		400,995		59,203
Debt Principal		59,500		73,019
Total	468,620	467,495	1,125	146,851
Total Expenditures	766,826	714,690	52,136	376,256
Revenues Over (Under) Expenditures	(203,411)	(58,593)	144,818	199,547

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, 2001

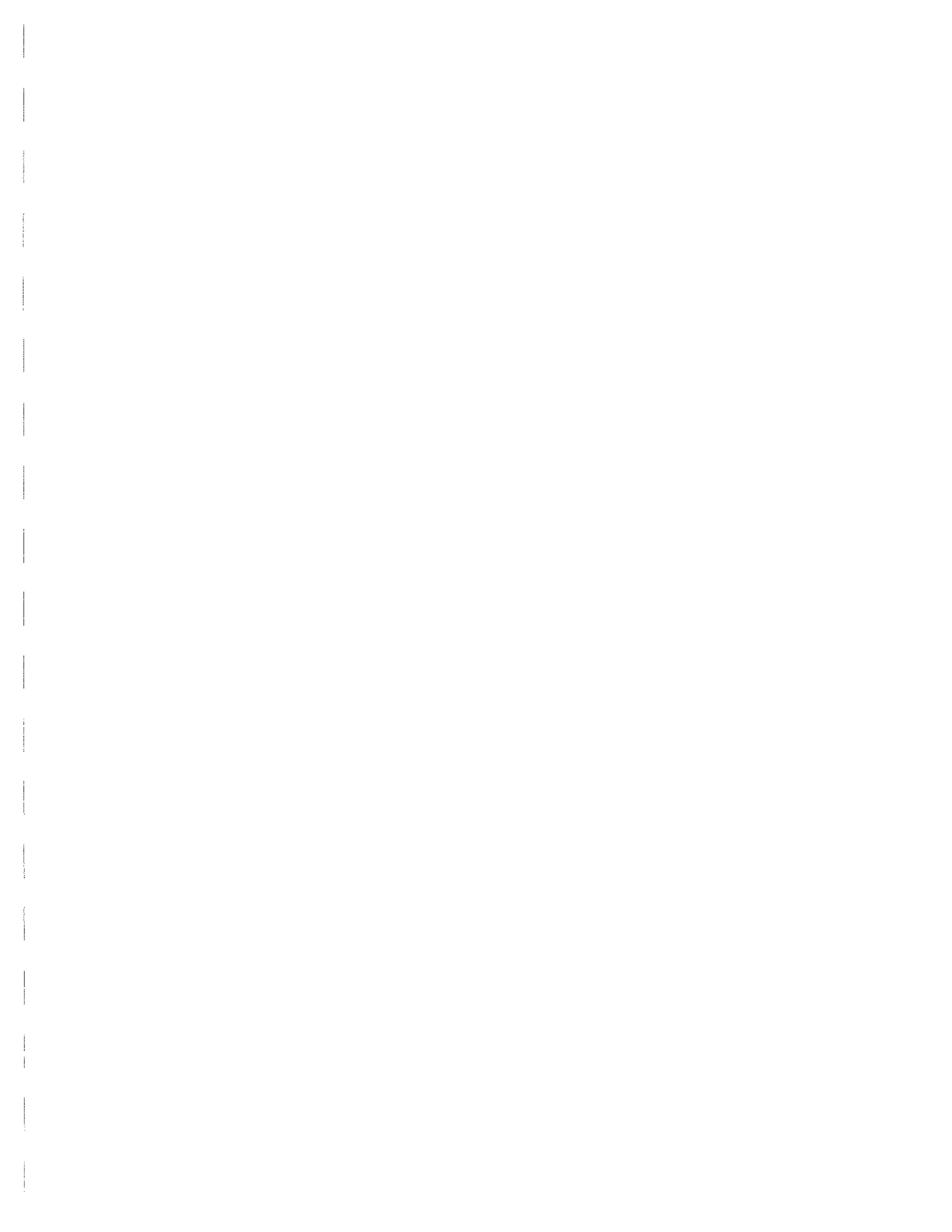
Exhibit E-7

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Grants		581,432		-
Operating Transfer to other funds		-		(10,057)
Operating Transfer from other funds		-		5,000
Total Other Financing Sources (Uses)	-	581,432	581,432	(5,057)
Revenues and Other Sources Over (Under) Expenses and Other Uses	(203,411)	522,839	726,250	194,490
Appropriated Fund Balance	203,411	-	(203,411)	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 522,839	\$ 522,839	\$ 194,490

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 522,839	\$ 194,490
Budgetary Appropriations:		
Capital Outlay	7,000	14,629
Principal Payments	59,500	73,019
Adjustments:		
Loss on disposal of asset	-	(102)
Depreciation	(9,375)	(6,176)
Total reconciling items	57,125	81,370
Net Income	\$ 579,964	\$ 275,860



Beaufort County, North Carolina
Enterprise Fund - Water District V
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)

Exhibit E-8

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales	\$	\$ 261,206	\$	\$ 258,987
Tap on Fees		326,287		10,050
Miscellaneous		49,328		4,807
Total Operating Revenues		<u>540,730</u>		<u>273,844</u>
Nonoperating Revenues				
Interest on Investments		5,000		19,950
				14,950
				<u>21,185</u>
Total Revenues		<u>545,730</u>		<u>295,029</u>
Expenditures:				
Administration:				
Supplies				414
Telephone				6,584
Travel				2,793
Utilities				7,028
Other administration expenses				3,948
Total		<u>24,598</u>		<u>20,767</u>
				3,831
Water treatment:				
Supplies				10,127
Testing				14,300
Total		<u>12,235</u>		<u>24,427</u>
				(12,192)
Water distribution				
Salaries and employee benefits				45,654
Billing service				12,767
Water purchase				48,054
Maintenance				73,765
Total		<u>210,855</u>		<u>180,240</u>
				30,615
Budgetary Appropriations:				
Capital Outlay				3,920
Interest Paid				208,649
Debt Principal				76,225
Total		<u>298,042</u>		<u>288,794</u>
				9,248
Total Expenditures		<u>545,730</u>		<u>377,048</u>
Revenues Over (Under) Expenditures		<u>-</u>		<u>142,543</u>
				142,543
				<u>(82,019)</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, 2001

Exhibit E-8

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Grants		1,100,245		-
Operating Transfer to other funds		-		-
Operating Transfer from other funds		-		5,000
Total Other Financing Sources (Uses)	-	1,100,245	1,100,245	5,000
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	1,242,788	1,242,788	(77,019)
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 1,242,788	\$ 1,242,788	\$ (77,019)

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 1,242,788	\$ (77,019)
Budgetary Appropriations:		
Capital Outlay	3,920	7,314
Principal Payments	76,225	115,181
Adjustments:		
Loss on disposal of asset	-	(51)
Depreciation	(3,870)	(3,086)
Total reconciling items	76,275	119,358
Net Income	\$ 1,319,063	\$ 42,339

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, 2001

Exhibit E-9

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 34,567		\$ 2,424
Tap on Fees		15,250		-
Miscellaneous		6,688		7,128
Total Operating Revenues	\$ 12,841	56,505	\$ 43,664	9,552
Nonoperating Revenues				
Interest on Investments	-	5,998	5,998	6,916
Total Revenues	12,841	62,503	49,662	16,468
Expenditures:				
Administration:				
Supplies				223
Telephone				-
Travel				-
Utilities				1,440
Other administration expenses		3,442		-
Total	3,341	3,442	(101)	1,663
Water treatment:				
Supplies		-		-
Testing		700		-
Total	1,000	700	300	-
Water distribution				
Salaries and employee benefits		3,820		-
Billing service		2,673		-
Water purchase		2,975		-
Maintenance		-		-
Total	8,500	9,468	(968)	-
Budgetary Appropriations:				
Capital Outlay		-		-
Interest Paid		-		-
Debt Principal		-		-
Total	-	-	-	-
Total Expenditures	12,841	13,610	(769)	1,663
Revenues Over (Under) Expenditures	-	48,893	48,893	14,805

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, 2001

Exhibit E-9

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Grants		348,892		-
Operating Transfer to other funds		-		-
Operating Transfer from other funds		-		-
Total Other Financing Sources (Uses)	-	348,892	348,892	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	397,785	397,785	14,805
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 397,785	\$ 397,785	\$ 14,805

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 397,785	\$ 14,805
Budgetary Appropriations:		
Capital Outlay	-	-
Principal Payments	-	-
Adjustments:		
Loss on disposal of asset	-	-
Depreciation	-	-
Total reconciling items	-	-
Net Income	\$ 397,785	\$ 14,805

Beaufort County, North Carolina
Enterprise Fund - Water District VII
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)

Exhibit E-10

For the Fiscal Year Ended June 30, 2001

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
Operating Revenues				
Water sales		\$ 416,387		\$ 420,340
Tap on Fees		11,575		8,725
Miscellaneous		12,448		13,826
Total Operating Revenues	\$ 479,804	440,410	\$ (39,394)	442,891
Nonoperating Revenues				
Interest on Investments	7,000	18,372	11,372	12,463
Total Revenues	486,804	458,782	(28,022)	455,354
Expenditures:				
Administration:				
Supplies		503		647
Telephone		5,898		7,775
Travel		4,456		4,572
Utilities		10,135		17,697
Other administration expenses		8,420		51,977
Total	31,190	29,412	1,778	82,668
Water treatment:				
Supplies		12,747		17,089
Testing		18,295		10,310
Total	13,150	31,042	(17,892)	27,399
Water distribution				
Salaries and employee benefits		54,871		107,669
Billing service		15,503		19,366
Water purchase		17,013		79,171
Maintenance		6,585		7,050
Total	88,439	93,972	(5,533)	213,256
Budgetary Appropriations:				
Capital Outlay		4,760		13,061
Interest Paid		285,000		285,000
Debt Principal		63,500		-
Total	354,025	353,260	765	298,061
Total Expenditures	486,804	507,686	(20,882)	621,384
Revenues Over (Under) Expenditures	-	(48,904)	(48,904)	(166,030)

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, 2001

Exhibit E-10

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Other Financing Sources and (Uses):				
Bond Proceeds		-		-
Operating Transfer to other funds				-
Operating Transfer from other funds				5,000
Total Other Financing Sources (Uses)	-	-	-	5,000
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	(48,904)	(48,904)	(161,030)
Appropriated Fund Balance	-	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (48,904)	\$ (48,904)	\$ (161,030)

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (48,904)	\$ (161,030)
Budgetary Appropriations:		
Capital Outlay	4,760	13,061
Principal Payments	63,500	-
Adjustments:		
Loss on disposal of asset	-	(68)
Depreciation	(5,930)	(4,978)
Total reconciling items	62,330	8,015
Net Income	\$ 13,426	\$ (153,015)

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, 2001

Exhibit E-11

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant - Clean water grant	\$ 3,502,652	\$ -	\$ 858,019	\$ 858,019	\$ (2,644,633)
Developer contribution	13,747	-	11,007	11,007	(2,740)
Investment income	-	-	-	-	-
Total Revenues	<u>3,516,399</u>	<u>-</u>	<u>869,026</u>	<u>869,026</u>	<u>(2,647,373)</u>
Expenditures:					
Administration	14,238	825	12,910	13,735	503
Engineering	325,821	45,663	291,715	337,378	(11,557)
Inspection	28,750	2,955	90,787	93,742	(64,992)
Construction	9,343,947	364,109	5,400,657	5,764,766	3,579,181
Total Expenditures	<u>9,712,756</u>	<u>413,552</u>	<u>5,796,069</u>	<u>6,209,621</u>	<u>3,503,135</u>
Revenues Over (Under) Expenditures	<u>(6,196,357)</u>	<u>(413,552)</u>	<u>(4,927,043)</u>	<u>(5,340,595)</u>	<u>855,762</u>
Other financing sources:					
Bond anticipation notes	5,467,300	-	5,467,300	5,467,300	-
Transfer from/to General Fund	729,057	815,000	(815,000)	-	(729,057)
Total Other Financing Sources (Uses)	<u>6,196,357</u>	<u>815,000</u>	<u>4,652,300</u>	<u>5,467,300</u>	<u>(729,057)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 401,448</u>	<u>\$ (274,743)</u>	<u>\$ 126,705</u>	<u>\$ 126,705</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, 2001

Exhibit E-12

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental:					
State grant	\$ 46,280	\$ -	\$ -	\$ -	\$ (46,280)
Investment Income	-	-	-	-	-
Total Revenues	<u>46,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,280)</u>
Expenditures:					
Engineering	4,194	4,323	-	4,323	(129)
Construction	117,250	109,623	-	109,623	7,627
Interest	-	-	-	-	-
Contingency	34,893	-	-	-	34,893
Total Expenditures	<u>156,337</u>	<u>113,946</u>	<u>-</u>	<u>113,946</u>	<u>42,391</u>
Revenues Over (Under) Expenditures	<u>(110,057)</u>	<u>(113,946)</u>	<u>-</u>	<u>(113,946)</u>	<u>(3,889)</u>
Other financing sources:					
Transfer from other funds	<u>110,057</u>	<u>110,057</u>	<u>3,889</u>	<u>113,946</u>	<u>3,889</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (3,889)</u>	<u>\$ 3,889</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2001

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,267,800	\$ 1,005,500	\$ 1,221,249	\$ 2,226,749	\$ (1,041,051)
Tap fees	47,700	-	-	-	(47,700)
Investment Income	-	74,514	-	74,514	74,514
Total Revenues	<u>3,315,500</u>	<u>1,080,014</u>	<u>1,221,249</u>	<u>2,301,263</u>	<u>(1,014,237)</u>
Expenditures:					
Engineering	610,057	355,668	123,274	478,942	131,115
Construction	6,258,520	4,148,181	1,584,768	5,732,949	525,571
Interest	604,252	525,168	-	525,168	79,084
Administrative services	700	700	-	700	-
Legal and accounting	51,354	51,354	-	51,354	-
Land purchase	35,000	35,000	-	35,000	-
Water district I expenses	442,536	441,159	-	441,159	1,377
Water district V expenses	362,612	362,612	-	362,612	-
Contingency	451,896	-	-	-	451,896
Total Expenditures	<u>8,816,927</u>	<u>5,919,842</u>	<u>1,708,042</u>	<u>7,627,884</u>	<u>1,189,043</u>
Revenues Over (Under) Expenditures	<u>(5,501,427)</u>	<u>(4,839,828)</u>	<u>(486,793)</u>	<u>(5,326,621)</u>	<u>174,806</u>
Other financing sources:					
From District IV Phase II	53,543	-	53,543	53,543	-
From District V	47,884	-	47,884	47,884	-
Proceeds from long term debt	5,400,000	5,400,000	-	5,400,000	-
Total other financing sources	<u>5,501,427</u>	<u>5,400,000</u>	<u>101,427</u>	<u>5,501,427</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 560,172</u>	<u>\$ (385,366)</u>	<u>\$ 174,806</u>	<u>\$ 174,806</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, 2001

Exhibit E-14

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
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>2,212,924</u>	<u>18,924</u>	<u>2,231,848</u>	<u>(3,004,152)</u>
Expenditures:					
Engineering	358,500	351,680	2,033	353,713	4,787
Construction	7,309,530	4,141,132	105,965	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>5,074,460</u>	<u>107,998</u>	<u>5,182,458</u>	<u>3,041,999</u>
Revenues Over (Under) Expenditures	<u>(2,988,457)</u>	<u>(2,861,536)</u>	<u>(89,074)</u>	<u>(2,950,610)</u>	<u>37,847</u>
Other financing sources (uses):					
To District IV	(53,543)	-	(53,543)	(53,543)	-
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>3,042,000</u>	<u>(53,543)</u>	<u>2,988,457</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 180,464</u>	<u>\$ (142,617)</u>	<u>\$ 37,847</u>	<u>\$ 37,847</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, 2001

Exhibit E-15

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,819,900	\$ -	\$ 1,100,245	\$ 1,100,245	\$ (719,655)
Tap fees	-	-	-	-	-
Investment Income	-	-	-	-	-
Total Revenues	<u>1,819,900</u>	<u>-</u>	<u>1,100,245</u>	<u>1,100,245</u>	<u>(719,655)</u>
Expenditures:					
Engineering	101,218	-	89,292	89,292	11,926
Construction	1,575,454	-	1,113,555	1,113,555	461,899
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>-</u>	<u>1,306,731</u>	<u>1,306,731</u>	<u>513,169</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(206,486)</u>	<u>(206,486)</u>	<u>(206,486)</u>
Other financing sources:					
Proceeds from long term debt	-	-	-	-	-
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206,486)</u>	<u>\$ (206,486)</u>	<u>\$ (206,486)</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, 2001

Exhibit E-16

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,895,100	\$ 1,895,100	\$ -	\$ 1,895,100	\$ -
Tap fees	645,388	612,288	364	612,652	(32,736)
Investment Income	-	32,736	-	32,736	32,736
Total Revenues	<u>2,540,488</u>	<u>2,540,124</u>	<u>364</u>	<u>2,540,488</u>	<u>-</u>
Expenditures:					
Engineering	475,435	464,827	1,781	466,608	8,827
Construction	5,246,933	5,147,731	99,571	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>6,391,252</u>	<u>101,352</u>	<u>6,492,604</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(3,952,116)</u>	<u>(3,851,128)</u>	<u>(100,988)</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>4,000,000</u>	<u>(47,884)</u>	<u>3,952,116</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 148,872</u>	<u>\$ (148,872)</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, 2001

Exhibit E-17

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
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	550,000	550,000	-	550,000	-
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, 2001

Exhibit E-18

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 3,000,000	\$ -	\$ 341,694	\$ 341,694	\$ (2,658,306)
Investment Income	-	-	-	-	-
Total Revenues	<u>3,000,000</u>	<u>-</u>	<u>341,694</u>	<u>341,694</u>	<u>(2,658,306)</u>
Expenditures:					
Engineering	155,850	-	28,182	28,182	127,668
Construction	2,670,398	-	298,028	298,028	2,372,370
Land purchase	17,000	-	1,700	1,700	15,300
Inspection	143,350	-	21,072	21,072	122,278
Contingency	113,402	-	-	-	113,402
Total Expenditures	<u>3,100,000</u>	<u>-</u>	<u>348,982</u>	<u>348,982</u>	<u>2,751,018</u>
Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>-</u>	<u>(7,288)</u>	<u>(7,288)</u>	<u>92,712</u>
Other financing sources:					
Transfer from/to other funds	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,288)</u>	<u>\$ (7,288)</u>	<u>\$ (7,288)</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, 2001

Exhibit E-19

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Varinace Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
State grant	\$ 1,532,000	\$ 1,532,000	\$ -	\$ 1,532,000	\$ -
Tap fees	31,000	178,963		178,963	147,963
Investment Income	-	-	-	-	-
Total Revenues	<u>1,563,000</u>	<u>1,710,963</u>	<u>-</u>	<u>1,710,963</u>	<u>147,963</u>
Expenditures:					
Engineering	572,042	572,708	-	572,708	(666)
Construction	6,404,050	6,402,050	-	6,402,050	2,000
Interest	524,506	525,566	-	525,566	(1,060)
Legal and accounting	62,402	62,402	-	62,402	-
Contingency	-	-	-	-	-
Total Expenditures	<u>7,563,000</u>	<u>7,562,726</u>	<u>-</u>	<u>7,562,726</u>	<u>274</u>
Revenues Over (Under) Expenditures	<u>(6,000,000)</u>	<u>(5,851,763)</u>	<u>-</u>	<u>(5,851,763)</u>	<u>148,237</u>
Other financing sources:					
Proceeds from long term debt	6,000,000	6,100,000	-	6,100,000	100,000
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 248,237</u>	<u>\$ -</u>	<u>\$ 248,237</u>	<u>\$ 248,237</u>

AGENCY FUNDS

Agency funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds.

Combining Balance Sheets

Combining Statement of Changes in Assets and Liabilities

Beaufort County, North Carolina

Exhibit F-1

Agency Funds

Combining Balance Sheets

June 30, 2001

(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	Social Services	County Home	Inmate Account	Totals	
				June 30, 2001	June 30, 2000
Assets					
Current Assets:					
Cash and Investments	\$ 59,588	\$ 2,888	\$ 6,245	\$ 68,721	\$ 70,162
Due from other funds	-	-	-	-	-
Total Assets	<u>59,588</u>	<u>2,888</u>	<u>6,245</u>	<u>68,721</u>	<u>70,162</u>
Liabilities and Fund Balances					
Miscellaneous liabilities	<u>59,588</u>	<u>2,888</u>	<u>6,245</u>	<u>68,721</u>	<u>70,162</u>
Fund Balance	-	-	-	-	-
Total Liabilities and Fund Balances	<u>\$ 59,588</u>	<u>\$ 2,888</u>	<u>\$ 6,245</u>	<u>\$ 68,721</u>	<u>\$ 70,162</u>

Beaufort County, North Carolina
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2001

Exhibit F-2

	Balance July 1, 2000	Net Change	June 30, 2001
Social Services Fund:			
Cash and Investments	\$ 64,966	\$ (5,378)	\$ 59,588
Liabilities	\$ 64,966	\$ (5,378)	\$ 59,588
County Home Fund:			
Cash and Investments	\$ 1,812	\$ 1,076	\$ 2,888
Liabilities	\$ 1,812	\$ 1,076	\$ 2,888
Inmate Fund:			
Cash and Investments	\$ 3,384	\$ 2,861	\$ 6,245
Liabilities	\$ 3,384	\$ 2,861	\$ 6,245
Total - All Agency Funds:			
Cash and Investments	\$ 70,162	\$ (1,441)	\$ 68,721
Liabilities	\$ 70,162	\$ (1,441)	\$ 68,721

OTHER SCHEDULES

This section includes additional information on property taxes, interfund transfers, and cash and investments.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy County-Wide Levy
- Schedule of Ten Largest Taxpayers
- Schedule of Transfers

Beaufort County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2001

Exhibit H-1

Fiscal Year	Uncollected Balance June 30, 2000	Additions	Collections And Credits	Adjustment	Uncollected Balance June 30, 2001
2000-2001	\$ -	\$ 16,524,056	\$ 15,326,989	\$ -	\$ 1,197,067
1999-2000	1,056,726	-	577,698	(7,881)	471,147
1998-1999	391,899	-	120,775	(6,354)	264,770
1997-1998	240,685	-	55,684	(4,506)	180,495
1996-1997	170,155	-	32,936	(1,801)	135,418
1995-1996	139,455	-	22,194	(3,648)	113,613
1994-1995	101,224	-	11,094	(4,020)	86,110
1993-1994	93,386	-	6,266	(3,150)	83,970
1992-1993	72,547	-	3,029	(6,904)	62,614
1991-1992	91,958	-	1,659	(18,442)	71,857
1990-1991	23,237	-	23,237	-	-
TOTALS	<u><u>\$ 2,381,272</u></u>	<u><u>\$ 16,524,056</u></u>	<u><u>\$ 16,181,561</u></u>	<u><u>\$ (56,706)</u></u>	<u><u>\$ 2,667,061</u></u>
Less: Allowance for uncollectable taxes					<u>(390,000)</u>
Ad valorem taxes - General Fund					<u><u>\$ 2,277,061</u></u>
<u>Reconciliation with revenues:</u>					
Ad valorem taxes - General Fund					<u>\$ 16,387,910</u>
Reconciling items:					
Penalties and Interest					(248,090)
Release					41,741
Total Reconciling Items					<u>(206,349)</u>
Total Collections and Credits					<u><u>\$ 16,181,561</u></u>

Beaufort County, North Carolina
 Analysis of Current Tax Levy
 County - Wide Levy
 For the Fiscal Year Ended June 30, 2001

Exhibit H - 2

	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	\$ 2,626,786,508	0.6300%	\$ 16,546,865	\$ 14,667,169	1,879,696
Penalties			28,351	28,351	
Total Original Levy	<u>2,626,786,508</u>		<u>16,575,216</u>	<u>14,695,520</u>	<u>1,879,696</u>
Discoveries:					
Current year taxes	6,651,429	0.6300%	41,904	41,904	-
Penalties			-		
Total Discoveries	<u>6,651,429</u>		<u>41,904</u>	<u>41,904</u>	<u>-</u>
Abatements					
Current Year Taxes	14,772,063	0.6300%	93,064	93,064	
Penalties			-		
Total Abatements	<u>14,772,063</u>		<u>93,064</u>	<u>93,064</u>	<u>-</u>
Total for Year	<u>\$ 2,618,665,873</u>		16,524,056	14,644,360	1,879,696
Uncollected taxes at June 30, 2001			<u>1,197,067</u>	<u>804,107</u>	<u>392,960</u>
Current year's taxes collected			<u>\$ 15,326,989</u>	<u>\$ 13,840,253</u>	<u>\$ 1,486,736</u>
Current levy collection percentage			<u>92.76%</u>	<u>94.51%</u>	<u>79.09%</u>

Beaufort County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2001

Exhibit H-2a

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 1,375,268,500
Personal Property	1,183,842,819
Public Service Companies ²	59,254,627
Total Assessed Valuation	<u>2,618,365,946</u>
Tax Rate per \$100	0.63
Levy (includes discoveries, releases and abatements) ³	<u>\$ 16,524,056</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 interest and penalties.

Beaufort County, North Carolina
Schedule of Ten Largest Taxpayers
 For the Fiscal Year Ended June 30, 2001

Exhibit H-3

Taxpayer	Type of Business	2000 Assessed Valuation	Percentage of Total Assessed Valuation
PCS Phosphate Company, Inc.	Phosphate Mining/Acid Production	\$ 431,053,067	16.46 %
Weyerhaeuser Co.	Tree Farm Operation	49,784,656	1.90
Purified Acid Partnership	Acid Production	21,835,524	0.83
National Spinning Co., Inc.	Textiles	20,931,973	0.80
Carolina Telephone & Telegraph	Communications	15,817,173	0.60
Weyerhaeuser Real Estate	Real Estate Development	15,714,576	0.60
Tideland Electric Membership	Utilities	15,009,365	0.57
Stanadyne Automotive Corp.	Automotive Diesel Components	14,115,059	0.54
Fountain Powerboats Inc.	Powerboats	11,971,317	0.46
Carolina Power & Light Co.	Utilities	9,400,237	0.36
Total		<u>\$ 605,632,947</u>	<u>23.13 %</u>

Beaufort County, North Carolina
Schedule of Transfers
For the Fiscal Year Ended June 30, 2001

Exhibit H-4

	Transfers	
	From	To
Operating Transfers From/To Other Funds:		
<u>General Fund</u>		
Enterprise Fund		
Water District I	\$ 815,000	\$ -
Special Revenue Fund		
Capital Reserve Fund	146,000	-
<u>Special Revenue Fund</u>		
Capital Reserve Fund		
General Fund	-	146,000
Arbitrage Reserve		
Capital Project Fund - Hospital Renovations		165,858
<u>Enterprise Fund</u>		
Water District I		
General Fund	-	815,000
Water District IV		
Water District V	47,884	-
<u>Capital Project Fund</u>		
Hospital Renovation Fund		
Arbitrage Reserve Fund	165,858	-
 Total Operating Transfers From/To Other Funds	 \$ <u>1,174,742</u>	 \$ <u>1,174,742</u>
 Operating Transfers From/To Component Units		
<u>Component Units</u>		
General Fund		46,000
Warren Field Commission	46,000	
Beaufort County ABC Board		
General Fund	86,113	86,113
 Total Operating Transfers - Component Units	 \$ <u>132,113</u>	 \$ <u>132,113</u>

COMPLIANCE SECTION

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

CERTIFIED PUBLIC ACCOUNTANTS

4024 OLEANDER DRIVE, SUITE 2

WILMINGTON, NC 28403

PHONE (910) 799-4872 FAX (910) 395-4872

**Report On Compliance And On Internal Control Over Financial Reporting 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 general purpose financial statements of Beaufort County, North Carolina, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 29, 2001. We did not audit the financial statements of the Beaufort County ABC Board, Beaufort County Hospital, or Warren Field Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaufort County ABC Board, Beaufort County Hospital, or Warren Field Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Beaufort County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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.

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 29, 2001

THOMPSON, PRICE, SCOTT, ADAMS & CO., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
4024 OLEANDER DRIVE, SUITE 2
WILMINGTON, NC 28403
PHONE (910) 799-4872 FAX (910) 395-4872

**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, 2001. The 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 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 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 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 the Beaufort County's compliance with those requirements.

In our opinion, the 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, 2001.

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.

**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 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 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 29, 2001

THOMPSON, PRICE, SCOTT, ADAMS & CO., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
4024 OLEANDER DRIVE, SUITE 2
WILMINGTON, NC 28403
PHONE (910) 799-4872 FAX (910) 395-4872

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, 2001. The Beaufort County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Beaufort County's management. Our responsibility is to express an opinion on the Beaufort County's compliance based on our audit.

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

In our opinion, the 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, 2001.

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 state 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 state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

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 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 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 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 29, 2001

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2001

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 X no

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

Noncompliance material to financial
statements noted

___yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes X no

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

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

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

___yes X no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
--------------	-------------------------------------

83.548	Hazard Mitigation Grant
93.778	Medical Assistance Program
10.551	Food Stamp Program
10.760	Water System Development

Beaufort County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2001

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 1,357,352

Auditee qualified as low-risk auditee? ___yes Xno

State Awards

Internal control over major state programs:

- Material weakness(es) identified? ___yes Xno

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

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

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

Identification of major state programs:

Name of State Program or Cluster

Public School Bond Fund
Special Assistance – Aged and Disabled
Crisis Housing Assistance Funds
Hazard Mitigation Grant
Child Care Cluster

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, 2001

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, 2001

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, 2001

Status: N/A

Beaufort County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2001

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	\$ 3,696,989	\$ -	\$ -
Total USDA		<u>3,696,989</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	3,841,747	-	-
State Administrative Matching Grants for the Food Stamp Program	10.561	241,116	-	241,116
Total Food Stamp Cluster		<u>4,082,863</u>	<u>-</u>	<u>241,116</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Women and Children:				
Administration:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	160,736	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	921,250	-	-
Passed-through Mid East Commission Council of Governments:				
USDA Supplement	10.550	13,702	-	-
Passed-through N.C. Dept. of Agriculture:				
USDA Supplement	10.550	-	-	-
Total U.S. Dept. of Agriculture		<u>8,875,540</u>	<u>-</u>	<u>241,116</u>
<u>U.S. Dept. of Justice</u>				
<u>Office of Community Oriented Policing Services</u>				
Direct Program:				
Local Law Enforcement Block Grant	16.592	34,212	-	-
Total Office of Community Oriented Policing Services		<u>34,212</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Justice		<u>34,212</u>	<u>-</u>	<u>-</u>
<u>Environmental Protection Agency</u>				
Passed-through the N.C. Department of Environmental & Natural Resources:				
Section 319 Grant	66.460	111,252	22,250	-
Total EPA		<u>111,252</u>	<u>22,250</u>	<u>-</u>
<u>Federal Emergency Management Agency</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Emergency Management - Assistance	83.552	8,230	-	-
Hazard Mitigation Grant	83.548	1,434,429	478,143	-
Public Disaster Assistance	83.544	11,884	-	-
Total Federal Emergency Management Agency		<u>1,454,543</u>	<u>478,143</u>	<u>-</u>

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2001

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	8,264	486	972
In-home Services:				
Title III-B	93.044	52,914	1,512	6,048
SSBG	93.667	13,797	394	1,577
Congregate Nutrition Title III-C	93.045	24,343	1,432	2,864
Home - Delivered Nutrition - Title III-C	93.045	50,119	2,948	5,897
Total Aging Cluster		149,437	6,772	17,358
<u>Administration for Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Temporary Assistance for Needy Families	93.558	954,979	(167)	163
Work First Administration	93.558	115,335	-	83,714
Work First Service	93.558	396,742	-	537,058
TANF Up	93.558	13,954	(143)	-
Child Support Enforcement	93.563	304,591	(1,180)	158,091
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	537,989	-	-
Child Care Development Fund	93.596	76,293	-	-
Child Welfare Services-State Grants	93.645	16,907	30,324	5,481
Social Services Block Grant	93.667	215,910	20,838	73,848
Independent Living Grant	93.674	1,201	219	-
Foster Care and Adoption Cluster:				
Title IV-E Foster Care	93.658	280,804	61,484	195,597
Adoption Subsidy	93.659	163,055	44,534	44,534
Total Foster Care and Adoption Cluster		443,859	106,018	240,131
Division of Child Development:				
Subsidized Child Care Cluster:				
Child Care and Development Block Grant	93.575	511,384	-	-
Child Care and Development Fund	93.596	478,279	19,608	-
Social Services Block Grant	93.667	14,996	-	-
Foster Care - Title IV-E	93.658	145,543	-	-
Smart Start		-	940	-
State Appropriations		-	335,670	-
TANF - Maintenance		-	185,358	-
Total Subsidized Child Care Cluster		1,150,202	541,576	-
<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	29,331,355	14,801,390	2,605,435
Division of Social Services:				
Medical Assistance Program	93.778	447,516	39,817	383,157
Administration:				
Health Choice	93.767	12,314	4,387	-
<u>Centers for Disease Control</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Epidemiology:				
Aids prevention	93.940	15,300	-	-
Immunization Action Plan	93.268	1,950	-	-
Drug User Program	93.959	6,355	-	-
Elimination Program	93.997	2,220	-	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Community Health:				
Women's Preventive Health	93.991	29,960	-	-
Breast and cervical cancer	93.919	12,478	-	-

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2001

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Health Resources and Services Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Women and Children:				
Child Health Services Block Grant	93.994	38,207	-	-
Temporary Assistance for Needy Families	93.558	11,124	-	-
Family Planning	93.217	23,916	-	-
		34,310,094	15,549,851	4,104,436
Total U.S. Dept. of Health and Human Services				
<u>Dept. of Housing and Urban Development(HUD)</u>				
Direct Benefit Payments Special Assistance DRI	NONE	411,890	-	-
Single Family Rehab Program	14.239	42,866	-	-
CDBG Grant	14.228	10,665	-	-
		465,421	-	-
Total Dept. of Housing and Urban Development(HUD)				
Total Federal Awards		45,251,062	16,050,244	4,345,552
<u>State Awards:</u>				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
AFDC Incentive		-	1,430	-
TANF		-	3,443	-
DCD Smart Start		-	-	-
Core Training		-	-	-
State to Counties		-	48,410	-
CP & L Energy Program		-	8,831	-
State/County Special Assistance for Adults		-	463,565	503,602
State Foster Care Benefits Program		-	8,816	8,816
Division of Community Health:				
Immunization		-	3,696	-
General Health		-	28,020	-
Maternal Health		-	52,800	-
TB Medical Services		-	1,975	-
Child Health		-	2,240	-
Healthy Carolinians		-	4,550	-
Women's Preventative Health		-	63,240	-
Rural OB Care		-	20,424	-
Child Care Coordination		-	39,932	-
Tuberculosis		-	24,356	-
Aids		-	3,923	-
Direct Grant: State appropriation - soil & water		-	20,968	-
Division of Aging:				
90 % State Funds		-	198,211	22,025
Total N. C. Department of Health and Human Services		-	998,830	534,443
<u>Office of the Governor</u>				
Community Based Alternatives		-	170,108	-
Total Office of Governor		-	170,108	-
<u>N.C. Dept. of Transportation</u>				
Elderly and Disabled Transportation Assistance Program (E&DTAP)		-	72,917	-
Governor's Highway Safety		-	4,500	-
Total N. C. Dept. Of Transportation		-	77,417	-
<u>N.C. Dept. of Industrial Development Fund</u>				
		-	-	-
<u>N.C. Dept. of Commerce</u>				
Crisis Housing Assistance Funds		-	1,534,932	-
<u>N.C. Dept. of Health & Natural Resources</u>				
Scrap Tire Grant		-	18,782	-
N.C. Dept. of Health & Natural Resources		-	18,782	-

Beaufort County, North Carolina
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2001

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
N.C. Dept. of Public Instruction Public School Bond Fund		-	1,343,358	-
N.C. Dept. of Corrections Criminal Justice Partnership Program			60,181	
N.C. Dept. of Administration One Stop Absentee Grant			10,000	
Veterans		-	2,000	-
Total State Awards		-	4,215,608	534,443
Total Federal and State Awards	\$	45,251,062	\$	20,265,852
			\$	4,879,995

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 Carolina 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements. Benefit payments are paid directly to recipients and are not included in the county's general purpose 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. Subrecipients

Of the federal and State expenditures presented in the schedule, Beaufort County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Public School Bond Fund		-	1,343,358	-