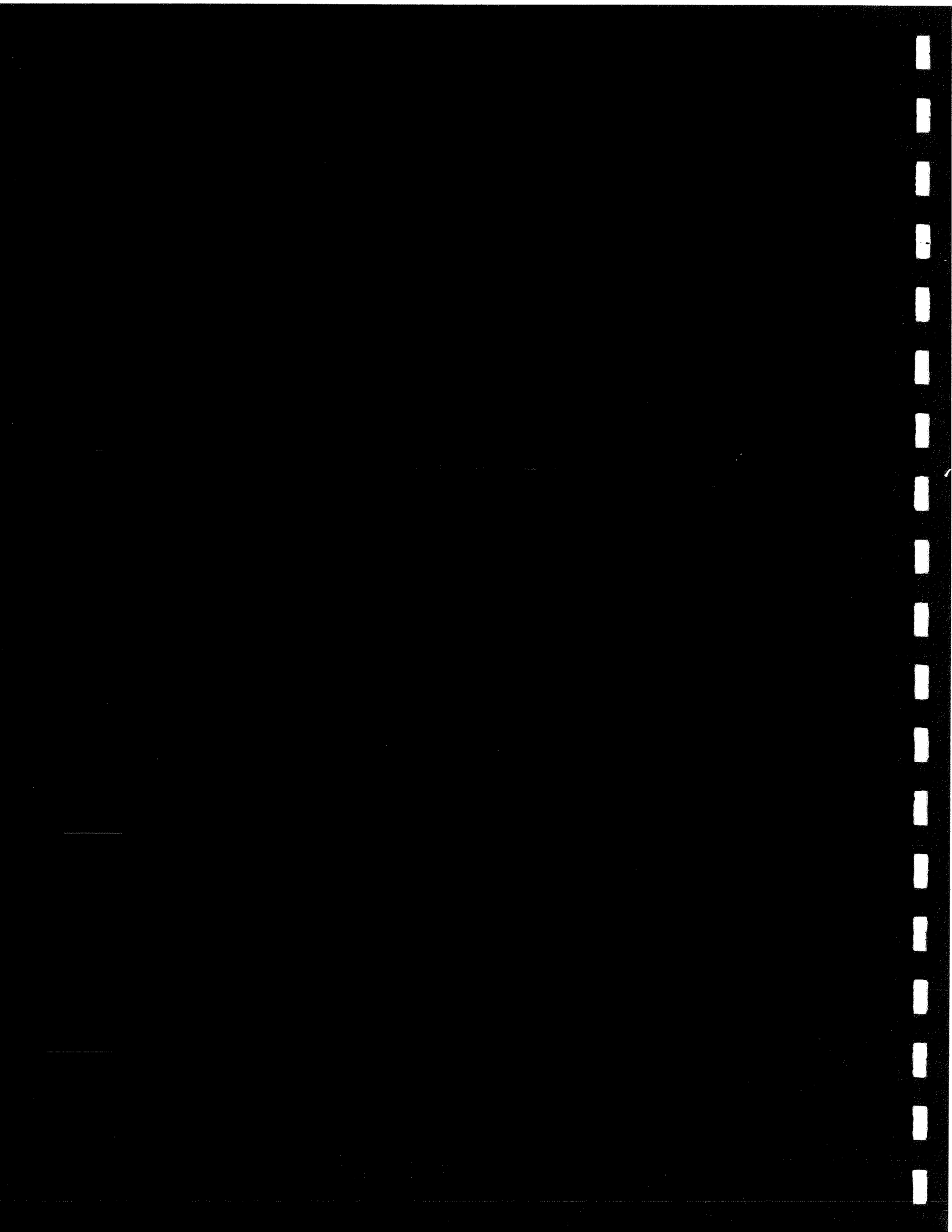


CARTERET COUNTY  
NORTH CAROLINA

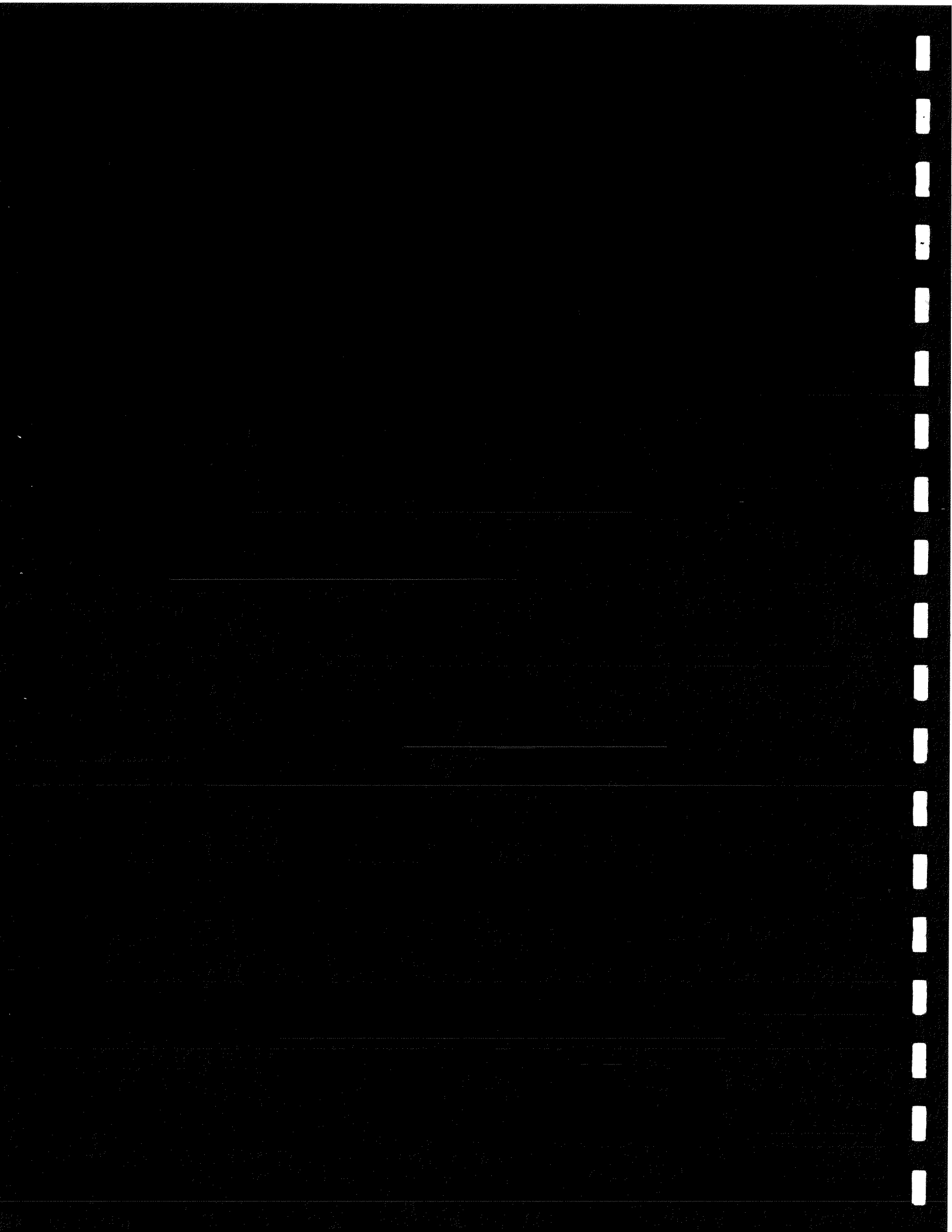
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2000*



CARTERET COUNTY  
NORTH CAROLINA

*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2000*

Prepared By Finance Department  
Dee Harris, Finance Director



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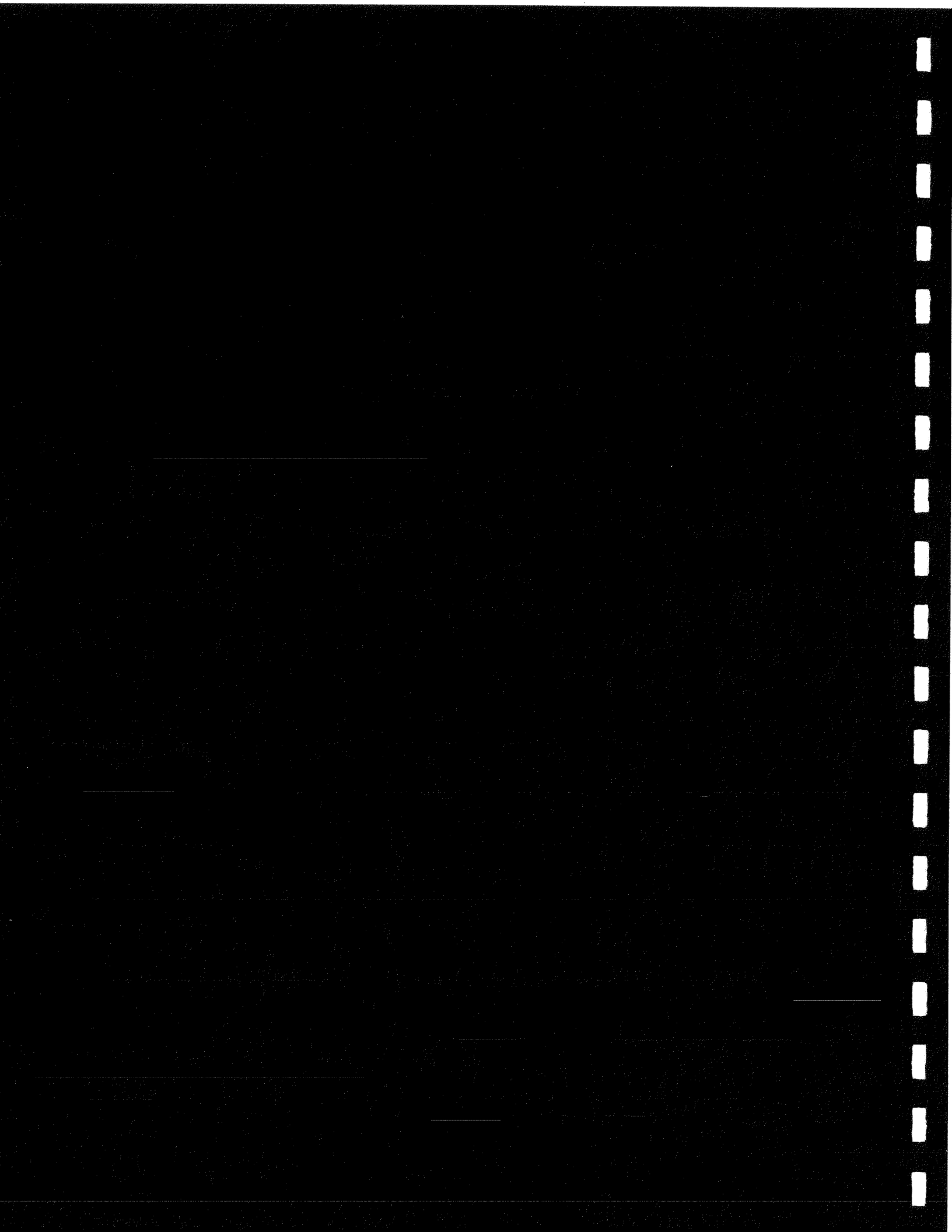
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# INTRODUCTION

*The Introduction includes a summary of the major highlights of the report.*



*Board of Commissioners*

Doug Brady, Chairman  
Jonathan Robinson, Vice-Chairman  
Bettie Bell  
Pat Joyce  
Jimmy LaShan  
Sam Stell  
Mac Wells



*County Manager*

Robert M. Murphy  
Tel: (252) 728-8450  
Fax: (252) 728-2092

October 31, 2000

To the Citizens of Carteret County:

We are pleased to submit the Carteret County Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The independent, certified public accounting firm of McGladrey & Pullen, LLP has audited the financial statements and supplemental information contained herein. Their unqualified opinion is included in the general-purpose financial statements. However, the responsibility for both the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the following data is accurate in all material aspects. Information is reported in a manner designed to present fairly the financial position and results of operation of the County as measured by the financial activity of its various funds and account groups. All disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Compliance. The Introductory section includes this transmittal letter, list of principal officials, the County's organizational chart, and map of Carteret County. The Financial section includes statements and schedules for all funds and account groups, notes to the combined financial statements and the auditor's report for these statements, schedules, and notes. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments of 1996 and US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Information related to this report on compliance with requirements applicable to major programs and internal controls over compliance, is included in the Compliance section in this report.

The financial reporting entity includes all the funds and account groups of the primary government (Carteret County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial position, results of operations, and cash flows from those of the primary government. Carteret General Hospital, Carteret County ABC Board, Morehead-Beaufort Airport Authority, and the Carteret County Tourism Development Bureau are reported as discretely component units.

### ***Description of the County***

Carteret County is a growing county located on the central coastline of North Carolina with approximately 61,587 residents living in or around municipalities and rural "Down East" maritime communities. Carteret County contains 526 square miles of land area and a coastline nearly 80 miles long. The county is bordered on the north by the Pamlico Sound and on the east and south by the Atlantic Ocean. Ten municipalities are located within the county, with Morehead City being the largest. Beaufort, the third oldest town in North Carolina, serves as the county seat. Carteret County has established itself as a premiere vacation spot, with attractions such as Fort Macon State Park,

North Carolina Aquarium, North Carolina Maritime Museum, and Cape Lookout National Seashore. The County has a commissioner/ manager form of government. Districts elect the seven members of the Board and serve staggered terms.

The County provides a full range of services including public safety, social services and health services, cultural and recreational activities, general administration, and other. The Board of County Commissioners also extends financial support to certain Board, Agencies, and Commissions to assist their efforts in serving citizens. Among these are the Carteret County Board of Education, the Craven-Pamlico-Carteret Regional Library, Carteret Community College, the Economic Development Council, and Neuse Center.

## *Economic Conditions and Outlook*

The Carteret County economy continues its successful transition from a seasonal economy dependent on tourism to a diversified, year-round economy. Annual unemployment averages were 4.52% and 3.85% in 1998 and 1999, respectively. Unemployment rates for the first eight months of 2000 have remained low, reaching only 2.8% in August 2000. For the first eight months of 2000, the average unemployment rate was 4.1%.

Although the tourism industry continues to perform well, with an average annual economic impact of \$208 million, much of the improvement in the economy is attributable to the diversification of the economy into manufacturing, distribution, research, and the construction trades. The completion of Carteret county's two new industrial parks, the Crystal Coast Business Park and the Jarrett Bay Marine Industrial Park, together with job growth at other county industries, has fueled resurgence in the county's manufacturing sector.

Four lots have been sold in the Crystal Coast Business Park, located in Morehead City. The largest lot in the park has been sold to Bally Refrigerated Boxes, an existing Carteret County manufacturer, with future plans for expansion. The Jarrett Bay Marine Industrial Park has enjoyed unprecedented success, with 71% of the lots sold for before completion. This marine-oriented industrial park is anchored by Jarrett Bay Boatworks, a custom sport fishing boat manufacturer, whose employment has grown 200% in the last 12 months.

Carteret County continues to see significant employment growth and expansion into a diverse range of industries. The Frank Door Company chose Newport as its final destination when deciding to expand from the headquarters in Shirley, New York. An anticipated 30 new jobs will result from this recruitment initiative. NUCOR Steel and the North Carolina Port Authority issued an exciting announcement in October of this year regarding the expansion of the NUCOR Steel plant to Hertford County and the subsequent use of the Morehead City Port as a base for international shipping and receiving of its product. Carteret County is seeing expansion from local businesses as Parker Marine Enterprises and Henry's Tackle while the NC Port Authority has moved forward with its planned expansion to Radio Island by announcing the completion of its draft environmental impact statement.

Major expansions in the marine research industry continue to develop in Carteret County, which has solidified the county's position as one of the world's leading marine science centers. The NC State University Center for Marine Science and Technology (CMAST) was opened on October 13, 2000. The facility includes state-of-the-art video conferencing technology with worldwide access via a digital DS-3 circuit, the of its kind in the County. This new system will provide a point of presence on the NC Research Education Network system and will be the first time that the NC University System has partnered with a Community College and the business community in the utilization of their system.

Carteret County is part of a 14 county effort that, in collaboration with Carolina Power & Light Company, is planning for the extension of natural gas into the unserved counties of eastern North Carolina. The extension of gas into Carteret County, which is expected in 2001-2002, will enhance the county's industrial recruitment efforts. Major regional road improvements are scheduled during the next several years, including a US 70 Havelock bypass, improvements to US 17 from Virginia to South Carolina, and the completion of NC 24 widening from Onslow County to Morehead City. These improvements will facilitate additional tourism access and the movement of goods to and from Carteret County manufacturers/distributors and the Port of Morehead City.

## ***Major Initiatives***

In prior years the County was awarded Community Development Block Grants from the state. The County completed the \$750,000 grant from the state this fiscal year. These funds were used to revitalize houses in the North River community. The second Community Development Block Grant is a joint effort between private industry and the County to build a marine industrial park in the eastern part of the County. This project is scheduled for completion in the fall of 2000. In July 2000, the County was awarded a \$600,000 DRI state grant. These funds will be used for residents in the eastern part of the County. The grant should be completed in the 2001 fiscal year.

During the fiscal year, the County was awarded \$2,969,280 in State Funds from a high unit cost grant, and there is a \$630,000 loan from state loan funds awaiting final approval. This Mill Creek/ Harlow water project will be an expansion of the County's North River Water System. This expansion will serve approximately 460 users. The project funds construction of a water treatment plant and 23.3 miles of water distribution lines. The service areas will extend south on NC 101 to Tuttle Grove Church, north on NC 101 to Craven County, south on NCSR 1160 and NCSR 1158 to Shell Bank, south on NCSR 1155 to Mill Creek. This project will begin in the 2001 fiscal year.

In April, the County issued \$14.5 million in long term debt to construct a Newport Middle School. This is a new school that will alleviate over crowding in the Newport area of the County. The school system anticipates this school opening in the fall of 2001.

This was the first year the County developed a five year Capital Improvement Plan. Incorporated in this plan was major capital improvements for the schools such as roof improvements, electrical, window, door, and technology upgrades, and storm water and HVAC improvements. These improvements are pay as you go projects with approximately \$2.4 million funded in FY 2000.

Carteret County continues its emphasis on education. In July 2000, the County purchased land for future development at Carteret County Community College. In addition, on November 7, 2000, the citizens of Carteret County will vote on a \$7.6 million community college referendum. If the referendum is approved, a replacement classroom building will be constructed along with a new marine trades building.

Another area of focus for the County is a health center. The current facility is over crowded and the building is in poor condition. In September, 2000, the County purchased land and a building in Morehead City near Carteret General Hospital. This building will be renovated in the 2001 fiscal year.

## ***Departmental Focus***

Each year in the transmittal letter, the accomplishments of a single county department for that year are highlighted. This year the Finance Department has been given this opportunity.

The Finance Department maintains a centralized county wide system of financial planning, reporting, and control. The department is responsible for preparing for bond sales and other debt management, accounting for the County's receipts and disbursements, payroll managing investments, accounting for fixed asset inventory, purchasing, coordinating the annual audit and preparation of an annual budget for submission to the County Manager.

The Carteret County Finance Department placed emphasis in three areas this year: converting and implementing a finance software system, preparing for rating agency presentations, and upgrading policies. The Finance Department replaced an eighteen year old software system for all applications in the department. The Department has improved efficiency by eliminating much of its manual work. In addition, the County's other departments have access to the system and are able to check its funds constantly. In January, Carteret County received a general obligation rating upgrade from Moody's and received a first time rating from Fitch. Moody's upgraded the County from A1 to Aa3, and Fitch rated the County AA-. In addition, the department assisted with the issuance of a \$14.5

million certificate of participation for schools. The department also updated its purchasing policy which dramatically improves efficiency with the implementation of procurement cards. The Board of Commissioners approved the policy changes in the 2001 fiscal year.

## ***Financial Information***

### ***Accounting System and Budgetary Control***

The budget is an integral part of a governmental unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. Each year, in accordance with North Carolina state statutes, an annual balanced budget is legally adopted by the Board of Commissioners for the following funds: General, School Special Projects, County Capital Reserve, County Capital Improvements, Rescue Squad, Fire District, Emergency 911, Occupancy Tax. Multiyear project budgets are adopted for the Mansfield/ North River area Revitalization, Jarrett Bay CDBG, Industrial Park EDA, School Projects, and Hazardous Mitigation Funds. Budgetary controls are established to ensure compliance of all legal provisions included in the budget ordinance. For county general and special revenue funds, budgetary control is established at the departmental level. However, for internal control purposes, the budget is maintained at the line item level. In accordance with state statute, the County uses encumbrance accounting in all governmental funds. Encumbrances outstanding at the end of the fiscal year are reported as reservations of fund balances. Purchase orders, which would create an over encumbrance, are not approved until an additional appropriation is made through a budget amendment. The County Manager is authorized to approve line item transfers within a department, and may approve transfers between departments of the same fund in an amount not to exceed \$10,000.

In accordance with state statutes, the County's budget is prepared on the modified accrual basis, and its accounting records are maintained on that basis. Under modified accrual accounting, revenue is recognized when it becomes both measurable and available. Expenditures are recorded when a liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The responsibility for establishing and maintaining a strong internal control structure rests with the management of Carteret County. This internal control structure is designed to provide reasonable, but not absolute assurance regarding (1) that the assets of the County are protected from loss, theft, or misuse; (2) that reliable financial records are available to prepare financial statements in accordance with generally accepted accounting principles; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance provides that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

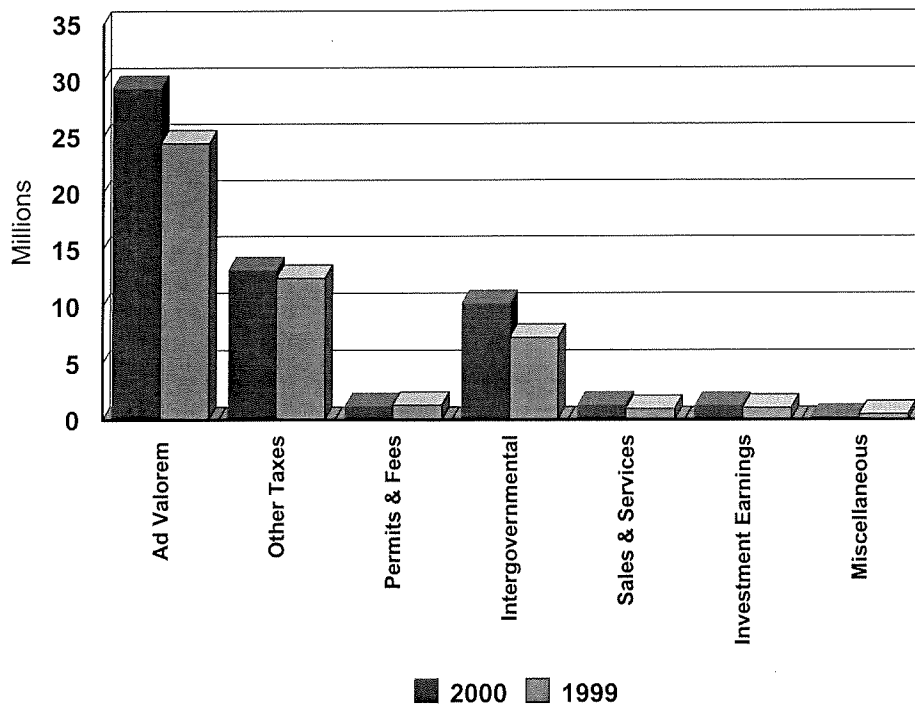
All internal control evaluations occur within the above framework. We believe that the county's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As a part of the county's single audit, the independent auditor performed a review of the county's internal control structure. This review was not an audit and no opinion was issued on the county's internal control structure; however, the procedures performed by the independent auditor did not indicate any material internal control weaknesses.

## ***General Government Functions***

General government revenues totaled \$56,850,038, an increase of 17.78 percent over the previous fiscal year. Revenues by source for the Governmental Funds were as follows:

<i>Revenues*</i>	<i>Percent to Total</i>	<i>Fiscal Year Ended June 30, 2000</i>	<i>Fiscal Year Ended June 30, 1999</i>	<i>Increase (Decrease)</i>	<i>Percent Increase (Decrease)</i>
Ad Valorem Taxes	51.63%	29,352,572	24,481,785	4,870,787	19.90%
Other Taxes and Licenses	23.21%	13,198,118	12,539,196	658,922	5.00%
Intergovernmental	18.03%	10,270,375	7,280,730	2,989,645	41.07%
Permits & Fees	2.20%	1,245,765	1,331,064	(85,299)	-6.41%
Sales & Services	2.33%	1,305,467	1,006,710	298,757	29.68%
Investment Earnings	2.20%	1,253,627	1,096,689	156,938	14.31%
Miscellaneous	0.40%	224,114	531,407	(307,293)	-57.83%
<b>Total</b>	<b>100.00%</b>	<b>56,850,038</b>	<b>48,267,581</b>	<b>8,582,457</b>	<b>17.78%</b>

\*Includes Annually budgeted funds: General, E-911, Fire Districts, Rescue Districts, Occupancy, Capital Reserve, Capital Improvements, and School Special Projects Funds.



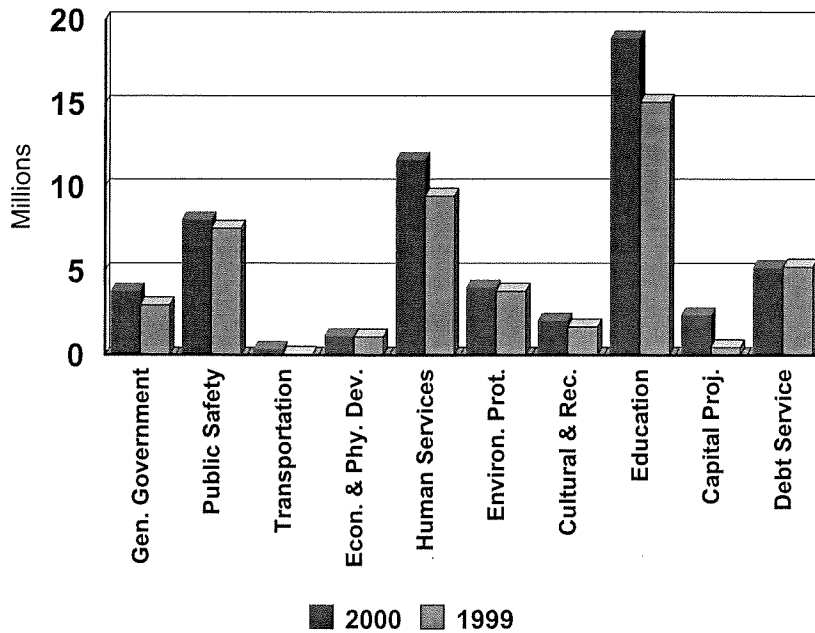
Property taxes are the County's primary source of revenue and accounts for over 50% of the County's total revenue. The County increased the tax rate 8 cents from the previous year which accounts for the approximately 20% increase from FY 99. Most of the increase was for education. The County has been committed to reducing classroom size and there were many unfunded mandates. In addition, the County began a pay as you go plan for major school capital such as roof, electrical, storm water, and HVAC improvements along with technology upgrades. Intergovernmental increased partially due to hurricane relief funds, but most of the increase was in Department of Social Services programs. Permits and fees decreased slightly, mostly due to Register of Deeds fees

being less than the prior year. Miscellaneous revenue decreased 57.83% from the prior year. In fiscal year 1999, the County sold several lots in one of the industrial parks which explains the decrease in miscellaneous revenue.

General Government expenditures totaled \$57,457,197, an increase of 20.93 percent over the prior fiscal year. Changes in levels of expenditures for major functions of the County from the prior year are shown below:

<i>Expenditures*</i>	<i>Percent of Total</i>	<i>Fiscal Year Ended June 30, 2000</i>	<i>Fiscal Year Ended June 30, 1999</i>	<i>Increase/ (Decrease)</i>	<i>Percent Increase/ (Decrease)</i>
General Government	6.61%	3,799,606	2,993,951	805,655	26.91%
Public Safety	13.98%	8,033,685	7,543,507	490,178	6.50%
Transportation	0.63%	360,064	66,115	293,949	444.61%
Economic & Physical Development	1.98%	1,134,822	1,102,181	32,641	2.97%
Human Services	20.23%	11,622,653	9,469,558	2,153,095	22.74%
Environmental Protection	6.98%	4,014,794	3,808,134	206,660	5.43%
Cultural & Recreation	3.54%	2,036,509	1,695,707	340,802	20.10%
Education	32.89%	18,897,588	15,099,455	3,798,133	25.16%
Capital Projects	4.13%	2,363,086	473,995	1,889,091	398.55%
Debt Service	9.03%	5,189,390	5,260,003	(70,613)	(1.35)%
<b>Total</b>	<b>100.00%</b>	<b>57,452,197</b>	<b>47,512,606</b>	<b>9,939,591</b>	<b>20.93%</b>

\*Includes Annually budget funds: General, E-911, Fire Districts, Rescue Districts, Occupancy, Capital Reserve, Capital Improvements, and School Special Projects Funds.



General government increase by 26.91% from FY 99. Most of the increase is due to a new finance and tax software system and computer equipment purchased. In fiscal year 2000, all transportation expenditures relating to CCATS were moved to the transportation category, and as a result, accounts for most of the increase in this category. Human services increased by 22.74%. There were increases in mental health and health center funding; however, the Department of Social Services special assistance programs received approximately \$1.2 million in increased funding. Education increased by 25.16%, and the increases were discussed above in revenues and major initiatives. Capital projects increased due to pay as you go school capital improvements. As discussed earlier, this is the first year the County funded a major initiative for roof, electrical, and HVAC improvements and technology upgrades.

***Fund Balance in the General Fund***

The General Fund ended the fiscal year with a total fund balance of \$16,148,054 in comparison to the June 30, 1999 balance of \$13,388,141. This represents a 20.62 percent increase; however, two funds were closed during the year and account for all of this increase. Undesignated fund balance for the year ended is \$6,448,978, an \$726,881 increase from FY 99. The County’s undesignated fund balance percentage to general fund expenditures is 12.54 percent. Even though undesignated fund increased in total dollars, when taken as a percentage of General Fund expenditures, the percentage decreased .66%. This percentage for undesignated fund balance to general fund expenditures is in line with the guidelines set by the Department of State Treasurer for similar-sized counties. Management tries to maintain two months of expenditures in unreserved, undesignated fund balance.

***Debt Administration***

At the close of the fiscal year, Carteret County had a number of debt issues outstanding. The bond rating of the county at June 30, 2000 was Aa3 from Moody’s, A+ from Standard and Poors, and AA- from Fitch. Under current state statutes, the county’s general obligation bonded debt issuances are subject to a legal limitation of an amount equal to 8 percent of total assessed value of real and personal property less current or amortized debt. As of June 30, 2000, the County’s outstanding general obligation bonded debt of \$28,150,000 is well below the legal debt margin of \$379,211,866. Per capita debt for the county as of June 30, 2000 was \$457.08. A schedule of the total outstanding general obligation bonds, certificates of participation, capital leases, installment notes, and accrued vacation pay is presented below:

		<b><i><u>Debt Outstanding as of June 30, 2000</u></i></b>
<i>General Obligation Bonds:</i>		
1978 School Bonds	75,000	
1979 School Bonds	325,000	
1995 Public Improvement Bonds	8,500,000	
1996 School Buildings	<u>19,250,000</u>	28,150,000
<i>Certificates of Participation:</i>		
1991 COP - Jail/Dept of Social Services	965,000	
1992 COP - Morehead Primary School	5,000,000	
2000 COP - Newport Middle School	<u>14,515,000</u>	20,480,000
<i>Installment Purchases:</i>		
Tax and Finance System		551,632
<i>Accrued Vacation &amp; Compensatory Time:</i>		
Vacation Pay	496,090	
Compensatory Time	<u>40,152</u>	<u>536,242</u>
<i>Total Debt Outstanding (Excluding net Pension Obligation)</i>		<u><u>49,717,874</u></u>

## ***Cash Management***

Effective financial planning and cash management practices have aided in the efficient use of available resources. The County continues to have a cash management program designed to assure safety of principal, sufficient liquidity for current operations, and the attainment of market-average rate of return. The demand deposit checking accounts are interest earning. Idle cash is invested using competitive bidding among all banks with investments awarded based on the highest yield. Total investment earnings for the governmental fund types for the year were \$1,509,048.

## ***Risk Management***

Carteret County provides protection from liability and casualty risks through commercial coverage. Property and casualty and workers' compensation coverage is carried through a commercial insurance carrier. The County's other insurance is as follows: General and Auto liability (\$1,000,000), Public Officials Liability (\$1,000,000), Law Enforcement liability (\$1,000,000), property damage (replacement cost coverage on all real property improvements and contents, and actual cash value coverage on vehicles and mobile equipment). Also, the County's health insurance is provided through a commercial carrier.

## ***Other Information***

### ***Independent Audit***

North Carolina general statutes require the County to provide for an annual independent audit of the accounts and financial transactions of the Count by a firm of independent certified public accountants. The Board of Commissioners designated McGladrey and Pullen, LLP to meet these requirements, and their report follows as an integral part of this report. McGladrey and Pullen was also designated by the Board of Commissioners to express an opinion on the County's compliance with the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the general purpose financial statements, combining and individual fund statements, and schedules are included in the financial Section of this report. The auditor's reports, relating specifically to the requirements of the single audit, are included in the Compliance Section of this report.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carteret County for its comprehensive annual financial report for the year ended June 30, 1999. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standard. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

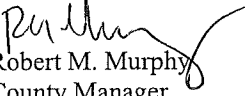
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

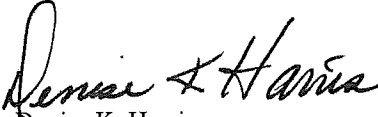
## *Acknowledgments*

In summary, this comprehensive annual financial report provides a source of information to citizens, the Board of Commissioners, other governmental agencies, and investors and creditors, all of whom rely upon it for decision making and the opportunity to learn more about Carteret County's financial condition.

Much appreciation is expressed to the Finance Department's staff and McGladrey and Pullen, without whose dedicated assistance this report could not have been produced. Gratitude goes to the Board of Commissioners for their continued support throughout the past year.

Sincerely,

  
Robert M. Murphy  
County Manager

  
Denise K. Harris  
Finance Director

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**CARTERET COUNTY, NORTH CAROLINA**

LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2000

**BOARD OF  
COMMISSIONERS**

DOUG BRADY  
Chair  
Morehead City, North Carolina

BETTIE BELL  
Newport, North Carolina

JONATHAN ROBINSON  
Vice Chair  
Atlantic, North Carolina

SAM STELL  
Emerald Isle, North Carolina

PAT JOYCE  
Beaufort, North Carolina

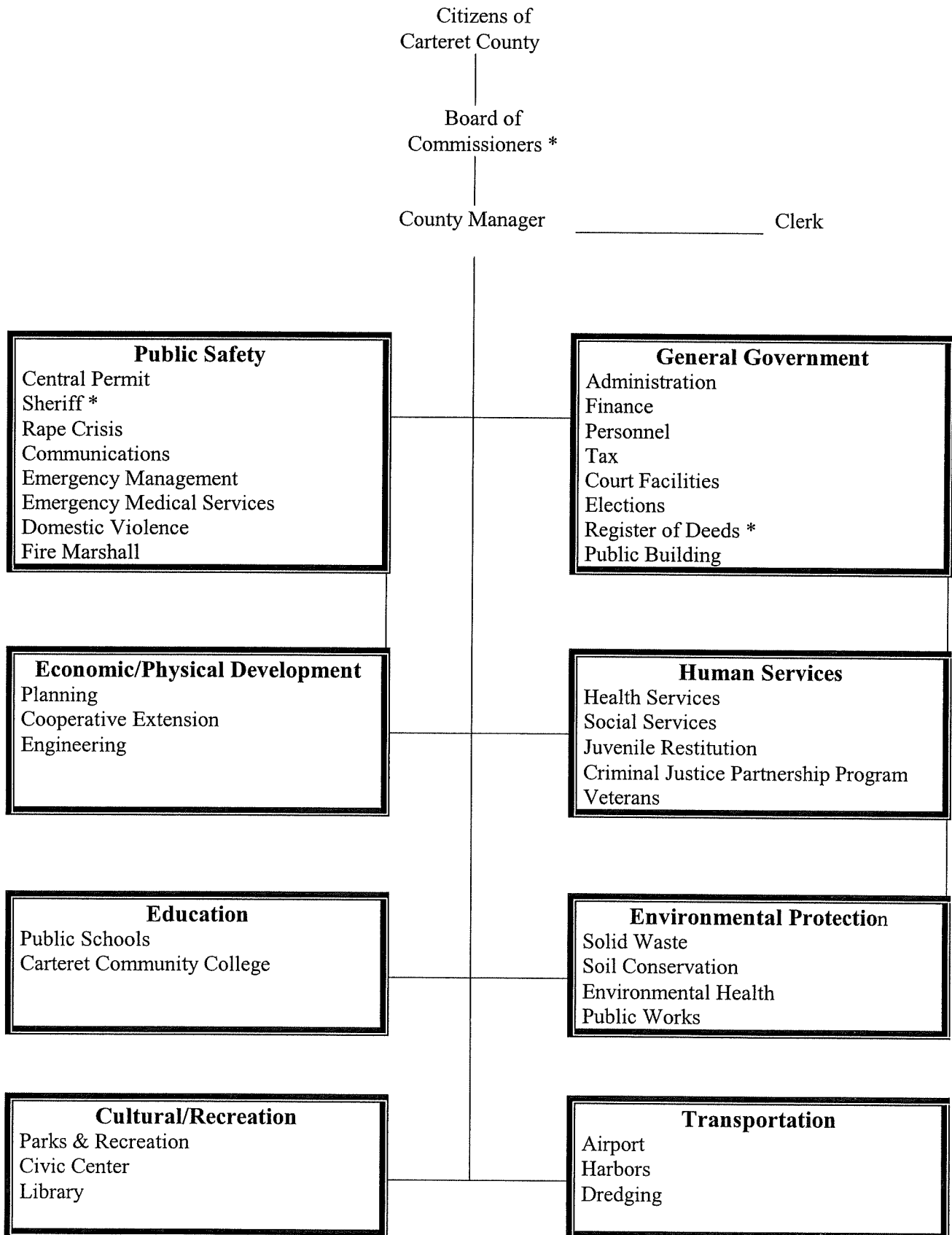
JIMMY LASHAN  
Newport, North Carolina

MAC WELLS  
Morehead City, North Carolina

**COUNTY OFFICIALS**

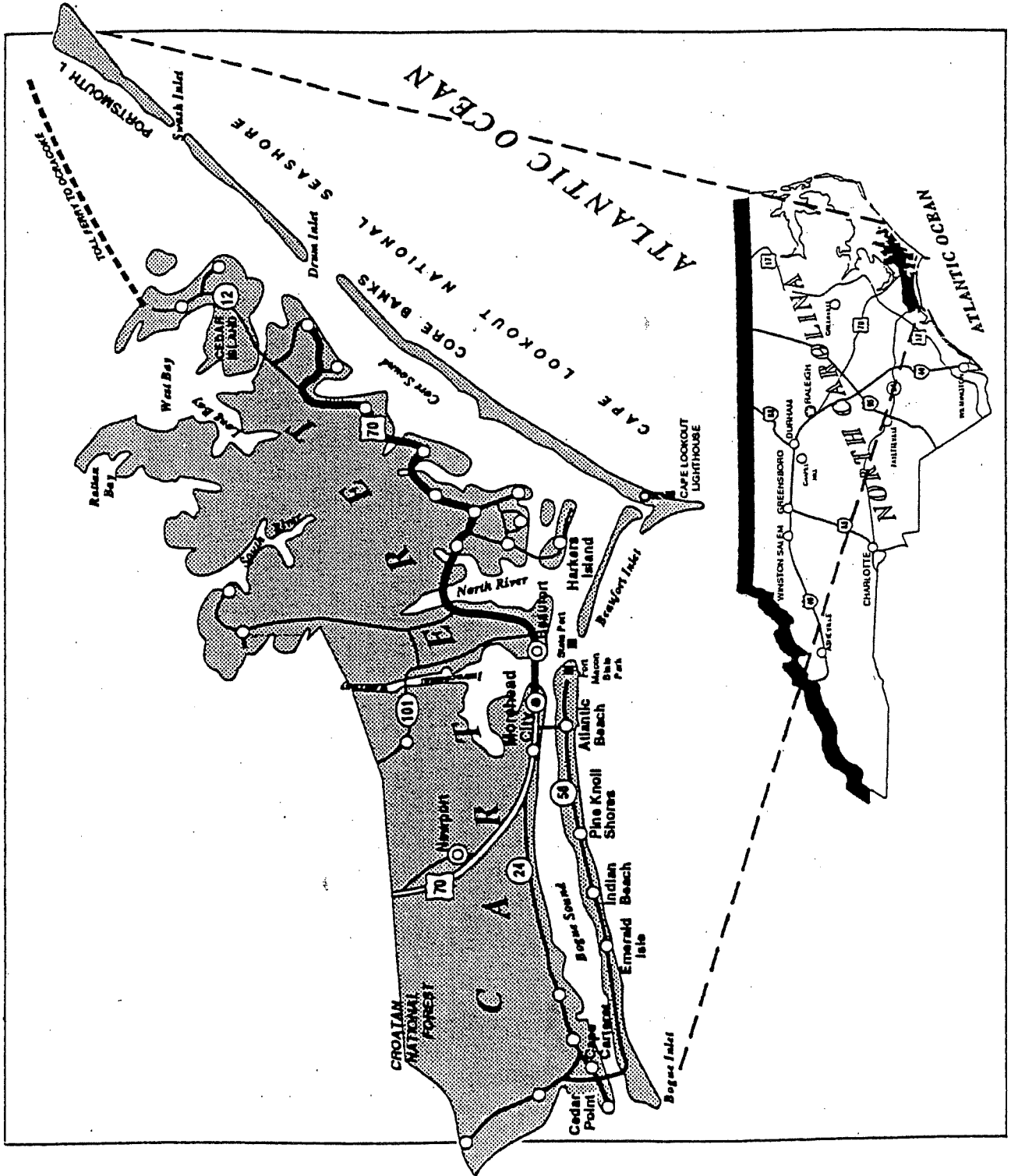
Robert M. Murphy	County Manager
Frank Rush	Assistant to the County Manager
Dee K. Harris	Finance Director
Ralph Thomas, Jr.	Sheriff
Melanie Arthur	Register of Deeds
Vicki Landingham	Tax Administrator
Al Hadley	Fire Marshall
Mike Addertion	Emergency Management Director
J.T. Garrett	Health Director
Betty Fentress	Parks and Recreation Director
Katrina Marshall	Planning & Central Permit Director
Robert Eason	Social Services Director
Dave Clark	County Engineer

# Carteret County, North Carolina Organizational Chart



\* Elected Officials

MAP OF  
CARTERET COUNTY, NORTH CAROLINA



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carteret County,  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

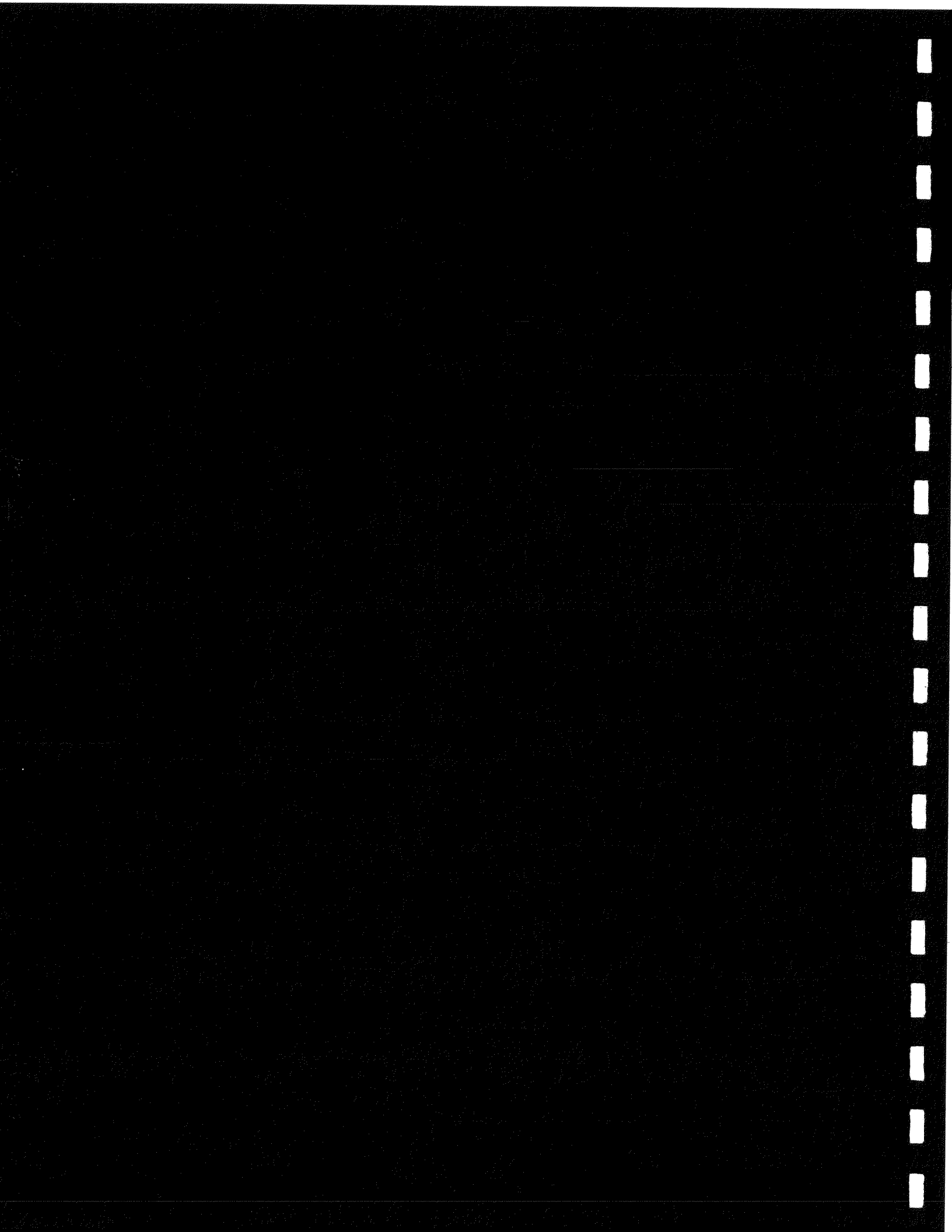


*Cary Brubaker*  
President

*Jeffrey L. Esser*  
Executive Director

# GENERAL PURPOSE FINANCIAL STATEMENTS

*The General Purpose Financial Statements provide a summary of the financial position of Carteret County. These include all funds, account groups, discretely presented component units and the operating results by fund types. These statements also serve as an introduction to the more detailed statements and schedules that follow.*





## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of Carteret County, North Carolina, as of and for the fiscal year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Carteret County, North Carolina'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-Morehead City Airport Authority, Carteret County Tourism Development Bureau, Carteret County Alcoholic Beverage Control Board (ABC) or Carteret General Hospital Corporation. 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-Morehead City Airport Authority, Carteret County Tourism Development Bureau, Carteret County ABC Board and Carteret General Hospital Corporation, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. The financial statements of Carteret County ABC Board and Carteret General Hospital Corporation were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Carteret County, North Carolina, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 8, 2000 on our consideration of Carteret County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws and 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 made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and other schedules, listed in the table of contents as supplementary information, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, listed in the table of contents in the Compliance Section, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Carteret County, North Carolina. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this comprehensive annual financial report, designated as "introductory section" and "statistical section" in the table of contents, have not been audited by us and, accordingly, we express no opinion on the other data.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina

September 8, 2000, except for Note 22, as to which the date is October 31, 2000

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**CARTERET COUNTY, NORTH CAROLINA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNITS**

**June 30, 2000**

	Government Fund Types			Fiduciary
	General	Special Revenue	Capital Projects	Agency
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and investments	\$ 12,641,484	\$ 969,431	\$ 3,100,837	\$ 32,994
Restricted cash and investments	1,488,357	-	12,482,136	-
Receivables, net	5,353,641	530,933	-	-
Due from other funds	16,036	-	-	-
Due from component units	175,372	-	-	-
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
Fixed assets, net where applicable	-	-	-	-
Other assets	-	-	-	-
Other Debits:				
Amount available for retirement of long-term debt	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 19,674,890</b>	<b>\$ 1,500,364</b>	<b>\$ 15,582,973</b>	<b>\$ 32,994</b>
<b>LIABILITIES, EQUITY AND OTHER CREDIT</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,082,948	\$ 638,284	\$ 1,098,337	\$ 32,994
Due to other funds	-	16,036	-	-
Due to primary government	-	-	-	-
Deferred revenue	1,443,888	162,799	-	-
Long-term debt	-	-	-	-
<b>Total liabilities</b>	<b>3,526,836</b>	<b>817,119</b>	<b>1,098,337</b>	<b>32,994</b>
Equity and other credit:				
Investment in general fixed assets	-	-	-	-
Retained earnings	-	-	-	-
Contributed capital	-	-	-	-
Fund balances:				
Reserved for Wireless Enhanced 911	86,161	-	-	-
Reserved for recreation	72,410	-	-	-
Reserved by State statute	4,110,074	368,134	-	-
Reserved for Sheriff's fund	26,194	-	-	-
Reserved for health programs	529,407	-	-	-
Reserved for debt service	1,488,357	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	3,386,473	249,903	12,452,341	-
Undesignated	6,448,978	65,208	2,032,295	-
<b>Total equity and other credit</b>	<b>16,148,054</b>	<b>683,245</b>	<b>14,484,636</b>	<b>-</b>
<b>Total liabilities, equity and other credit</b>	<b>\$ 19,674,890</b>	<b>\$ 1,500,364</b>	<b>\$ 15,582,973</b>	<b>\$ 32,994</b>

*See Notes to Financial Statements.*

Accounts Groups			Component Units					Totals
General	General	Totals	Beaufort -	Carteret	Carteret	Carteret	Reporting	
Fixed	Long-Term	Primary	Morehead	County	General	Carteret	Entity	
Assets	Debt	Government	City	Tourism	Hospital	County	(Memorandum	
		(Memorandum	Airport	Development	Corporation	ABC Board	Only)	
		Only)	Authority	Bureau			Only)	
\$ -	\$ -	\$ 16,744,746	\$ 67,028	\$ 519,885	\$ 16,879,138	\$ 714,744	\$ 34,925,541	
-	-	13,970,493	-	-	11,222,243	-	25,192,736	
-	-	5,884,574	855	79,850	9,736,861	-	15,702,140	
-	-	16,036	-	-	-	-	16,036	
-	-	175,372	-	-	-	-	175,372	
-	-	-	-	-	1,389,303	546,367	1,935,670	
-	-	-	2,525	-	334,221	2,272	339,018	
34,788,803	-	34,788,803	221,405	168,908	16,938,509	585,793	52,703,418	
-	-	-	-	-	133,786	-	133,786	
-	1,488,357	1,488,357	-	-	-	-	1,488,357	
-	48,267,011	48,267,011	95,529	16,432	-	-	48,378,972	
<u>\$ 34,788,803</u>	<u>\$ 49,755,368</u>	<u>\$ 121,335,392</u>	<u>\$ 387,342</u>	<u>\$ 785,075</u>	<u>\$ 56,634,061</u>	<u>\$ 1,849,176</u>	<u>\$ 180,991,046</u>	
\$ -	\$ -	\$ 3,852,563	\$ 469	\$ 121,755	\$ 8,653,399	\$ 449,693	\$ 13,077,879	
-	-	16,036	-	-	-	-	16,036	
-	-	-	95,529	-	-	79,843	175,372	
-	-	1,606,687	-	-	-	-	1,606,687	
-	49,755,368	49,755,368	-	16,432	1,952,511	-	51,724,311	
-	49,755,368	55,230,654	95,998	138,187	10,605,910	529,536	66,600,285	
34,788,803	-	34,788,803	221,405	168,908	-	-	35,179,116	
-	-	-	-	-	45,885,651	1,319,640	47,205,291	
-	-	-	-	-	142,500	-	142,500	
-	-	86,161	-	-	-	-	86,161	
-	-	72,410	-	-	-	-	72,410	
-	-	4,478,208	855	79,850	-	-	4,558,913	
-	-	26,194	-	-	-	-	26,194	
-	-	529,407	-	-	-	-	529,407	
-	-	1,488,357	-	-	-	-	1,488,357	
-	-	16,088,717	-	125,000	-	-	16,213,717	
-	-	8,546,481	69,084	273,130	-	-	8,888,695	
34,788,803	-	66,104,738	291,344	646,888	46,028,151	1,319,640	114,390,761	
<u>\$ 34,788,803</u>	<u>\$ 49,755,368</u>	<u>\$ 121,335,392</u>	<u>\$ 387,342</u>	<u>\$ 785,075</u>	<u>\$ 56,634,061</u>	<u>\$ 1,849,176</u>	<u>\$ 180,991,046</u>	

CARTERET COUNTY, NORTH CAROLINA

**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2000**

	Government Fund Types			Totals (Memorandum Only)
	Government	Special Revenue	Capital Projects	Primary Government
<b>REVENUE</b>				
Ad valorem taxes	\$ 27,245,879	\$ 2,106,693	\$ -	\$ 29,352,572
Other taxes and licenses	10,466,179	2,731,939	-	13,198,118
Permits and fees	1,245,765	-	-	1,245,765
Intergovernmental	9,833,795	1,183,396	951,994	11,969,185
Sales and services	1,305,467	-	-	1,305,467
Interest	1,033,341	64,595	411,112	1,509,048
Miscellaneous	132,114	-	92,000	224,114
<b>Total revenue</b>	<b>51,262,540</b>	<b>6,086,623</b>	<b>1,455,106</b>	<b>58,804,269</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,799,606	-	-	3,799,606
Public safety	4,813,887	3,282,048	-	8,095,935
Transportation	360,064	-	-	360,064
Environmental protection	4,014,794	-	-	4,014,794
Economic and physical development	688,595	1,637,688	-	2,326,283
Human services	11,622,653	-	-	11,622,653
Culture and recreation	2,036,509	-	-	2,036,509
Education	18,897,588	-	-	18,897,588
Capital outlay	-	-	5,948,014	5,948,014
Debt service:				
Principal retirement	3,073,368	-	-	3,073,368
Interest and fees	2,116,022	-	-	2,116,022
<b>Total expenditures</b>	<b>51,423,086</b>	<b>4,919,736</b>	<b>5,948,014</b>	<b>62,290,836</b>
<b>Revenue over (under) expenditures</b>	<b>(160,546)</b>	<b>1,166,887</b>	<b>(4,492,908)</b>	<b>(3,486,567)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in from primary government	-	-	-	-
Operating transfers in from component units	174,375	-	-	174,375
Operating transfers out to component units	(56,377)	(969,041)	-	(1,025,418)
Operating transfers in	1,506,379	55,000	2,955,852	4,517,231
Operating transfers out	(2,212,000)	(377,379)	(1,927,852)	(4,517,231)
Proceeds from Certificate of Participation bonds	-	-	14,515,000	14,515,000
<b>Total other financing sources (uses)</b>	<b>(587,623)</b>	<b>(1,291,420)</b>	<b>15,543,000</b>	<b>13,663,957</b>
Revenue and other financing sources over (under) expenditures and other financing uses	(748,169)	(124,533)	11,050,092	10,177,390
<b>FUND BALANCES, beginning</b>	<b>13,388,141</b>	<b>3,054,185</b>	<b>4,696,219</b>	<b>21,138,545</b>
Residual Equity Transfers	3,508,082	(2,246,407)	(1,261,675)	-
<b>FUND BALANCES, ending</b>	<b>\$ 16,148,054</b>	<b>\$ 683,245</b>	<b>\$ 14,484,636</b>	<b>\$ 31,315,935</b>

*See Notes to Financial Statements.*

Component Units		Totals
Beaufort- Morehead City Airport Authority	Carteret County Tourism Development Bureau	(Memorandum Only) Reporting Entity
\$ -	\$ -	\$ 29,352,572
-	-	13,198,118
-	-	1,245,765
-	100,000	12,069,185
-	-	1,305,467
2,915	41,190	1,553,153
55,287	3,788	283,189
<u>58,202</u>	<u>144,978</u>	<u>59,007,449</u>
-	1,131,858	4,931,464
-	-	8,095,935
123,810	-	483,874
-	-	4,014,794
-	-	2,326,283
-	-	11,622,653
-	-	2,036,509
-	-	18,897,588
8,335	-	5,956,349
9,599	-	3,082,967
5,038	-	2,121,060
<u>146,782</u>	<u>1,131,858</u>	<u>63,569,476</u>
<u>(88,580)</u>	<u>(986,880)</u>	<u>(4,562,027)</u>
56,377	969,041	1,025,418
-	-	174,375
-	-	(1,025,418)
-	-	4,517,231
-	-	(4,517,231)
-	-	14,515,000
<u>56,377</u>	<u>969,041</u>	<u>14,689,375</u>
(32,203)	(17,839)	10,127,348
102,142	495,819	21,736,506
-	-	-
<u>\$ 69,939</u>	<u>\$ 477,980</u>	<u>\$ 31,863,854</u>

CARTERET COUNTY, NORTH CAROLINA

**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCES, BUDGET AND ACTUAL, ALL GOVERNMENTAL FUND TYPES FOR  
WHICH ANNUAL BUDGETS HAVE BEEN ADOPTED  
For the Fiscal Year Ended June 30, 2000**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Ad valorem taxes	\$ 26,871,383	\$ 27,245,879	\$ 374,496
Other taxes and licenses	10,676,523	10,466,179	(210,344)
Permits and fees	1,237,656	1,245,765	8,109
Intergovernmental	9,500,798	9,833,795	332,997
Sales and services	1,399,219	1,305,467	(93,752)
Interest	924,000	1,033,341	109,341
Miscellaneous	72,814	132,114	59,300
<b>Total revenue</b>	<b>50,682,393</b>	<b>51,262,540</b>	<b>580,147</b>
<b>EXPENDITURES</b>			
Current:			
General government	4,121,492	3,799,606	321,886
Public safety	5,154,423	4,813,887	340,536
Transportation	440,854	360,064	80,790
Environmental protection	4,076,774	4,014,794	61,980
Economic and physical development	803,422	688,595	114,827
Human services	12,355,750	11,622,653	733,097
Culture and recreation	2,275,602	2,036,509	239,093
Education	19,867,342	18,897,588	969,754
Capital outlay	-	-	-
Debt service:			
Principal retirement	3,664,420	3,073,368	591,052
Interest and fees	2,181,525	2,116,022	65,503
<b>Total expenditures</b>	<b>54,941,604</b>	<b>51,423,086</b>	<b>3,518,518</b>
<b>Revenue over (under) expenditures</b>	<b>(4,259,211)</b>	<b>(160,546)</b>	<b>4,098,665</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Installment Purchase Proceeds	550,000	-	(550,000)
Operating transfer in from component units	150,000	174,375	24,375
Operating transfers out to component units	(56,377)	(56,377)	-
Operating transfers in	528,460	1,506,379	977,919
Operating transfers out	(2,212,000)	(2,212,000)	-
Appropriated fund balance	5,299,128	-	(5,299,128)
<b>Total other financing sources (uses)</b>	<b>4,259,211</b>	<b>(587,623)</b>	<b>(4,846,834)</b>
Revenue and other financing sources over (under) expenditures and other uses	\$ -	(748,169)	\$ (748,169)
FUND BALANCES, beginning		13,388,141	
Residual equity transfers		3,508,082	
FUND BALANCES, ending		<b>\$ 16,148,054</b>	

*See Notes to Financial Statements.*

Special Revenue Funds			Capital Projects Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,119,105	\$ 2,106,693	\$ (12,412)	\$ -	\$ -	\$ -	\$ 28,990,488	\$ 29,352,572	\$ 362,084
2,903,724	2,731,939	(171,785)	-	-	-	13,580,247	13,198,118	(382,129)
-	-	-	-	-	-	1,237,656	1,245,765	8,109
-	-	-	315,000	436,580	121,580	9,815,798	10,270,375	454,577
-	-	-	-	-	-	1,399,219	1,305,467	(93,752)
45,822	64,595	18,773	33,000	155,691	122,691	1,002,822	1,253,627	250,805
-	-	-	-	92,000	92,000	72,814	224,114	151,300
5,068,651	4,903,227	(165,424)	348,000	684,271	336,271	56,099,044	56,850,038	750,994
-	-	-	-	-	-	4,121,492	3,799,606	321,886
3,430,946	3,219,798	211,148	-	-	-	8,585,369	8,033,685	551,684
-	-	-	-	-	-	440,854	360,064	80,790
-	-	-	-	-	-	4,076,774	4,014,794	61,980
442,125	446,227	(4,102)	-	-	-	1,245,547	1,134,822	110,725
-	-	-	-	-	-	12,355,750	11,622,653	733,097
-	-	-	-	-	-	2,275,602	2,036,509	239,093
-	-	-	-	-	-	19,867,342	18,897,588	969,754
-	-	-	4,517,769	2,363,086	2,154,683	4,517,769	2,363,086	2,154,683
-	-	-	-	-	-	3,664,420	3,073,368	591,052
-	-	-	-	-	-	2,181,525	2,116,022	65,503
3,873,071	3,666,025	207,046	4,517,769	2,363,086	2,154,683	63,332,444	57,452,197	5,880,247
1,195,580	1,237,202	41,622	(4,169,769)	(1,678,815)	2,490,954	(7,233,400)	(602,159)	6,631,241
-	-	-	-	-	-	550,000	-	(550,000)
-	-	-	-	-	-	150,000	174,375	24,375
(962,765)	(969,041)	(6,276)	-	-	-	(1,019,142)	(1,025,418)	(6,276)
39,000	39,000	-	2,955,852	2,955,852	-	3,523,312	4,501,231	977,919
(378,360)	(377,379)	981	(588,600)	(588,600)	-	(3,178,960)	(3,177,979)	981
106,545	-	(106,545)	1,802,517	-	(1,802,517)	7,208,190	-	(7,208,190)
(1,195,580)	(1,307,420)	(111,840)	4,169,769	2,367,252	(1,802,517)	7,233,400	472,209	(6,761,191)
\$ -	(70,218)	\$ (70,218)	-	688,437	\$ 688,437	\$ -	(129,950)	\$ (129,950)
	2,900,347			2,174,313			18,462,801	
	(2,246,407)			-			1,261,675	
	\$ 583,722			\$ 2,862,750			\$ 19,594,526	

**CARTERET COUNTY, NORTH CAROLINA**

**COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2000**

	Component Units	
	Carteret General Hospital Corporation	Carteret County ABC Board
<b>OPERATING REVENUE</b>		
Charges for services	\$ 53,874,987	\$ -
Alcoholic beverage sales, net	-	4,672,601
<b>Total operating revenue</b>	<b>53,874,987</b>	<b>4,672,601</b>
<b>OPERATING EXPENSES</b>		
Hospital operations	47,201,137	-
Cost of goods sold	-	3,202,200
Store and warehouse expense	-	993,468
Depreciation	2,288,890	48,909
<b>Total operating expenses</b>	<b>49,490,027</b>	<b>4,244,577</b>
<b>Operating income</b>	<b>4,384,960</b>	<b>428,024</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	1,274,503	28,778
Gifts and donations	191,523	-
Proceeds from sale of assets	-	1,000
Other expenses	-	(11,873)
Law enforcement	-	(54,076)
Distributions to other governments	-	(174,375)
<b>Total nonoperating revenues (expenses)</b>	<b>1,466,026</b>	<b>(210,546)</b>
<b>Income before operating transfers</b>	<b>5,850,986</b>	<b>217,478</b>
<b>OPERATING TRANSFERS</b>		
Operating transfers out to primary government	-	(174,375)
<b>Net income</b>	<b>5,850,986</b>	<b>43,103</b>
RETAINED EARNINGS - beginning	40,177,165	1,276,537
RETAINED EARNINGS, ending	\$ 46,028,151	\$ 1,319,640

*See Notes to Financial Statements.*

**CARTERET COUNTY, NORTH CAROLINA**

**COMBINED STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2000**

	Component Units	
	Carteret General Hospital Corporation	Carteret County ABC Board
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 4,384,960	\$ 428,024
Interest expense considered capital financing activity	171,617	-
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,288,890	48,909
Provision for bad debts	3,037,414	-
Loss on disposal of fixed asset	11,275	-
Change in assets and liabilities:		
Receivables	(4,368,479)	-
Inventories	(211,898)	(53,190)
Prepaid expenses	37,272	(429)
Estimated third-party payor settlements	23,113	-
Accounts payable and accrued expenses	16,022	54,141
Net cash provided by operating activities	<u>5,390,186</u>	<u>477,455</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Unrestricted gifts and donations	191,523	-
Operating transfers to primary government	-	(149,521)
Operating transfers to other governments	-	(149,522)
Payment for Law Enforcement	-	(54,076)
Net cash provided by (used in) non-capital financing activities	<u>191,523</u>	<u>(353,119)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of assets	-	1,000
Principal paid on obligations under capital leases and bonds	(1,515,482)	-
Interest paid on obligations under capital leases and bonds	(182,057)	-
Acquisition of capital assets	(2,962,137)	(25,422)
Net cash used in capital and related financing activities	<u>(4,659,676)</u>	<u>(24,422)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	1,175,965	28,778
Proceeds from investing activities	4,350,000	-
Purchase of long term investment	(16,781,405)	-
Other investment	-	(11,873)
Net cash provided by (used in) investing activities	<u>(11,255,440)</u>	<u>16,905</u>
Net increase (decrease) in cash and cash equivalents	(10,333,407)	116,819
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>21,653,383</u>	<u>597,925</u>
Ending (Hospital \$7,648,208 unrestricted, \$3,671,768 restricted)	<u>\$ 11,319,976</u>	<u>\$ 714,744</u>

*See Notes to Financial Statements.*

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## **NOTES TO FINANCIAL STATEMENTS**

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**These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from or cannot be included in the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.**

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## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

Carteret County Alcoholic Beverage Control Board ("ABC Board"). The ABC Board is governed by a board appointed by the County Commissioners. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is discretely presented as if it were a proprietary fund.

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

- Beaufort-Morehead City Airport Authority, Highway 101 East, Beaufort, NC 28516
- Carteret County Tourism Development Bureau, Highway 70 West, Morehead City, NC 28557
- Carteret General Hospital Corporation, PO Box 1619, Morehead City, NC 28557
- Carteret County ABC Board, Highway 70 East, Beaufort, NC 28516

The following corporation is included as a blended component:

County of Carteret Public Facilities Financing Corporation. The County of Carteret Public Facilities Financing Corporation is a non-profit corporation created solely to provide for the financing of the construction of a new law enforcement center, an addition to the Social Services building, a new public elementary school, and the acquisition of certain land for an expansion of the community college facilities in Carteret County, North Carolina. Certificates of participation were previously issued prior to July 1, 1992 to provide the funds for the other facilities. The County has entered into Construction and Repayment Contracts with the corporation. The corporation's assets, fund balance, revenue and expenditures have been included in the County Capital Improvements Fund at June 30, 2000.

#### **Summary of significant accounting policies:**

The financial statements of Carteret County, North Carolina have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Fund Accounting. The accounts of the County are organized and operated on the basis of funds and account groups, each of which is considered 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.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

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

*Governmental Fund Types*—Governmental funds are used to account for all or most of a government's general governmental activities (general fund), collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital projects funds). The following are the governmental funds of the County:

- **General Fund**—The General Fund is the general operating fund of the County and accounts for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds**—Special revenue funds account for specific revenues sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains the following Special Revenue Funds: Rescue Squad Fund, Fire District Fund, Emergency 911 Fund, Occupancy Tax Fund, FEMA Hazardous Mitigation Fund, Community Development Block Grant Rehabilitation Fund, the Industrial Park Fund, and Community Development Block Grant - Jarrett Bay Fund. The name for the North River Revitalization – Phase II Fund was changed during the year to Community Development Block Grant Rehabilitation Fund. The Revaluation Fund and School Projects Reserve Fund were closed during the year.
- **Capital Projects Funds**—Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities. The County maintains the following Capital Projects Funds: County Capital Reserve Fund, County Capital Improvements Fund, Newport Middle COPS Fund, School Projects Fund and the School Special Projects Fund. The Morehead City Elementary School Project Fund was closed during the year.

*Fiduciary Fund Type*—Fiduciary funds account for assets held by the County in a trustee capacity or as an agent for outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature and do not involve measurement of results of operations. The County maintains the following Agency funds: Sheriff's Department Fund and the Social Services Trust Fund.

*Accounts Groups*—The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus as described at "Basis of Accounting" below. The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

- *General Fixed Assets Account Group*—This account group is used to account for all fixed assets of the County other than infrastructure fixed assets.
- *General Long-Term Debt Account Group*—This account group is used to account for all long-term obligations of the County.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

Measurement Focus. 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., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The component units accounted for as proprietary type funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these component units are included on the balance sheet. Operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

Basis of Accounting. Basis of accounting determines when the revenue 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 and Airport and TDB discrete component units 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 the same basis. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it is "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 judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 a 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 subsequent 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, Carteret County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities in the County. For those motor vehicles registered under the staggered 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 1999 through February 2000 apply to the fiscal year ended June 30, 2000. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. Those taxes for vehicles registered from March 1 through the fiscal year end apply to the fiscal year 2000-2001 and are not shown as receivables at June 30, 2000. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, 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 to June 30. The taxes for vehicles registered annually that have already been collected as of year end are also reflected as deferred revenues at June 30, 2000 because they are intended to finance the County's operations during the 2001 fiscal year.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intangible taxes, certain 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.

The County reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds (certain discrete component units) 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 component units have elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for their proprietary operations.

Budgets and Budgetary Accounting. An annual budget is adopted for the general fund, the special revenue funds (excluding FEMA Hazardous Mitigation, Industrial Park, CDBG Rehabilitation Fund, and the CDBG Jarrett Bay Fund), and the capital projects funds (excluding the Newport Middle COPS Fund and the School Projects Fund). All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the capital projects funds and the special revenue funds which do not adopt annual budgets. In accordance with the Local Government Budget and Fiscal Control Act, the County follows these procedures in establishing the budgetary data reflected in the financial report:

- 1) The County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operational budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) The budget is legally enacted through passage of an ordinance by June 30 each year.

The Board of Commissioners may amend the budget ordinance at any time after its adoption as long as the amended ordinance continues to meet the requirements of North Carolina's "Local Government Budget and Fiscal Control Act". No amendment may change the property tax levy unless the Board of Commissioners is so ordered by competent authority. During the year, several supplementary appropriations to the original budget were necessary. Individual amendments to the ordinance were not material in relation to the original appropriations, and all amendments were legally made. The budget amounts shown in the combined financial statements represent the budget, as amended, at June 30, 2000. Under State statute, actual expenditures cannot exceed budgetary appropriations at the level at which the budget ordinance is formally approved. The County's budget ordinance authorizes expenditures, by department total, for the general fund and the special revenue funds, and at the object level for the capital projects funds. All budgets are fixed in nature. The County Manager is authorized to make line item transfers within a department not in excess of \$20,000. Transfers between departments that exceed \$10,000 or any transfers between funds require Board approval. For internal management purposes, the budgets are detailed by line item within each department and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

The budget, as authorized for the General Fund, includes certain receipts to be received for and disbursed to, or on behalf of, other entities, or individuals, by the County as fiscal agent. For financial reporting purposes, these agency receipts and disbursements are reclassified to a fiduciary fund type. In addition, the budgets authorized for the General Fund, Special Revenue funds, and Capital Project funds are prepared on a modified accrual basis.

Encumbrances, which are not expenditures, represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. The County has no encumbrances outstanding at year-end.

Deposits and Investments. All deposits of the County, Carteret General Hospital Corporation (Hospital) Carteret County ABC Board, (ABC Board) Carteret County Tourism Development Bureau (TDB), and Beaufort-Morehead City Airport Authority (Airport) are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Hospital, the ABC Board, the TDB, and 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, the TDB, and the Airport may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State statute (G.S. 159-30) authorizes the County and its component units 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC registered 2a-7 mutual fund.

The County, the Hospital, and the ABC Board's money market investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued based on a computerized matrix system and/or appraisals by a pricing service. 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.

Cash and Cash Equivalents. The County pools money from several funds to facilitate disbursement and investment and maximize investment income. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of each month. Cash and cash equivalents of proprietary type component units include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

CARTERET COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

Restricted Cash and Investments. Certain proceeds of bond issuances are classified as restricted cash and investments on the balance sheet because their use is limited by applicable bond covenants.

Ad Valorem Taxes Receivable. Ad valorem taxes are not accrued as revenue because they are not considered to be both "measurable and available". The receivable amount is reduced by an allowance for doubtful accounts equal to the percent of the original levy which has normally been written off based on past experience. An amount equal to the taxes receivable that was not accrued as revenue is shown as a deferred revenue on the combined balance sheet.

The property tax calendar for Carteret County, North Carolina is as follows:

Lien Date	January 1, 1999
Levy Date	July 1, 1999
Due Date	September 1, 1999
Past Due Date	January 6, 2000

Allowances for Doubtful Accounts. Allowances for doubtful accounts are maintained on all types of receivables which historically experience uncollectible accounts.

Inventories. Inventories of the Hospital and the ABC Board are valued at the lower of cost, on a first-in, first-out (FIFO) basis, or market. The Hospital inventory consists of expendable items, including pharmaceuticals and general supplies, held for consumption. The Hospital inventories are recorded as expenses when consumed rather than when purchased. The ABC Board inventory consists of alcoholic beverages held for sale.

Fixed Assets. General fixed assets of the County are not capitalized in the governmental fund used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost, where historical records are available, or at estimated historical cost, where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Public domain or infrastructure fixed assets are not capitalized as these assets are immovable and of value only to the County. Also, the County has elected not to capitalize interest or debt issuance costs as a component of the cost of general fixed assets constructed for its own use.

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

# CARTERET COUNTY, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

Property and equipment of the Hospital, the ABC Board, the Tourism Development Bureau and the Airport are recorded at original cost at the time of acquisition. Property and equipment donated to these entities for operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of the fixed assets of the Hospital or the ABC Board is reflected in the capitalized value of the asset constructed. Assets in the County's general fixed assets account group and the Tourism Development Bureau and the Airport are not depreciated and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The Airport Authority does not own any real property but utilizes facilities provided by the County. All airport fixed assets owned by the County are included in the County's general fixed assets account group. The County owns legal title to all Hospital facilities and improvements under a lease agreement which allows the Hospital unrestricted use of those facilities. The County's policy is to report these assets in the Hospital component unit.

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

	<u>Useful Life</u>
Buildings and improvements	10 - 40 years
Furniture and equipment	4 - 20 years
Improvements other than building	5 - 20 years

Compensated Absences. Vested or accumulated vacation leave and compensatory leave time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and compensatory leave time that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. At June 30, 2000, the current portion of the accumulated vacation and compensatory leave pay is not considered to be material and, therefore, no provision has been made in the accompanying financial statements in the General Long-Term Debt Account Group. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Long-term Obligations. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

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 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.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Description of Funds and Account Groups (Continued)**

The governmental fund types classify fund balances as follows:

##### *Reserved*

- Reserved for Wireless Enhanced 911 – represents amounts restricted for expenditures related to upgrades to the emergency 911 communication system.
- Reserved for recreation—represents amounts restricted for specific recreation purposes.
- Reserved by State statute—portion of fund balance not available for appropriation after remaining reserves not available for appropriation have been segregated. This generally includes accounts receivable and amounts due from other funds, which are not offset by deferred revenues.
- Reserved for Sheriff's fund—represents amounts restricted for expenditures relating to special drug programs and concealed weapons programs
- Reserved for health programs—represents amounts restricted to expenditures in specific health programs.
- Reserved for debt service—represents amounts restricted to expenditures for future debt service obligations.

##### *Unreserved*

- Undesignated—portion of total fund balance available for appropriation which is uncommitted at June 30, 2000.
- Designed – portion of total fund balance appropriated to the following year's budget.

Interfund Transactions. Quasi-external transactions are accounted for as revenue or expenditures since they would be treated as such if they involved organizations external to the County. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Totals (Memorandum Only) Columns. The total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)-Primary Government" and "Totals (Memorandum Only)-Reporting Entity" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles for the primary government. Interfund eliminations have not been made in the aggregation of this data.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 2. Stewardship, Compliance and Accountability**

Excess of expenditures over appropriation in individual funds:

The County's expenditures for the year ended June 30, 2000, have exceeded amounts budgeted in the following departments for the General Fund:

General Fund:	\$
Court Facilities	865
Communications	15,534
Landfill Disclosure	1,342
Tri-County solid waste collections	2,948
State breast feeding grant	3,783
State smart start grant	2,646
Women, infants and children - Administration	6,390
Senior center outreach	86
DSS Special Assistance	61,344
Occupancy Tax Fund - Tourism	4,102

Deficits in Fund Balance of Individual Funds:

As of June 30, 2000, the Occupancy Tax Fund had a deficit in fund balance of \$224. The County will transfer funds from the General Fund to rectify the deficit in fund balance.

#### **Note 3. Cash and Investments**

##### **Cash on Hand:**

The County had \$1,555 in petty cash on hand at June 30, 2000.

##### **Deposits:**

All deposits of the County and its component units are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the units' agents in the units' name. 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 units, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits.

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

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 3. Cash and Investments (Continued)**

At June 30, 2000, the County's deposits had a carrying amount of \$990,820 and a bank balance of \$1,783,634. Of the bank balance, \$202,542 was covered by federal depository insurance and \$1,581,092 was covered by collateral held under the Pooling Method. At June 30, 2000, \$409,466 in the General Fund is being held as restricted cash in a sinking fund, for repayment of annual principal and interest on the 1978 School Bond Series A. Restricted investments include \$979,612 in the General Fund for the Morehead Elementary School COPS and \$99,279 in an lease escrow account. The Newport Middle School COPS Capital Project Fund has investments of \$1,248,136 for the construction of a new school.

#### Component Unit Information

At June 30, 2000, the carrying amount of deposits for Tourism and Development Bureau was \$200,711 and the bank balance was \$201,158. The bank balance of the Bureau was fully covered by federal depository insurance.

At June 30, 2000, the carrying amount of deposits for Beaufort-Morehead City Airport Authority was \$67,028 and the bank balance was \$70,857. The bank balance was fully covered by federal depository insurance.

At September 30, 1999, the carrying amount of the Hospital's deposits was \$28,101,381 and the bank balance was \$30,593,838. Of the bank balance, \$500,000 was covered by federal depository insurance and \$30,093,838 is collateralized by an escrow account in the name of the State Treasurer.

At June 30, 2000, the carrying amount of deposits for Carteret County ABC Board was \$708,444 and the bank balance was \$815,870. All of the bank balance was covered by federal depository insurance.

#### **Investments:**

State of North Carolina General Statutes authorize the County and its component units to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of principal and interest of such obligations is fully guaranteed by the United States; certain quasi-federal agencies; commercial paper bearing the highest credit ratings available; bankers acceptances of accepting banks or holding companies either (i) incorporated in the State of North Carolina or (ii) the highest available long-term debt rating; and the North Carolina Capital Management Trust, an SEC registered 2a-7 mutual fund.

The investments of the County and its component units are categorized to give an indication of the level of custodial risk assumed by each entity at year-end. Column A includes investments that are insured or registered, or for which the securities are held by the unit or its agent in the unit'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 unit's name. Column C includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the entity's name. Investments in the North Carolina Capital Management Trust is exempt from risk categorization because the entity does not own any identifiable securities, but is a shareholder of a percentage of the fund.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Cash and Investments (Continued)**

At June 30, 2000, the County's investment balances were as follows:

	Category			Reported Value	Fair Value
	A	B	C		
US Treasury Notes	\$ 993,739	\$ -	\$ -	\$ 993,739	\$ 993,739
Government Agencies	3,866,656	-	-	3,866,656	3,866,656
Commercial Paper	17,400,399	-	-	17,400,399	17,400,399
North Carolina Capital Management Trust *				7,462,070	7,462,070
				<u>\$ 29,722,864</u>	<u>\$ 29,722,864</u>

\* Is not categorized because the County does not own any identifiable securities, but is a shareholder of a percentage of the fund.

At June 30, 2000, the County's cash and investments are comprised of the following:

Cash on hand	Total
Carrying value of deposits	\$ 1,555
Investments	990,820
	<u>29,722,864</u>
<b>Total</b>	<b>\$ 30,715,239</b>
Balance Sheet Reconciliation:	
Unrestricted cash and investments	\$ 16,744,746
Restricted cash and investments	<u>13,970,493</u>
<b>Total</b>	<b>\$ 30,715,239</b>

Component Unit Information

At June 30, 2000 the Tourism and Development Bureau had investments in the North Carolina Capital Management Trust and are exempt from risk categorization because the Bureau does not own any identifiable security but is a shareholder of a percentage of the fund.

	Reported Value	Fair Value
North Carolina Capital Management Trust	\$ 319,174	<u>\$ 319,174</u>

CARTERET COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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**Note 4. Budget to GAAP Reconciliation**

The combined statement of revenue, expenditures, and changes in fund balances, 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 and capital project funds that adopt annual budgets are included therein, while all special revenue and capital projects funds are reflected on the combined statement. A reconciliation of the revenue and other financing sources over (under) expenditures and other financing uses follows:

	Special Revenue Funds	Capital Projects Funds
Revenues and other financing sources over (under) expenditures and other financing uses, budgetary basis (page 23)	\$ (70,218)	\$ 688,437
To record excess of revenues and other financing sources over (under) expenditures and other financing uses for the following funds which have multi-year budgets:		
CDBG Rehabilitation Fund	(41,069)	-
Industrial Park Fund	(30,179)	-
Jarrett Bay CDBG Fund	16,933	-
Newport Middle COPS Fund	-	11,568,604
School Projects Fund	-	(1,206,949)
Revenues and other financing sources over (under) expenditures and other financing uses, GAAP basis (page 20)	<u>\$ (124,533)</u>	<u>\$ 11,050,092</u>

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Receivables**

Receivables are comprised of the following major categories as of June 30, 2000:

	Property Taxes	Allowance For Uncollectible Accounts	Other Government	Other Sources	Total
General Fund:					
Local option sales tax	\$ -	\$ -	\$ 2,578,746	\$ -	\$ 2,578,746
Other	1,826,600	(575,426)	1,021,015	502,706	2,774,895
	<u>1,826,600</u>	<u>(575,426)</u>	<u>3,599,761</u>	<u>502,706</u>	<u>5,353,641</u>
Special Revenue Funds:					
	224,175	(64,490)	362,790	8,458	530,933
Totals	<u>\$ 2,050,775</u>	<u>\$ (639,916)</u>	<u>\$ 3,962,551</u>	<u>\$ 511,164</u>	<u>\$ 5,884,574</u>

Property Tax—Use-Value Assessment on Certain Lands. In accordance with North Carolina general statutes, agriculture, horticulture, and forestland may be taxed as 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 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
1996	\$ 82,309	\$ 2,260	\$ 84,569
1997	119,621	28,410	148,031
1998	110,249	16,262	126,511
1999	132,717	7,631	140,348
Total	<u>\$ 444,896</u>	<u>\$ 54,563</u>	<u>\$ 499,459</u>

Component Unit Information

The Carteret General Hospital Corporation receivables are net of an allowance for doubtful accounts in the amount of \$4,442,000.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year:

	General Fixed Assets		Adjustments and Transfers		General Fixed Assets
	July 1, 1999	Additions	Retirements		June 30, 2000
<u>By Asset Type:</u>					
Land, airport	\$ 391,973	\$ -	\$ -	\$ -	\$ 391,973
Land, other	2,069,219	25,000	-	-	2,094,219
Buildings	19,918,662	18,825	-	-	19,937,487
Vehicles	1,599,641	439,483	(229,197)	-	1,809,927
Equipment	3,906,311	1,034,304	(237,166)	-	4,703,449
Airport facilities	1,487,075	0	(185,541)	-	1,301,534
Other improvements	4,553,259	22,380	(25,425)	-	4,550,214
<b>Total</b>	<b>\$ 33,926,140</b>	<b>\$ 1,539,992</b>	<b>\$ (677,329)</b>	<b>\$ -</b>	<b>\$ 34,788,803</b>

By Function:

General government	\$ 9,925,841	\$ 787,067	\$ (37,631)	\$ 20,319	\$ 10,695,596
Public safety	10,602,087	244,205	(239,439)	(34,526)	10,572,327
Human services	6,613,455	176,940	(139,325)	19,557	6,670,627
Environmental protection	1,354,024	-	-	-	1,354,024
Culture/recreation	3,259,450	113,917	(60,071)	-	3,313,296
Economic/physical development	95,515	4,160	(15,322)	(19,759)	64,594
Transportation	2,075,768	213,703	(185,541)	14,409	2,118,339
<b>Totals</b>	<b>\$ 33,926,140</b>	<b>\$ 1,539,992</b>	<b>\$ (677,329)</b>	<b>\$ -</b>	<b>\$ 34,788,803</b>

Investment in general fixed assets by source:

Prior to June 30, 1992	\$ 19,332,875
General Fund	7,035,720
Capital Projects Funds	8,420,208
	<u>\$ 34,788,803</u>

# CARTERET COUNTY, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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### Note 6. Fixed Assets (continued)

This schedule does not include \$1,941,086 in infrastructure improvements where the County has agreed as of June 30, 2000 to deed these assets to other governmental units once these projects have been completed.

#### Component Unit Information

The following is a summary of the Hospital fixed assets at September 30, 1999:

Land	\$ 101,582
Land improvements	655,749
Buildings and improvements	13,594,640
Furniture and equipment	25,148,682
	<u>39,500,653</u>
Less accumulated depreciation	22,562,144
	<u>\$ 16,938,509</u>

Legal title to the Hospital's property and equipment, except equipment purchased by the Hospital from unrestricted funds, is held by Carteret County. The facilities are leased to the Hospital for an annual rent of \$1. In the event of dissolution of the Hospital or its failure to function as a Hospital or to operate as required in the lease, all of its monies, properties and assets shall revert to Carteret County.

The following is a summary of the ABC Board fixed assets at June 30, 2000:

Land	\$ 202,024
Buildings and improvements	520,524
Furniture and equipment	448,875
Improvements other than building	90,340
	<u>972,370</u>
Less accumulated depreciation	
	<u>\$ 585,793</u>

The following is a summary of the Beaufort – Morehead City Airport Authority fixed assets at June 30, 2000:

Equipment	\$ 77,010
T Hangers	140,000
Other improvements	4,395
	<u>\$ 221,405</u>

The following is a summary of the Carteret County TDB fixed assets at June 30, 2000:

Equipment	<u>\$ 168,908</u>
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## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County is a participant in an insurance pool administered by the North Carolina Association of County Commissioners, which provides workers' compensation coverage. The workers' compensation pool provides statutory limits of coverage as required by the North Carolina Workers' Compensation Act. All losses in excess of a specified retained limit is reinsured through commercial insurance. The pool is self-sustaining through member premiums and the County has transferred its risk of loss to the pool.

The County carries commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All of the component units are exposed to similar risks as described above for the County and each maintains sufficient insurance policies in effect that would preclude any claims adversely affecting the financial position of the component units.

Carteret General Hospital is insured under claims-made policies for the purpose of providing professional and patient care liability insurance. These policies cover only malpractice claims reported to the insurance carrier during the policy term. Coverage includes a \$3,000,000 policy on professional liability limited to \$1,000,000 per case and an excess coverage policy for specified aggregate amounts in excess of the basic coverage.

The Carteret 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 ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

Carteret County Tourism Development Bureau is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Bureau has property, general liability, workers' compensation, and employee health coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past fiscal years.

Beaufort/Morehead City Airport Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority has property and general liability insurance coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Deferred Revenue**

As discussed in the Summary of Significant Accounting Policies (Note 1), ad valorem taxes receivable are not accrued as a revenue because they are not considered to be both "measurable and available." Property taxes which are measurable, but not available, are recorded as deferred revenue. In addition, property taxes collected in advance of the fiscal year to which they apply are also recorded as deferred revenue. The balance of deferred revenue at June 30, 2000 is comprised of the following:

	General Fund	Special Revenue Fund	Total
Net property taxes receivable	\$ 1,251,174	\$ 159,685	\$ 1,410,859
Prepaid taxes and licenses	8,913	-	8,913
Other receivables	183,801	3,114	186,915
	<u>\$ 1,443,888</u>	<u>\$ 162,799</u>	<u>\$ 1,606,687</u>

**Note 9. Long-Term Obligations**

The County records long-term debt of the governmental funds at face value in the general long-term debt account group. The general obligation bonds are backed by the faith, credit, and taxing power of the County. All County debt is being retired with General Fund revenues. Principal and interest requirements are appropriated when due.

Long-term debt obligations at June 30, 2000 are comprised of the following individual issues which are to be serviced by the General Fund:

**General obligations bonds:**

1978 school building, final payment of \$75,000 due on June 1, 2001; interest at 6%	\$ 75,000
1979 school building, final payment of \$325,000 due on June 1, 2001; interest at 6.97%	325,000
1995 public improvement, including \$2,000,000 for the construction of the Senior Citizens Center, 8,000,000 for computer upgrades and technology for the County schools, renovations, and upfront costs for two new school buildings. Due on May 1 in varying installment amounts through May 1, 2013; 5.30% through May 1, 2008, and 5.4% through May 1, 2013.	8,500,000
1996 school buildings, due on May 1 in varying installments through May 1, 2017; interest at 5.40% through May 1, 2016, and 5.50% through May 1, 2017.	19,250,000

CARTERET COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Obligations (Continued)

**Certificates of participation**

1991 Certificates of participation, final payment due March 1, 2001; interest at 6.4% collateralized by the Jail and Department of Social Services buildings. \$ 965,000

1992 Certificates of participation due on February 1 in varying installments through February 1, 2007; interest at 6.5% collateralized by the Morehead City Elementary School. 5,000,000

2000 Certificates of Participation due on June 1 in varying installments through June 1, 2020, interest at 5.52% collateralized by the Newport Middle School. 14,515,000  
48,630,000

**Installment Purchase:**

Purchase of equipment; provides for 5 consecutive annual installments of \$153,368 beginning in fiscal year 1999-2000, including interest at 4.39%. 551,632

**Accrued vacation pay and compensatory time:**

Accrued vacation pay included in the long-term debt at June 30, 2000 496,090

Accrued compensatory time included in the long-term debt at June 30, 2000 40,152

**Net Pension Obligation** 37,494  
\$ 49,755,368

Annual maturity and sinking fund requirements on long-term debt (except accrued vacation and compensatory times) with related interest as of June 30, 2000 are as follows:

	General Obligations		Installment		Total Debt Due	
	Bonds and Certificates of Participation		Purchases			
	Principal	Interest	Principal	Interest	Principal	Interest
2000-2001	\$ 3,710,000	\$ 2,785,977	\$ 129,152	\$ 24,217	\$ 3,839,152	\$ 2,810,193
2001-2002	3,145,000	2,455,244	134,821	18,547	3,279,821	2,463,791
2002-2003	3,145,000	2,273,389	140,740	12,628	3,285,740	2,285,987
2003-2004	3,140,000	2,100,744	146,919	6,450	3,286,919	2,107,194
2004-2005	3,140,000	1,965,106			3,140,000	1,928,006
Thereafter	32,350,000	11,713,137			32,350,000	11,713,137
	<u>\$ 48,630,000</u>	<u>\$ 23,293,597</u>	<u>\$ 551,632</u>	<u>\$ 61,841</u>	<u>\$ 49,181,632</u>	<u>\$ 23,308,308</u>

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Obligations (Continued)**

The following is a summary of changes in County's long-term debt for the fiscal year ended June 30, 2000:

	General Long-Term Debt July 1, 1999		Additions	Retirements	General Long-Term Debt June 30, 2000	
<u>By type:</u>						
General obligation bonds and Certificates of participation	\$ 37,035,000	\$ 14,515,000	\$ -	\$ 2,920,000	\$ 48,630,000	
Installment Purchases (Note 9)	705,000	-	-	153,368	551,632	
Vacation pay and compensatory time	508,758	29,462	-	1,978	536,242	
Net pension obligation	41,161	-	-	3,667	37,494	
Total	<u>\$ 38,289,919</u>	<u>\$ 14,544,462</u>	<u>\$ -</u>	<u>\$ 3,079,013</u>	<u>\$ 49,755,368</u>	
<u>By purpose:</u>						
Land and building	\$ 31,579,000	\$ 14,515,000	\$ -	\$ 2,734,000	\$ 43,360,000	
Equipment	6,161,000	-	-	339,368	5,821,632	
Vacation pay and compensatory time	508,758	29,462	-	1,978	536,242	
Net pension obligation	41,161	-	-	3,667	37,494	
Total	<u>\$ 38,289,919</u>	<u>\$ 14,544,462</u>	<u>\$ -</u>	<u>\$ 3,079,013</u>	<u>\$ 49,755,368</u>	

Interest and fees on the above obligations during 2000 totaled \$2,116,022.

State statute provides for a legal debt limit of 8 percent of the County's appraised valuation. The County's legal debt margin as of June 30, 2000 amounts to \$379,211,866.

During the year ended June 30, 2000, the County authorized the issuance of up to \$28,040,000 of COPS for certain property acquisition, school construction, and refinancing of certain outstanding long-term obligations. At June 30, 2000, the County had issued \$14,515,000, leaving \$13,525,000 authorized but unissued.

Conduit Debt Obligations

Carteret County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bond. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, the outstanding principal amount payable was \$9,000,000.

CARTERET COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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**Note 9. Long-Term Obligations (Continued)**

**Component unit information:**

The Hospital entered into a \$4,200,000 note payable agreement with a bank during the year ended September 30, 1993. The note is payable in 20 consecutive equal semi-annual payments of \$271,969 including interest at 5.2%. The note is collateralized by a deed of trust on property and equipment with a net book value of approximately \$2,877,000 at September 30, 1999. At September 30, 1999 the outstanding balance on the note was \$1,941,770 with future principal maturities as of September 30, 1999 are as follows:

<u>Year Ending September 30,</u>	
2000	\$ 448,725
2001	472,363
2002	497,245
2003	523,437
	<u>\$ 1,941,770</u>

The Hospital has a capital lease which expires on January 1, 2000 with effective interest at a rate of 9.769%. The following is a schedule by years of future minimum lease payments under capital leases as of September 30, 1999:

<u>Year Ending September 30, 2000</u>	
Total minimum lease payments	\$ 10,960
Amounts representing interest	<u>(219)</u>
Present values of net minimum lease payments	<u>\$ 10,741</u>

The Tourism and Development Bureau had accrued compensated absences as a long-term debt at June 30, 2000 in the amount of \$16,432.

**Note 10. Retirement Systems**

**North Carolina Local Governmental Employees' Retirement System:**

**Plan Description.** Carteret County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

**Funding Policy.** Plan members are required to contribute 6% of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.92% and 4.63%, respectively, of annual covered payroll. The contribution requirements of members and of Carteret County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contribution to LGERS for the years ended June 30, 2000, 1999, and 1998 were \$436,783, \$404,714, and \$342,789, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2000, 1999, and 1998 were \$27,197, \$27,168, and \$25,294, respectively. The contribution made by the County and the ABC Board equaled the required contributions for each year.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Retirement Systems (Continued)**

**Carteret General Hospital Corporation Pension Plan:**

The Hospital provides pension benefits for substantially all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires that the Hospital contributed an amount equal to 7% of the employee's base salary at the end of each plan year. The Hospital's contributions for each employee (and plan earnings allocated to the employee's account) are fully vested after five years' continuous service. Hospital contributions for, and plan earnings forfeited by, employees who leave employment before five years of service are used to reduce the Hospital's current-period contribution requirement.

The Hospital's total payroll for the year ended September 30, 1999 was \$19,802,523. The Hospital's contributions were calculated using the total salary amounts of eligible participants, which were approximately \$15,000,000 in 1999. Contributions for year ended September 30, 1999 totaled \$899,177.

**Carteret County Tourism Development Bureau Retirement Plan:**

The Bureau has set up a simplified employee pension - Individual Retirement Account for each of its full-time employees who have worked eight months of the immediately preceding five years. The contribution is four percent of salary for qualifying employees. The Bureau's payroll for employees covered by this plan for the fiscal year ended June 30, 2000 was \$108,532 and the contribution amount for the fiscal year ended June 30, 2000 was \$4,439.

**Law Enforcement Officers Special Separation Allowance:**

*1. Plan Description.*

Carteret 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 provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the System. At June 30, 2000 the System's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	34
Total	<u>35</u>

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Retirement Systems (Continued)**

The Plan does not issue a stand-alone financial report.

*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.

*3. Contributions:*

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. 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, 1999 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 ranging from 4.4% to 8.5% per year. Both (a) and (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	\$ 13,306
Interest on Net Pension Obligation	2,391
Adjustment to Annual Required Contribution	(3,000)
Annual Pension Cost	<u>12,697</u>
Employer Contributions made for fiscal year ending June 30, 2000	<u>8,182</u>
Increase in Net Pension Obligation	4,515
Net Pension Obligation, beginning of fiscal year	<u>32,979</u>
Net Pension Obligation, end of fiscal year	<u><u>\$ 37,494</u></u>

**TREND INFORMATION**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6/30/98	\$10,601	0.00%	\$30,161
6/30/99	\$11,000	74.38%	\$32,979
6/30/00	\$12,697	64.44%	\$37,494

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Retirement Systems (Continued)**

**SCHEDULE OF FUNDING PROCESS**

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial Liability (AAL)- Proj Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Year End on Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/94	-	50,744	50,744	0.00%	636,565	7.97%
12/31/95	-	52,650	52,650	0.00%	718,677	7.33%
12/31/96	-	56,427	56,427	0.00%	699,373	8.07%
12/31/97	-	60,582	60,852	0.00%	747,833	8.14%
12/31/98	-	74,977	74,977	0.00%	831,875	9.01%
12/31/99	-	80,668	80,668	0.00%	914,148	8.82%

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 valuations follows.

Valuation date	12/31/1999
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	4.4% to 8.5%
Includes inflation at	3.75%
Cost-of-living adjustments	None

**Supplemental Retirement Income Plan for Law Enforcement Officers:**

*Plan Description.* The County and ABC Board contribute 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 City. 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 and ABC Board to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions from the county for the year ended June 30, 2000 were \$66,543, which consisted of \$52,062 from the County and \$14,481 from law enforcement officers. Contributions from the ABC Board for June 30, 2000 consisted of \$1,425 from the Board and zero from the law enforcement officers.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Retirement Systems (Continued)

##### **Supplemental Retirement Income Plan for General Employees:**

*Plan Description.* Carteret 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 general employees of 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.* The County has voluntarily elected to contribute each month an amount equal to three percent of each employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2000 were \$414,427, which consisted of \$238,887 from the County and \$175,540 from the employees.

##### **Registers of Deeds' Supplemental Pension Fund:**

*Plan Description.* Carteret County also contributes to the Registers 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 4.5% of the monthly receipts collected pursuant to Article 1 of G.S. Chapter 161. Immediately following January 1 of each year, the Department of State Treasurer divides 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 7% of the Fund's assets may be used by the state Treasurer in administering the Fund. For the fiscal year ended June 30, 2000, the County's required and actual contributions were \$15,557.

#### **Note 11. Post-Employment Health Care Benefits**

Employees have the option to continue group coverage at their expense for a maximum of 18 months after employment if terminated or hours worked are reduced causing an employee to be ineligible for coverage. Covered dependents have the option to continue group coverage for a maximum of 36 months if their coverage is terminated due to employee's death, divorce or legal separation, employee's entitlement to Medicare or a dependent child ceases to be a dependent under the terms of the group's coverage.

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multi-employer, State administered, cost-sharing plan funded on a one-year term cost basis. Lump sum death benefits are provided to beneficiaries of those employees: 1) who die in active service after one year of contributing membership in the System, or 2) who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employees' death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Post-Employment Health Care Benefits (Continued)**

Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the death benefit plan and not by the County, the County does not determine the number of eligible participants. For the year ended June 30, 2000 the County made contributions to the State for death benefits of \$10,921. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .12% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount.

**Note 12. Additional Social Welfare Expenditures**

The benefit payments listed below were issued directly from the state to recipients of the County on its behalf. These amounts represent additional Federal and State financial assistance to the residents of the County but are not reflected in the financial statements because the County has no primary responsibilities beyond making eligibility determinations.

	Federal	State
Food Stamps	\$ 2,169,345	\$ -
Medicaid	20,770,433	10,533,464
TANF and Work First	991,337	4,494
WIC	569,701	-
Special Assistance	315,501	315,501
Other	76,543	-
	<u>\$ 24,892,860</u>	<u>\$ 10,853,459</u>

**Note 13. Joint Ventures**

The County, in conjunction with Craven County and Pamlico County, participates in the Coastal Regional Solid Waste Management Authority. Carteret County appoints two members of the seven-member board. The Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County did not contribute any funds to the Authority during the fiscal year ended June 30, 2000. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2000. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 7400 Old Highway 70 West, Cove City, NC 28523.

The County, in conjunction with Jones, Pamlico and Craven Counties, participates in a joint venture to operate Neuse Center for Mental Health, Developmental Disabilities, and Substance Abuse Services. One commissioner from each County serves on the board of twenty members. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2000. The County appropriated \$200,359 to the Center during the fiscal year ended June 30, 2000 which included money received from the ABC Board designated for alcohol education. Complete financial statements for the Center can be obtained from the Center's administrative offices at 405 Middle Street, New Bern, NC 28560.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 13. Joint Ventures (Continued)**

The County, in conjunction with the State of North Carolina and the Carteret County Board of Education, participates in a joint venture to operate Carteret Community College. The County appoints four members of the twelve-member board of trustees of the community college. The college is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,123,485 to the Community College during the fiscal year ended June 30, 2000. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2000. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 3505 Arendell Street, Morehead City, NC 28557.

#### **Note 14. Jointly Governed Organizations**

##### **Regional Library:**

The County, in conjunction with two other counties, governs the operations of the Craven-Pamlico-Carteret Regional Library. Each participating government appoints three board members to the nine-member board. The County has no ongoing financial responsibility for the joint venture because the library's continued existence depends on the State of North Carolina's 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, 2000. During the year ended June 30, 2000, the County appropriated \$502,512 to the library in Carteret County.

##### **Global TransPark Development Commission:**

The Global TransPark Development Commission is a corporate body created on November 29, 1993. Its purpose is to allow the 13 participating counties, including Carteret County, which have the potential to derive direct economic benefits from the North Carolina Global TransPark, to create a special economic development district, known as the Global TransPark Development Zone. The Commission's primary responsibility is to promote and encourage economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone.

The Commission is governed by 42 voting members, consisting of three members from Carteret County and each of the 12 other participating counties, and three members appointed by the Global TransPark Authority. The voting members from each of the counties are appointed by the Board of County Commissioners of the respective counties.

The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and will be collected for a period of five years. The principal balance of the trust funds are nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2000, the portion of the trust available to be loaned exclusively to Carteret County was \$1,705,420.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 15. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Taxes**

State law (Chapter 105, Articles 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, 2000, 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 and to retire public school indebtedness.

#### **Note 16. 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 new 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.

##### **Public School Building Capital Fund:**

This program is funded using a portion of the corporate income taxes of 7.75%, which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue makes quarterly deposits into the fund of a specified percentage 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.

The corporate income taxes deposited into the fund are allocated to Carteret County on the basis of its average daily membership (ADM) as determined by the State Board of Education. The Office of State Budget and Management established and maintain an ADM allocation account for the County. At June 30, 2000, the County has \$455,975 in its ADM allocation account. The County must match this balance on the basis of \$1 for every \$3 of State funds for financing the school units facilities needs. Technology plan needs do not require a county match.

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, 2000, the County did not have any funds in its disbursing account.

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

##### **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 Commission on School Facility Needs based on the County's critical needs. A joint application must be made by the Carteret County Board of Commissioners and the Carteret County Board of Education. At June 30, 2000, the Boards had not submitted a grant application to the Office of State Budget and Management.

# CARTERET COUNTY, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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### Note 17. 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. Carteret 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 recognized revenues equal to the liabilities incurred for approved project expenditures. Carteret County requests bond funds by project to be transferred to an account established by Carteret County Board of Education for payment of invoices. To date, the County has expended \$6,827,675 of their total allocation of \$6,919,845.

### Note 18. Commitments and Contingencies

#### Litigation:

The County is named defendant in several lawsuits, related to carrying out its functions. Based upon its consultations with the County's attorneys, the County believes its ultimate liability, if any, will not be significant.

#### Construction contracts and Capital Outlays:

At June 30, 2000, the County was party to various contracts or purchase of various fixed assets. Contractual commitments relative to construction projects at June 30, 2000 are as follows:

Capital project funds	\$ 8,145,509
School capital outlays	<u>200,611</u>
	<u>\$ 8,346,120</u>

#### Federal and State Assisted Programs:

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

#### Operating Leases:

The Hospital has operating lease commitments as follows: 2000 \$157,519; 2001 \$123,650; 2002 \$120,530.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 19. Interfund Receivables and Payables**

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	CDBG Jarrett Bay Special Revenue	\$ 16,036

Due to/from primary government and component units:

Receivable entity	Payable entity	Amount
Primary government:	Component unit:	
General Fund	Beaufort-Morehead City Airport Authority	\$ 95,529
	Carteret County ABC Board	79,843
		<u>\$ 175,372</u>

**Note 20. Interfund Transfers**

Interfund transfers during the year ended June 30, 2000, can be summarized as follows:

**Primary Government:**

From General Fund to:

County Capital Improvements Fund	\$ 276,000
Rescue Squad Fund	16,000
Fire District Fund	23,000
School Special Projects Fund	1,897,000
	<u>2,212,000</u>

From Occupancy Room Tax Fund to:

General Fund	<u>352,379</u>
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From County Capital Reserve Fund to:

General Fund	179,000
Industrial Park Fund	16,000
Capital Improvement Fund	393,600
	<u>588,600</u>

From E-911 Fund to:

General Fund	<u>25,000</u>
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From School Projects Fund to:

School Special Projects Fund	389,252
General Fund	950,000
	<u>1,339,252</u>

Totals - Primary Government	<u>\$ 4,517,231</u>
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**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 20. Interfund Assets/Liabilities and Transfers**

**Component Units:**

Operating Transfers In:

From General Fund to:

Beaufort-Morehead City Airport Authority \$ 56,377

Operating Transfers out:

From Occupancy Room Tax Fund to:

Carteret County Tourism Development Bureau 969,041

\$ 1,025,418

Operating Transfers In:

From ABC Board to:

General Fund \$ 174,375

**Note 21. Pending GASB Statements**

At June 30, 2000, the Governmental Accounting Standards Board (GASB) had issued two statements not yet implemented by Carteret County. The statements which might impact Carteret County are as follows:

No. 33, "Accounting and Financial reporting for Nonexchange Transaction", (issued December, 1998, and amended by GASB Statement No. 36 issued in April, 2000) will be effective for the fiscal year ending after June 30, 2000. Statement No. 33 imposes new standards for the timing of the recognition of revenue in certain nonexchange transaction. Nonexchange transaction types affected are: derived tax revenues such as sales tax, imposed nonexchange revenues such as property taxes, government-mandated nonexchange transaction such as federal or State-mandated programs and voluntary nonexchange transactions such as certain grants or private contributions. Management of the County continues to study the statement provisions, and has not determined what effect, if any, Statements No. 33 and 36 will have on the financial condition or recognition and presentation of nonexchange transactions.

No. 34, "Basic Financial Statements-and Management Discussion and Analysis- For State and Local Governments", issued June, 1999, will be effective for Carteret County, based on its revenues, for the fiscal year ending June 30, 2003. Statement No. 34, summarized below, imposes new standards for financial reporting. Management has not yet completed their assessment of this comprehensive statement, however, it will have a material effect on the overall financial statement presentation for Carteret County.

The new financial statement guidelines embodied in Statement 34 are in the culmination of many years of study and deliberation by the GASB.

For the first time, financial managers will be required to share their insights in a management's discussion and analysis (MD & A) that gives readers an analysis of the government's overall financial position and results of the previous year's operations.

## CARTERET COUNTY, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 21. Pending GASB Statements (Continued)**

Financial statements will be presented under a dual perspective—a government-wide perspective (new) and a fund level perspective. For the first time, the annual report will include government-wide financial statements prepared using *full accrual* accounting for *all of the government's activities*, not just those that cover costs by charging a fee for services, as was previously required. Governments will report all capital assets, including infrastructure, in a government-wide *statement of net assets* and will report depreciation expense, the cost of using up capital assets, in the statement of activities. Infrastructure assets will be reported, but may not be required to be depreciated under certain circumstances. The net assets of a government will be broken down into three categories: *invested in capital assets, net of related debt; restricted;* and *unrestricted*. A *statement of activities* will be presented in at least the same level of detail provided in the governmental fund statements—generally, expenses and program revenues by function. Program expenses will include all direct expenses; governments that allocate overhead and other indirect expenses to individual programs will show the allocation in a separate column. *Special and extraordinary* items will be reported separately from other revenues and expenses. This way, users will see if the government's conventional, recurring revenues and expenses balanced.

Statement 34 requires governments to continue to present fund level financial statements with information about funds. The focus of these fund-based statements has been sharpened, however, by requiring governments to report information about their most important or major funds (those whose revenues, expenditures/expenses, assets or liabilities are at least ten (10%) percent of the total for their fund category or type (governmental or enterprise) and at least five (5%) percent of the aggregate amount for all governmental and enterprise funds), including a government's general fund. Fund-based statements for governmental activities (generally, those supported by tax revenues) will continue to report the flow of *current financial resources* (generally, cash and other assets that can easily be converted to cash).

To help users understand and assess the relationship between fund-based and government wide financial statements, governments will present a summary reconciliation that will show the interplay between the two types of statements.

Governments will continue to provide budgetary comparison information in their annual reports as required supplementary information. An important change, however, is a requirement to add the government's *original budget* to the current comparison to final budget and actual results.

#### **Note 22. Subsequent Events**

On July 19, 2000, Carteret County purchased three parcels of land adjacent to Carteret Community College for \$550,000. The purchase was financed with an installment purchase agreement with a five year term. The land will be used for future College development.

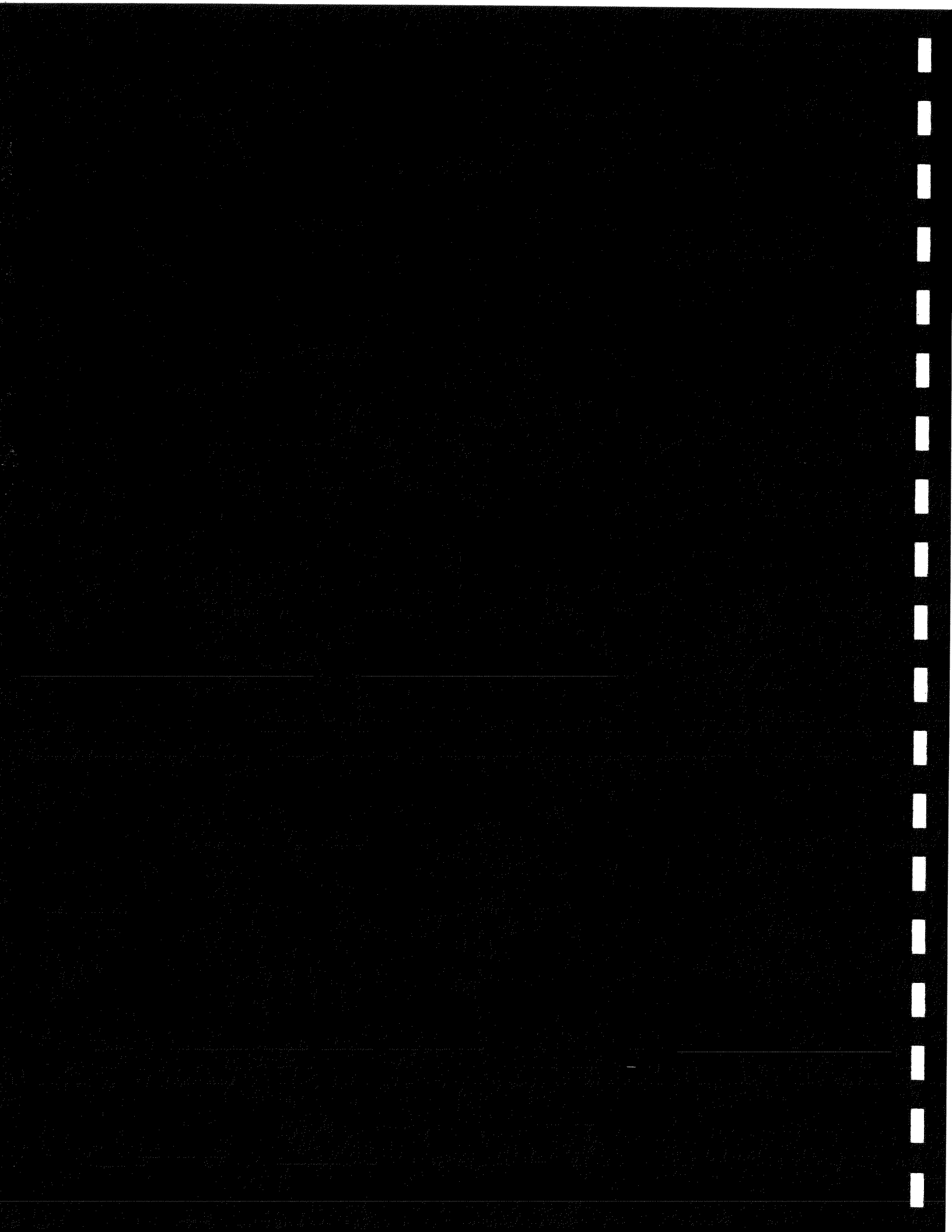
In October, 2000, the County purchased land and building for approximately \$1,500,000. This facility will be renovated at an estimated cost of approximately \$3,000,000. Acquisition and renovations will be financed using an installment purchase agreement. When renovations are completed, the County's health department will be the principal occupant of the facility, with about 1/3 of the available space leased to another governmental entity under a long-term lease.

## **SUPPLEMENTARY INFORMATION**



# GENERAL FUND

*The General Fund accounts for all services provided by Carteret County, except for those activities which require specialized treatment and are thus presented elsewhere in the Report.*



**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

(Page 1 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Ad valorem taxes:			
Current period	\$ 26,084,093	\$ 26,538,778	\$ 454,685
Prior years	537,290	520,623	(16,667)
Interest and penalties	250,000	186,478	(63,522)
	<u>26,871,383</u>	<u>27,245,879</u>	<u>374,496</u>
Other taxes and licenses:			
Intangible taxes	698,253	684,791	(13,462)
ABC local bottle tax	16,000	24,363	8,363
Local option sales tax	9,877,000	9,671,704	(205,296)
Scrap tire disposal tax	54,093	54,093	(0)
Food stamp tax	31,177	31,228	51
	<u>10,676,523</u>	<u>10,466,179</u>	<u>(210,344)</u>
Permits and fees:			
Building permits and inspections fees	289,250	317,783	28,533
Sheriff fees	20,000	33,863	13,863
Register of deeds	750,000	704,242	(45,758)
Privilege licenses	13,000	12,465	(535)
Franchise fees	105,000	112,964	7,964
Other fees	60,406	64,448	4,042
	<u>1,237,656</u>	<u>1,245,765</u>	<u>8,109</u>
Intergovernmental:			
Restricted:			
Federal and State grants	8,646,936	8,877,320	230,384
Court facilities fees	184,862	208,622	23,760
Unrestricted:			
Payments in lieu of taxes	5,000	9,812	4,812
Inventory tax reimbursements	423,000	423,173	173
Beer and wine tax	140,000	148,663	8,663
Sales and gas tax refunds	20,000	20,372	372
Reimbursement for homestead exemption	43,000	33,562	(9,438)
Croatan National Forest	38,000	112,271	74,271
	<u>9,500,798</u>	<u>9,833,795</u>	<u>332,997</u>
Sales and services:			
Mapping	3,000	2,037	(963)
Solid waste	730,000	706,910	(23,090)
Civic center fees	115,000	113,700	(1,300)
Other	551,219	482,820	(68,399)
	<u>1,399,219</u>	<u>1,305,467</u>	<u>(93,752)</u>
Interest	924,000	1,033,341	109,341
Miscellaneous:			
Proceeds from sale of fixed assets	23,500	29,713	6,213
Other	49,314	102,401	53,087
	<u>72,814</u>	<u>132,114</u>	<u>59,300</u>
<b>Total revenue</b>	<u>50,682,393</u>	<u>51,262,540</u>	<u>580,147</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 2 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>			
General government:			
Governing body:			
Salaries and employee benefits	\$ 37,898	\$ 36,167	\$ 1,731
Operating	123,517	120,027	3,490
Professional services	86,300	91,300	(5,000)
Capital outlay	4,255	4,255	-
	<u>251,970</u>	<u>251,749</u>	<u>221</u>
Administration:			
Salaries and employee benefits	189,588	189,526	62
Operating	28,900	28,857	43
Capital outlay	1,500	-	1,500
	<u>219,988</u>	<u>218,383</u>	<u>1,605</u>
Information systems:			
Salaries and employee benefits	54,926	54,012	914
Operating	38,550	58,925	(20,375)
Capital outlay	671,000	637,163	33,837
	<u>764,476</u>	<u>750,100</u>	<u>14,376</u>
Finance:			
Salaries and employee benefits	237,441	228,306	9,135
Operating	44,520	61,366	(16,846)
Capital outlay	13,500	865	12,635
	<u>295,461</u>	<u>290,537</u>	<u>4,924</u>
Taxes:			
Salaries and employee benefits	669,712	628,295	41,417
Operating	159,325	182,510	(23,185)
Contract services	94,370	82,796	11,574
Capital outlay	10,000	10,419	(419)
	<u>933,407</u>	<u>904,020</u>	<u>29,387</u>
Revaluation:			
Salaries and employee benefits	125,998	92,659	33,339
Operating	24,097	11,217	12,880
Capital outlay	7,500	7,158	342
	<u>157,595</u>	<u>111,034</u>	<u>46,561</u>
Legal:			
Professional services	50,000	15,977	34,024
Court facilities:			
Operating	24,380	25,521	(1,141)
Capital outlay	8,417	8,141	276
	<u>32,797</u>	<u>33,662</u>	<u>(865)</u>
Elections:			
Salaries and employee benefits	96,619	93,079	3,540
Operating	105,650	96,566	9,084
Capital outlay	59,050	54,600	4,450
	<u>261,319</u>	<u>244,245</u>	<u>17,074</u>
Register of deeds:			
Salaries and employee benefits	\$ 203,289	\$ 199,808	\$ 3,481
Operating	175,811	164,154	11,657
	<u>379,100</u>	<u>363,962</u>	<u>15,138</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

(Page 3 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Public buildings:</b>			
Salaries and employee benefits	195,012	193,081	1,931
Operating	354,750	415,832	(61,082)
Capital outlay	67,200	7,024	60,176
Contingency	158,417	-	158,417
	<u>775,379</u>	<u>615,937</u>	<u>159,442</u>
<b>Total general government</b>	<u>4,121,492</u>	<u>3,799,606</u>	<u>321,889</u>
<b>Public safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	1,464,444	1,478,172	(13,728)
Operating	271,526	293,768	(22,242)
Capital outlay	250,917	210,488	40,429
	<u>1,986,887</u>	<u>1,982,428</u>	<u>4,459</u>
<b>Communications:</b>			
Salaries and employee benefits	279,777	285,164	(5,387)
Operating	61,000	72,570	(11,570)
Capital outlay	9,790	8,367	1,423
	<u>350,567</u>	<u>366,101</u>	<u>15,534</u>
<b>Sheriff - Jail division:</b>			
Salaries and employee benefits	848,845	866,105	(17,260)
Operating	345,875	334,926	10,949
Contract services	181,000	173,206	7,794
	<u>1,375,720</u>	<u>1,374,236</u>	<u>1,484</u>
<b>Sheriff - Teen court</b>			
Salaries and employee benefits	39,204	38,803	401
Operating	6,180	4,383	1,797
	<u>45,384</u>	<u>43,186</u>	<u>2,198</u>
<b>Emergency medical service:</b>			
Salaries and employee benefits	46,261	46,147	114
Operating	244,156	9,831	234,325
Contract services	12,000	14,337	(2,337)
Capital outlay	2,500	2,388	112
	<u>304,917</u>	<u>72,703</u>	<u>232,214</u>
<b>Emergency management:</b>			
Salaries and employee benefits	27,320	27,270	50
Operating	8,419	4,098	4,321
Contract services	8,201	8,201	-
Capital outlay	15,000	-	15,000
	<u>58,940</u>	<u>39,569</u>	<u>19,371</u>
<b>Rape crisis program:</b>			
Salaries and employee benefits	98,426	89,719	8,707
Operating	20,168	18,291	1,877
Contracted services	10,852	10,430	422
	<u>129,446</u>	<u>118,440</u>	<u>11,006</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 4 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Criminal Justice Partner:</b>			
Salaries and employee benefits	68,941	65,349	3,592
Operating	32,987	16,487	16,500
	<u>101,928</u>	<u>81,836</u>	<u>20,092</u>
<b>Domestic violence program:</b>			
Operating	121,679	121,679	-
<b>Fire:</b>			
Salaries and employee benefits	48,725	46,150	2,575
Operating	22,902	10,087	12,815
	<u>71,627</u>	<u>56,237</u>	<u>15,390</u>
<b>Central permit:</b>			
Salaries and employee benefits	296,594	274,399	22,195
Operating	50,200	42,727	7,473
Capital outlay	25,330	22,963	2,367
	<u>372,124</u>	<u>340,089</u>	<u>32,035</u>
<b>Medical examiner:</b>			
Professional services	32,000	32,000	-
<b>Animal control:</b>			
Salaries and employee benefits	110,036	110,024	12
Operating	19,068	12,524	6,544
Contracted services	74,100	62,835	11,265
	<u>203,204</u>	<u>185,383</u>	<u>17,821</u>
<b>Total public safety</b>	<u>5,154,423</u>	<u>4,813,887</u>	<u>340,536</u>
<b>Transportation:</b>			
<b>Harbors:</b>			
Operating	17,600	15,672	1,928
<b>CCATS:</b>			
Salaries and employee benefits	37,802	30,726	7,076
Operating	30,604	22,562	8,042
Contracted services	5,723	892	4,831
Capital outlay	271,782	213,703	58,079
	<u>345,911</u>	<u>267,883</u>	<u>78,028</u>
<b>General transportation:</b>			
Salaries and employee benefits	23,808	19,779	4,029
Operating	51,741	44,550	7,191
Contracted services	-	10,390	(10,390)
	<u>75,549</u>	<u>74,719</u>	<u>830</u>
<b>Medical transportation:</b>			
Salaries and employee benefits	1,052	1,000	52
Operating	742	-	742
Contracted services	-	790	(790)
	<u>1,794</u>	<u>1,790</u>	<u>4</u>
<b>Total transportation</b>	<u>440,854</u>	<u>360,064</u>	<u>80,790</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 5 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
Environmental protection:			
Forest fire control	76,791	76,098	693
Landfill closure	13,950	15,292	(1,342)
Tri-County solid waste collections	2,744,815	2,747,763	(2,948)
Soil conservation:			
Salaries and employee benefits	53,934	53,848	86
Operating	12,626	12,293	333
	66,560	66,141	419
Environmental Health:			
Salaries and employee benefits	635,338	600,228	35,110
Operating	75,992	82,958	(6,966)
Capital outlay	25,432	22,685	2,747
	736,762	705,871	30,891
Public works:			
Salaries and employee benefits	243,760	247,053	(3,293)
Operating	133,591	113,027	20,564
Contracted services	2,000	4,602	(2,602)
Capital outlay	58,545	38,947	19,598
	437,896	403,629	34,267
<b>Total environmental protection</b>	<b>4,076,774</b>	<b>4,014,794</b>	<b>61,980</b>
Economic and physical development:			
Special appropriations:			
Economic Development Council	200,000	200,000	-
Port committee	1,500	1,500	-
Parker Marine expansion	25,000	25,000	-
Mainstreet program	10,000	10,000	-
	236,500	236,500	-
Comprehensive planning:			
Salaries and employee benefits	41,429	109	41,320
Operating	5,900	882	5,018
Contracted services	45,000	-	45,000
Capital outlay	2,600	-	2,600
	94,929	991	93,938
Planning and zoning:			
Salaries and employee benefits	158,395	151,685	6,710
Operating	16,856	21,482	(4,626)
Contracted services	2,500	1,366	1,134
Capital outlay	5,500	2,710	2,790
	183,251	177,243	6,008
Engineering:			
Salaries and employee benefits	51,223	45,203	6,020
Operating	34,355	33,113	1,242
Capital outlay	900	-	900
	86,478	78,316	8,162

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 6 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Agricultural extension:</b>			
Salaries and employee benefits	165,318	159,406	5,912
Operating	35,446	34,689	757
Capital outlay	1,500	1,450	50
	<u>202,264</u>	<u>195,545</u>	<u>6,719</u>
<b>Total economic and physical development</b>	<u>803,422</u>	<u>688,595</u>	<u>114,827</u>
<b>Human services:</b>			
<b>State breast feeding grant:</b>			
Salaries and fringe benefits	39,698	43,387	(3,689)
Operating supplies	11,331	11,425	(94)
	<u>51,029</u>	<u>54,812</u>	<u>(3,783)</u>
<b>State smart start grant:</b>			
Salaries and fringe benefits	58,128	62,755	(4,627)
Operating supplies	13,422	11,661	1,761
Capital outlay	7,000	6,780	220
	<u>78,550</u>	<u>81,196</u>	<u>(2,646)</u>
<b>Health center:</b>			
Salaries and employee benefits	634,311	588,738	45,573
Operating	138,045	137,974	71
Capital outlay	33,465	32,196	1,269
	<u>805,821</u>	<u>758,908</u>	<u>46,913</u>
<b>Health promotion:</b>			
Salaries and employee benefits	16,591	10,974	5,617
Operating	9,657	7,471	2,186
Capital outlay	6,000	6,000	-
	<u>32,248</u>	<u>24,445</u>	<u>7,803</u>
<b>Clinical services, cancer, glaucoma, diabetes:</b>			
Salaries and employee benefits	44,654	33,208	11,446
Operating	12,300	11,624	676
	<u>56,954</u>	<u>44,832</u>	<u>12,122</u>
<b>Tuberculosis control program:</b>			
Salaries and employee benefits	14,763	12,096	2,667
Operating	625	29	596
	<u>15,388</u>	<u>12,125</u>	<u>3,263</u>
<b>Aids Control:</b>			
Salaries and employee benefits	19,184	16,799	2,385
Operating	750	177	573
	<u>19,934</u>	<u>16,976</u>	<u>2,958</u>
<b>Hypertension:</b>			
Salaries and employee benefits	38,955	35,344	3,611
<b>Kidney:</b>			
Salaries and employee benefits	8,294	7,050	1,244
Operating	2,383	1,717	666
	<u>10,677</u>	<u>8,767</u>	<u>1,910</u>
<b>Women, infants, and children:</b>			
<b>Administration:</b>			
Salaries and employee benefits	137,641	145,157	(7,516)
Operating	8,443	7,317	1,126
	<u>146,084</u>	<u>152,474</u>	<u>(6,390)</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 7 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Nutrition:</b>			
Salaries and employee benefits	31,660	13,853	17,807
Operating	710	734	(24)
	<u>32,370</u>	<u>14,587</u>	<u>17,783</u>
<b>Child care coordination:</b>			
Salaries and employee benefits	180,505	174,800	5,705
Operating	12,800	7,737	5,063
Contracted services	3,719	-	3,719
	<u>197,024</u>	<u>182,537</u>	<u>14,487</u>
<b>Teen Pregnancy:</b>			
Salaries and employee benefits	50,348	5,873	44,475
Operating	5,021	-	5,021
Contracted services	400	-	400
	<u>55,769</u>	<u>5,873</u>	<u>49,896</u>
<b>Maternal adult and child health:</b>			
Salaries and employee benefits	331,508	312,461	19,047
Operating	37,572	23,688	13,884
Capital outlay	5,000	3,865	1,135
	<u>374,080</u>	<u>340,014</u>	<u>34,066</u>
<b>Crippled children's clinic:</b>			
Operating	900	(395)	1,295
Professional services	6,600	495	6,105
Contracted services	500	330	170
	<u>8,000</u>	<u>430</u>	<u>7,570</u>
<b>Mental health:</b>			
Mental health	600,343	595,683	4,660
Mental health, ABC	16,000	16,000	-
	<u>616,343</u>	<u>611,683</u>	<u>4,660</u>
<b>In Home Aide:</b>			
Salaries and employee benefits	38,953	40,563	(1,610)
Operating	3,137	1,477	1,660
Contracted services	574	440	134
	<u>42,664</u>	<u>42,480</u>	<u>184</u>
<b>Congregate nutrition:</b>			
Salaries and employee benefits	19,340	19,484	(144)
Operating	9,633	11,328	(1,695)
Contracted services	36,507	32,710	3,797
	<u>65,480</u>	<u>63,522</u>	<u>1,958</u>
<b>Home delivered meals:</b>			
Salaries and employee benefits	11,865	11,807	58
Operating	1,550	4,205	(2,655)
Contracted services	27,277	24,603	2,674
	<u>40,692</u>	<u>40,615</u>	<u>77</u>
<b>Senior center outreach:</b>			
Salaries and employee benefits	1,363	624	739
Operating	255	1,232	(977)
Capital outlay	1,000	848	152
	<u>2,618</u>	<u>2,704</u>	<u>(86)</u>
<b>DSS Administration:</b>			
Salaries and employee benefits	2,895,344	2,843,858	51,486
Operating	285,144	240,134	45,010
Professional services	30,000	24,761	5,239
Capital outlay	42,934	42,245	689
	<u>3,253,422</u>	<u>3,150,998</u>	<u>102,424</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 8 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
General assistance:			
Boarding home	57,000	25,755	31,245
Clothing and medical	24,000	15,942	8,058
Miscellaneous	14,500	15,912	(1,412)
	<u>95,500</u>	<u>57,609</u>	<u>37,891</u>
TANF Block grant:			
TANF Block grant	212,736	173,309	39,427
Operating	67,500	88,622	(21,122)
	<u>280,236</u>	<u>261,931</u>	<u>18,305</u>
DSS special assistance	<u>4,585,868</u>	<u>4,647,212</u>	<u>(61,344)</u>
Special projects	<u>277,927</u>	<u>261,307</u>	<u>16,620</u>
Other human services	<u>935,061</u>	<u>531,618</u>	<u>403,443</u>
CBA juvenile restitution program:			
Salaries and employee benefits	38,373	27,926	10,447
Operating	3,355	2,759	596
Contracted services	4,300	2,609	1,691
	<u>46,028</u>	<u>33,294</u>	<u>12,734</u>
Title V grant:			
Salaries and employee benefits	47,797	47,884	(87)
Operating	327	240	87
	<u>48,124</u>	<u>48,124</u>	<u>0</u>
Title III F grant:			
Salaries and employee benefits	3,949	2,262	1,687
Operating	1,379	1,889	(510)
Contracted services	1,601	2,774	(1,173)
	<u>6,929</u>	<u>6,925</u>	<u>4</u>
Veteran services:			
Salaries and employee benefits	99,749	94,543	5,206
Operating	24,891	24,919	(28)
Contracted services	6,700	6,589	111
Capital outlay	4,635	3,260	1,375
	<u>135,975</u>	<u>129,311</u>	<u>6,664</u>
<b>Total human services</b>	<u>12,355,750</u>	<u>11,622,653</u>	<u>733,097</u>
Culture and recreation:			
Parks and recreation:			
Salaries and employee benefits	391,137	364,731	26,406
Operating	201,447	201,693	(246)
Contracted services	44,453	30,116	14,337
Capital outlay	28,000	(15,131)	43,131
	<u>665,037</u>	<u>581,409</u>	<u>83,628</u>
Parks and recreation maintenance:			
Salaries and employee benefits	249,958	240,000	9,958
Operating	108,442	118,384	(9,942)
Contracted services	29,000	23,743	5,257
Capital outlay	222,858	124,437	98,421
	<u>610,258</u>	<u>506,564</u>	<u>103,694</u>
Senior center:			
Salaries and employee benefits	109,146	99,714	9,432
Operating	97,239	70,203	27,036
Contracted services	12,040	4,269	7,771
Capital outlay	27,955	26,992	963
	<u>246,380</u>	<u>201,178</u>	<u>45,202</u>

Continued

**CARTERET COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2000**

(Page 9 of 9)

	Budget	Actual	Variance Favorable (Unfavorable)
Civic center:			
Salaries and employee benefits	130,257	129,260	997
Operating	100,508	97,966	2,542
Contracted services	3,200	2,105	1,095
Capital outlay	17,450	15,515	1,935
	<u>251,415</u>	<u>244,846</u>	<u>6,570</u>
Carteret County Library:			
Appropriations	502,512	502,512	-
<b>Total culture and recreation</b>	<u>2,275,602</u>	<u>2,036,509</u>	<u>239,093</u>
Education:			
Public schools, current	16,358,408	16,346,268	12,140
Public schools, capital outlay	1,628,446	1,427,835	200,611
Community college, current	969,386	969,386	-
Community college, capital outlay	911,102	154,099	757,003
<b>Total education</b>	<u>19,867,342</u>	<u>18,897,588</u>	<u>969,754</u>
Debt service:			
Principal retirement	3,464,420	3,073,368	391,052
Interest and fees	2,381,525	2,116,022	265,503
<b>Total debt service</b>	<u>5,845,945</u>	<u>5,189,390</u>	<u>656,555</u>
<b>Total expenditures</b>	<u>54,941,604</u>	<u>51,423,086</u>	<u>3,518,518</u>
Revenue under expenditures	<u>(4,259,211)</u>	<u>(160,546)</u>	<u>4,098,665</u>
OTHER FINANCING SOURCES (USES)			
Installment Purchase Proceeds	550,000	-	(550,000)
Operating transfer (to) from component units:			
From Carteret County ABC Board	150,000	174,375	24,375
Beaufort-Morehead City Airport Authority	(56,377)	(56,377)	-
Operating transfers in (out):			
From School Projects Fund		950,000	950,000
From Occupancy Tax Fund	324,460	352,379	27,919
From E-911 Fund	25,000	25,000	-
From Capital Reserve	179,000	179,000	-
To Capital Improvements Fund	(276,000)	(276,000)	-
To Rescue Squad Fund	(16,000)	(16,000)	-
To Fire District Fund	(23,000)	(23,000)	-
To School Special Projects Fund	(1,897,000)	(1,897,000)	-
Appropriated fund balance	<u>5,299,128</u>	<u>-</u>	<u>(5,299,128)</u>
<b>Total other financing sources (uses)</b>	<u>4,259,211</u>	<u>(587,623)</u>	<u>(4,846,834)</u>
Revenue and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(748,169)</u>	<u>\$ (748,169)</u>
FUND BALANCE, beginning		13,388,141	
Residual equity transfers in		3,508,082	
FUND BALANCE, ending		<u>\$ 16,148,054</u>	

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# SPECIAL REVENUE FUNDS

*The Special Revenue Funds account for proceeds of revenue sources that are restricted to expenditures for specific purposes. These funds are established under the provisions of the North Carolina General Statutes. (Individual fund descriptions are on the next page.)*

The following comprise the County's Special Revenue Funds:

**Rescue Squad Fund** - This fund is used to account for the special rescue tax assessed on rural areas of the County and subsequent disbursements of that tax to the various rescue squad districts.

**Fire District Fund** - This fund is used to account for the special fire tax assessed on rural areas of the County and subsequent disbursements of that tax to the various fire districts.

**Emergency 911 Fund** - This fund accounts for the special tax assessed to the County's taxpayers in order to provide the 911 service.

**Occupancy Tax Fund** - This fund is used to account for the tax collected on hotel and motel room rentals within the County that is used to help promote tourism.

**FEMA Hazardous Mitigation Fund** - This fund is used to account for the Disaster Relief Initiative Program Grant the County received to relocate low income families whose houses are being cleared through the Hazard Mitigation Grant Program in the North River Community.

**North River Revitalization - Phase II Fund** - This fund is used to account for the community development block grant that is funding the revitalization project for substandard housing in Carteret County water and sewer improvements, and rehabilitation of privately owned dwellings.

**Industrial Park Fund** - This fund is used to account for construction at the County's industrial park location.

**Community Development Block Grant - Jarrett Bay Fund** - This fund is being used to account for the CDBG-Jarrett Bay the county has been awarded. This project will be a joint effort between private industry and the county to build a marine industrial park in the eastern part of Carteret County.

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**CARTERET COUNTY, NORTH CAROLINA  
SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET  
June 30, 2000**

	Rescue Squad Fund	Fire District Fund	Emergency 911 Fund
<b>ASSETS</b>			
Cash and investments	\$ 21,621	\$ 41,552	\$ 598,463
Receivables:			
Property taxes receivable	60,939	98,746	-
Accounts receivable	83,149	176,225	5,344
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<b>\$ 165,709</b>	<b>\$ 316,523</b>	<b>\$ 603,807</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>			
Liabilities:			
Accounts payable	\$ 103,883	\$ 217,725	\$ 20,800
Due to other funds	-	-	-
Deferred revenue	60,939	98,746	-
<b>Total liabilities</b>	<u>164,822</u>	<u>316,471</u>	<u>20,800</u>
Equity (Deficit):			
Reserved by State statute	83,149	176,225	5,344
Unreserved:			
Designated for subsequent year's expenditures	-	-	150,380
Undesignated (deficit)	(82,262)	(176,173)	427,283
<b>Total equity (deficit)</b>	<u>887</u>	<u>52</u>	<u>583,007</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities and equity</b>	<b>\$ 165,709</b>	<b>\$ 316,523</b>	<b>\$ 603,807</b>

Occupancy Tax Fund	CDBG Rehabilitation Fund	Industrial Park Fund	CDBG Jarrett Bay Fund	Totals
\$ 116,069	\$ 183,847	\$ 7,879	\$ -	\$ 969,431
3,114	-	-	-	162,799
-	-	23,733	79,683	368,134
<u>\$ 119,183</u>	<u>\$ 183,847</u>	<u>\$ 31,612</u>	<u>\$ 79,683</u>	<u>\$ 1,500,364</u>

\$ 116,293	\$ 179,583	\$ -	\$ -	\$ 638,284
-	-	-	16,036	16,036
3,114	-	-	-	162,799
<u>119,407</u>	<u>179,583</u>	<u>-</u>	<u>16,036</u>	<u>817,119</u>

-	-	23,733	79,683	368,134
-	4,264	31,612	63,647	249,903
(224)	-	(23,733)	(79,683)	65,208
<u>(224)</u>	<u>4,264</u>	<u>31,612</u>	<u>63,647</u>	<u>683,245</u>
<u>\$ 119,183</u>	<u>\$ 183,847</u>	<u>\$ 31,612</u>	<u>\$ 79,683</u>	<u>\$ 1,500,364</u>

**CARTERET COUNTY, NORTH CAROLINA  
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICIT)  
For the Fiscal Year Ended June 30, 2000**

	Revaluation Fund	Rescue Squad Fund	Fire District Fund	Emergency 911 Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ 771,742	\$ 1,334,951	\$ -
Other taxes and licenses	-	232,817	528,465	208,763
Intergovernmental	-	-	-	-
Interest	-	5,985	11,140	41,717
Total revenue	-	1,010,544	1,874,556	250,480
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	1,025,657	1,897,504	296,637
Economic and physical development	-	-	-	-
Total expenditures	-	1,025,657	1,897,504	296,637
Revenue over (under) expenditures	-	(15,113)	(22,948)	(46,157)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out to component units	-	-	-	-
Operating transfers in	-	16,000	23,000	-
Operating transfers out	-	-	-	(25,000)
Total other financing sources (uses)	-	16,000	23,000	(25,000)
Revenue and other financing sources over (under) expenditures and other financing uses	-	887	52	(71,157)
FUND BALANCES, beginning	89,855	-	-	654,164
Residual equity transfers out	(89,855)	-	-	-
FUND BALANCES, (DEFICIT), ending	\$ -	\$ 887	\$ 52	\$ 583,007

Occupancy Tax Fund	FEMA Hazardous Mitigation Fund	CDBG Rehabilitation Fund	Schools Projects Reserve Fund	Industrial Park Fund	CDBG Jarrett Bay Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,106,693
1,761,894	-	-	-	-	-	2,731,939
-	62,250	679,779	-	46,493	394,874	1,183,396
5,753	-	-	-	-	-	64,595
<u>1,767,647</u>	<u>62,250</u>	<u>679,779</u>	<u>-</u>	<u>46,493</u>	<u>394,874</u>	<u>6,086,623</u>
-	-	-	-	-	-	-
-	62,250	-	-	-	-	3,282,048
446,227	-	720,848	-	92,672	377,941	1,637,688
<u>446,227</u>	<u>62,250</u>	<u>720,848</u>	<u>-</u>	<u>92,672</u>	<u>377,941</u>	<u>4,919,736</u>
1,321,420	-	(41,069)	-	(46,179)	16,933	1,166,887
(969,041)	-	-	-	-	-	(969,041)
-	-	-	-	16,000	-	55,000
<u>(352,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(377,379)</u>
<u>(1,321,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>(1,291,420)</u>
-	-	(41,069)	-	(30,179)	16,933	(124,533)
(224)	-	45,333	2,156,552	61,791	46,714	3,054,185
-	-	-	(2,156,552)	-	-	(2,246,407)
<u>\$ (224)</u>	<u>\$ -</u>	<u>\$ 4,264</u>	<u>\$ -</u>	<u>\$ 31,612</u>	<u>\$ 63,647</u>	<u>\$ 683,245</u>

**CARTERET COUNTY, NORTH CAROLINA  
RESCUE SQUAD FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>			
Ad valorem taxes	\$ 784,613	\$ 771,742	\$ (12,871)
Other taxes and licenses:			
Local option sales tax	338,125	228,706	(109,419)
Payments in lieu of taxes	4,500	4,111	(389)
Interest	9,500	5,985	(3,515)
Total revenue	<u>1,136,738</u>	<u>1,010,544</u>	<u>(126,194)</u>
<b>EXPENDITURES</b>			
Public safety:			
County allocation	16,000	15,000	1,000
Beaufort	232,522	233,761	(1,239)
Broad and Gales Creek	29,925	29,431	494
Cape Carteret	193,801	193,219	582
Sea Level	126,930	113,820	13,110
Mitchell Village	100,000	104,457	(4,457)
Otway	95,600	91,794	3,806
Mill Creek	5,835	5,373	462
Operating expenses	4,500	4,111	389
Local sales tax and inventory reimbursement	347,625	234,691	112,934
Total expenditures	<u>1,152,738</u>	<u>1,025,657</u>	<u>127,081</u>
Revenue under expenditures	(16,000)	(15,113)	887
<b>OTHER FINANCING SOURCES</b>			
Operating transfers from General Fund	16,000	16,000	-
Revenue over expenditures	<u>\$ -</u>	887	<u>\$ 887</u>
FUND BALANCE, beginning		<u>-</u>	
FUND BALANCE, ending	<u>\$</u>	<u>887</u>	

**CARTERET COUNTY, NORTH CAROLINA  
FIRE DISTRICT FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Ad valorem taxes	\$ 1,334,492	\$ 1,334,951	\$ 459
Other taxes and licenses:			
Local option sales tax	568,999	484,717	(84,282)
Payments in lieu of taxes	45,500	43,748	(1,752)
Interest	6,000	11,140	5,140
Total revenue	<u>1,954,991</u>	<u>1,874,556</u>	<u>(80,435)</u>
<b>EXPENDITURES</b>			
Public safety:			
Fire Districts:			
County allocations	23,000	23,000	-
Atlantic	21,830	21,801	29
Broad and Gales Creek	78,336	78,505	(169)
Mill Creek	19,318	17,144	2,174
Newport	116,174	118,023	(1,849)
Atlantic Beach	2,980	2,818	162
Mitchell Village, Crab Point	208,024	209,160	(1,136)
Davis	33,140	33,129	11
Harlowe	22,974	22,402	572
Marshallberg	57,981	56,331	1,650
Cape Carteret	149,440	149,878	(438)
Otway	35,384	36,219	(835)
Wildwood	172,742	173,969	(1,227)
Salter Path	70,865	70,363	502
North River	15,849	15,500	349
Beaufort	143,626	144,329	(703)
Stacy	10,412	10,452	(40)
Stella	24,490	24,991	(501)
Sea Level	22,650	22,672	(22)
Cedar Island	17,980	18,062	(82)
South River	56,365	56,346	19
Harkers Island	53,932	52,869	1,063
Operating expenses	6,000	11,078	(5,078)
Local sales tax and inventory reimbursements	614,499	528,463	86,036
Total expenditures	<u>1,977,991</u>	<u>1,897,504</u>	<u>80,487</u>
Revenue under expenditures	(23,000)	(22,948)	52
<b>OTHER FINANCING SOURCES</b>			
Operating transfers from General Fund	23,000	23,000	-
Revenue over expenditures	<u>\$ -</u>	<u>52</u>	<u>\$ 52</u>
FUND BALANCE, beginning		-	
FUND BALANCE, ending		<u>\$ 52</u>	

**CARTERET COUNTY, NORTH CAROLINA  
EMERGENCY 911 FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Other taxes and licenses:			
Emergency 911 telephone assessment	\$ 193,350	\$ 208,763	\$ 15,413
Interest	25,322	41,717	16,395
Total revenue	<u>218,672</u>	<u>250,480</u>	<u>31,808</u>
<b>EXPENDITURES</b>			
Public safety:			
Salaries and fringe benefits	28,354	29,010	(656)
Operating expenses	176,863	181,275	(4,412)
Contracted services	28,000	13,512	14,488
Capital outlay	67,000	72,840	(5,840)
Total expenditures	<u>300,217</u>	<u>296,637</u>	<u>3,580</u>
Revenue under expenditures	(81,545)	(46,157)	35,388
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(25,000)	(25,000)	-
Fund balance appropriated	106,545	-	(106,545)
	<u>81,545</u>	<u>(25,000)</u>	<u>(106,545)</u>
Revenue and other financing sources under expenditures	<u>\$ -</u>	<u>(71,157)</u>	<u>\$ (71,157)</u>
FUND BALANCE, beginning		<u>654,164</u>	
FUND BALANCE, ending		<u>\$ 583,007</u>	

**CARTERET COUNTY, NORTH CAROLINA  
OCCUPANCY TAX FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
(DEFICIT),  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Other taxes and licenses:			
Occupancy taxes	\$ 1,750,550	\$ 1,758,996	\$ 8,446
Occupancy taxes penalties and interest	2,700	2,898	198
Interest	5,000	5,753	753
Total revenue	<u>1,758,250</u>	<u>1,767,647</u>	<u>9,397</u>
<b>EXPENDITURES</b>			
Economic and physical development:			
Tourism:			
Morehead	124,200	126,967	(2,767)
Atlantic Beach	97,150	91,480	5,670
Pine Knoll Shores	34,350	32,736	1,614
Indian Beach	8,700	8,727	(27)
Emerald Isle	85,175	93,735	(8,560)
Cape Carteret	16,150	15,717	433
Beaufort	45,350	44,857	493
Newport	22,650	22,951	(301)
Cedar Point	2,300	2,254	46
Bogue	600	573	27
Peletier	500	477	23
Operating expenses	5,000	5,753	(753)
Total expenditures	<u>442,125</u>	<u>446,227</u>	<u>(4,102)</u>
Revenue over expenditures	<u>1,316,125</u>	<u>1,321,420</u>	<u>5,295</u>
<b>OTHER FINANCING USES</b>			
Operating transfer out to component unit	962,765	969,041	(6,276)
Operating transfer out to General Fund	353,360	352,379	981
Total other financing uses	<u>1,316,125</u>	<u>1,321,420</u>	<u>(5,295)</u>
Revenue over (under) expenditures and other financing uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, beginning		<u>(224)</u>	
FUND BALANCE, ending		<u>\$ (224)</u>	

**CARTERET COUNTY, NORTH CAROLINA  
 FEMA HAZARDOUS MITIGATION FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Prior Years	Actual Current Year	Total To Date
REVENUE				
Intergovernmental	\$ 98,000	35,750	\$ 62,250	\$ 98,000
EXPENDITURES				
Public safety:				
Contracted services	98,000	35,750	62,250	98,000
Revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning	\$ -	\$ -	-	\$ -
FUND BALANCE, ending			\$ -	

**CARTERET COUNTY, NORTH CAROLINA  
CDBG REHABILITATION FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Inception and for the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Prior Years	Actual Current Year	Total To Date
<b>REVENUE</b>				
Intergovernmental:				
Community Development Block Grant Funds	\$ 750,000	\$ 25,788	\$ 679,779	\$ 705,567
Total revenue	<u>750,000</u>	<u>25,788</u>	<u>679,779</u>	<u>705,567</u>
<b>EXPENDITURES</b>				
Economic and physical development:				
Acquisition	(20,500)	-	-	-
Disposition	(1,000)	-	-	-
Clearance activities	170,300	-	99,224	99,224
Relocation assistance	349,000	-	341,805	341,805
C1 Rehabilitation	145,400	-	106,596	106,596
L1 Rehabilitation	112,500	18,195	110,562	128,757
Administration	44,300	12,260	62,661	74,921
Total expenditures	<u>800,000</u>	<u>30,455</u>	<u>720,848</u>	<u>751,303</u>
Revenue (under) expenditures	(50,000)	(4,667)	(41,069)	(45,736)
<b>OTHER FINANCING SOURCES</b>				
Operating transfers from General Fund	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 45,333</u>	<u>(41,069)</u>	<u>\$ 4,264</u>
FUND BALANCE, beginning			<u>45,333</u>	
FUND BALANCE, ending			<u>\$ 4,264</u>	

**CARTERET COUNTY, NORTH CAROLINA  
INDUSTRIAL PARK FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
From Inception and For the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUE</b>				
Intergovernmental:				
Sales tax refund	\$ 12,000	\$ -	\$ 9,407	\$ 9,407
CDBG grant	237,327	213,594	23,733	237,327
Contribution - Morehead City	64,532	58,081	13,353	71,434
Total revenue	<u>313,859</u>	<u>271,675</u>	<u>46,493</u>	<u>318,168</u>
<b>EXPENDITURES</b>				
Economic and physical development:				
Engineering	45,150	630	-	630
Administration	10,000	9,120	-	9,120
Surveying	5,000	-	-	-
Surveying	10,000	-	-	-
Inspection	34,500	-	-	-
Construction section I - sewer lines	186,190	181,622	23,167	204,789
Construction section II - pump force	244,830	241,486	30,582	272,068
Construction section III - water line	111,201	114,801	13,901	128,702
Construction section IV - streets	216,638	195,875	25,022	220,897
Total expenditures	<u>863,509</u>	<u>743,534</u>	<u>92,672</u>	<u>836,206</u>
Revenue (under) expenditures	(549,650)	(471,859)	(46,179)	(518,038)
<b>OTHER FINANCING SOURCES</b>				
Contribution from County				
Capital Reserve	549,650	533,650	16,000	549,650
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 61,791</u>	<u>(30,179)</u>	<u>\$ 31,612</u>
Fund balance, beginning			<u>61,791</u>	
Fund balance, ending			<u>\$ 31,612</u>	

**CARTERET COUNTY, NORTH CAROLINA  
JARRETT BAY CDBG FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
From Inception and For the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUE</b>				
Intergovernmental:				
Contribution from EDC	\$ 25,000	25,000	-	25,000
Community Development Block Grant	885,750	539,191	281,964	821,155
Contribution from Jarrett Bay Water Taps	295,250	209,087	86,163	295,250
Contribution from Beaufort	16,773	-	16,733	16,733
Sales tax refund	-	-	7,639	7,639
Water Taps	-	375	2,375	2,750
<b>Total revenue</b>	<b>1,222,773</b>	<b>773,653</b>	<b>394,874</b>	<b>1,168,527</b>
<b>EXPENDITURES</b>				
Economic & Physical Development:				
E-1 Sewer Improvements	987,212	638,927	349,522	988,449
E-1 Water Improvements	62,711	73,562	23,019	96,581
Station Upgrades	149,350	-	-	-
Administration	23,500	14,450	5,400	19,850
<b>Total expenditures</b>	<b>1,222,773</b>	<b>726,939</b>	<b>377,941</b>	<b>1,104,880</b>
<b>Revenues over expenditures</b>	<b>\$ -</b>	<b>\$ 46,714</b>	<b>16,933</b>	<b>\$ 63,647</b>
Fund balance, beginning			<u>46,714</u>	
Fund balance, ending			<u>\$ 63,647</u>	



# CAPITAL PROJECTS FUND

*The Capital Projects Fund accounts for the proceeds of bond issues and all other resources used for the purpose of constructing, reconstructing or acquiring permanent or semipermanent capital improvements. These funds are used to provide a formal mechanism to ensure that designated revenues are applied only to their intended purposes. (Individual fund descriptions are on the next page.)*

The following comprise the County's Capital Project Funds:

**County Capital Reserve Fund** - This fund is used to account for future major capital outlays for the benefit of the County.

**County Capital Improvements Fund** - This fund is used to account for the construction of various construction and capital projects.

**School Projects Fund** - This fund is to account for the construction of two new school within the western part of the County as well as for various other projects at existing schools.

**School Special Projects Fund** - This fund is used to account for pay as you go Capital Outlay needs for the County's school system.

**Newport Middle School Project Fund** - This fund is used to account for the construction project involving the new middle school in Newport.

**CARTERET COUNTY, NORTH CAROLINA  
CAPITAL PROJECTS FUND**

**COMBINING BALANCE SHEET  
June 30, 2000**

	County Capital Reserve Fund	County Capital Improvements Fund	Newport Middle COPS Fund	School Projects Fund	School Special Projects Fund	Totals
<b>ASSETS</b>						
Cash and investments	\$ 611,311	\$ 665,209	-	\$ 74,033	\$ 1,750,284	\$ 3,100,837
Restricted cash and investments	-	-	12,482,136	-	-	12,482,136
<b>Total assets</b>	<b>\$ 611,311</b>	<b>\$ 665,209</b>	<b>12,482,136</b>	<b>\$ 74,033</b>	<b>\$ 1,750,284</b>	<b>\$ 15,582,973</b>

**LIABILITIES AND FUND BALANCES**

**Liabilities:**

Accounts payable and  
accrued liabilities

\$ -	\$ 25,390	\$ 913,532	\$ 26,036	\$ 133,379	\$ 1,098,337
<b>Total liabilities</b>	<b>-</b>	<b>25,390</b>	<b>913,532</b>	<b>26,036</b>	<b>1,098,337</b>

**Fund Balances:**

**Unreserved:**

Designated for subsequent  
expenditures

186,040	637,700	11,568,604	47,997	12,000	12,452,341
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Undesignated

425,271	2,119	-	-	1,604,905	2,032,295
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**Total fund balances**

<b>611,311</b>	<b>639,819</b>	<b>11,568,604</b>	<b>47,997</b>	<b>1,616,905</b>	<b>14,484,636</b>
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**Total liabilities and  
fund balances**

<b>\$ 611,311</b>	<b>\$ 665,209</b>	<b>12,482,136</b>	<b>\$ 74,033</b>	<b>\$ 1,750,284</b>	<b>\$ 15,582,973</b>
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**CARTERET COUNTY, NORTH CAROLINA  
CAPITAL PROJECTS FUND**

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2000**

	County Capital Reserve Fund	County Capital Improvements Fund	Newport Middle COPS Fund	School Projects Fund	School Special Project Fund	Morehead City Elementary School Project Fund	Totals
<b>REVENUE</b>							
Interest	\$ 48,000	\$ 24,790	\$ 255,421	\$ -	\$ 82,901	\$ -	\$ 411,112
Intergovernmental	81,000	355,580	-	515,414	-	-	951,994
Miscellaneous proceeds from sale of fixed assets	92,000	-	-	-	-	-	92,000
<b>Total revenue</b>	<b>221,000</b>	<b>380,370</b>	<b>255,421</b>	<b>515,414</b>	<b>82,901</b>	<b>-</b>	<b>1,455,106</b>
<b>EXPENDITURES</b>							
Capital outlay	-	413,265	3,201,817	383,111	1,949,821	-	5,948,014
Revenue over (under) expenditures	221,000	(32,895)	(2,946,396)	132,303	(1,866,920)	-	(4,492,908)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Certificate of Participation bonds	-	-	14,515,000	-	-	-	14,515,000
Operating transfers in	-	669,600	-	-	2,286,252	-	2,955,852
Operating transfers out	(588,600)	-	-	(1,339,252)	-	-	(1,927,852)
<b>Total other financing sources (uses)</b>	<b>(588,600)</b>	<b>669,600</b>	<b>14,515,000</b>	<b>(1,339,252)</b>	<b>2,286,252</b>	<b>-</b>	<b>15,543,000</b>
Revenue and other financing sources under expenditures and other financing uses	(367,600)	636,705	11,568,604	(1,206,949)	419,332	-	11,050,092
FUND BALANCES, beginning	978,911	3,114	-	1,254,946	1,197,573	1,261,675	4,696,219
Residual equity transfer out	-	-	-	-	-	(1,261,675)	(1,261,675)
<b>FUND BALANCES, ending</b>	<b>\$ 611,311</b>	<b>\$ 639,819</b>	<b>\$ 11,568,604</b>	<b>\$ 47,997</b>	<b>\$ 1,616,905</b>	<b>\$ -</b>	<b>\$ 14,484,636</b>

**CARTERET COUNTY, NORTH CAROLINA  
COUNTY CAPITAL RESERVE FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ 81,000	\$ 81,000
Interest	33,000	48,000	15,000
Proceeds from sale of land	-	92,000	92,000
<b>Total revenues</b>	<b>33,000</b>	<b>221,000</b>	<b>188,000</b>
<b>EXPENDITURES</b>			
Capital Outlay:			
Economic Development prior years	160,720	-	160,720
<b>Total expenditures</b>	<b>160,720</b>	<b>-</b>	<b>160,720</b>
<b>Revenues over (under) expenditures</b>	<b>(127,720)</b>	<b>221,000</b>	<b>348,720</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer out to General Fund	(179,000)	(179,000)	-
Operating transfer to Industrial Park Fund	(16,000)	(16,000)	-
Operating transfer to Capital Improvements	(393,600)	(393,600)	-
Fund balance appropriated	716,320	-	(716,320)
<b>Total other financing sources</b>	<b>127,720</b>	<b>(588,600)</b>	<b>(716,320)</b>
<b>Revenue and other financing sources over expenditures</b>	<b>\$ -</b>	<b>(367,600)</b>	<b>\$ (367,600)</b>
<b>FUND BALANCE, beginning</b>		<b>978,911</b>	
<b>FUND BALANCE, ending</b>		<b>\$ 611,311</b>	

**CARTERET COUNTY, NORTH CAROLINA  
COUNTY CAPITAL IMPROVEMENTS FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Intergovernmental	\$ 315,000	\$ 355,580	\$ 40,580
Interest	-	24,790	24,790
<b>Total revenues</b>	<b>315,000</b>	<b>380,370</b>	<b>65,370</b>
<b>EXPENDITURES</b>			
Capital outlay:			
Newport River/Mill Creek	85,000	75,000	10,000
Marshallberg Boat Ramp	20,000	3,552	16,448
Emerald Isle Beach Access	200,000	200,000	-
Western Park	510,000	32,140	477,860
Radio Island	80,000	2,939	77,061
Beach Replenishment	89,600	99,634	(10,034)
<b>Total expenditures</b>	<b>984,600</b>	<b>413,265</b>	<b>571,335</b>
<b>Revenues (under) expenditures</b>	<b>(669,600)</b>	<b>(32,895)</b>	<b>636,705</b>
<b>OTHER FINANCING SOURCES</b>			
Operating transfer in from General Fund	276,000	276,000	-
Operating transfer from Cap. Reserve Fund	393,600	393,600	-
<b>Total other financing sources</b>	<b>669,600</b>	<b>669,600</b>	<b>-</b>
<b>Revenue and other financing sources over expenditures</b>	<b>\$ -</b>	<b>636,705</b>	<b>\$ 636,705</b>
<b>FUND BALANCE, beginning</b>		<b>3,114</b>	
<b>FUND BALANCE, ending</b>		<b>\$ 639,819</b>	

**CARTERET COUNTY, NORTH CAROLINA  
NEWPORT MIDDLE COPS FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
From Inception and for the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Prior Years	Actual Current Year	Total To Date
<b>REVENUE</b>				
Intergovernmental - sales tax refund	\$ 100,000	\$ -	\$ -	\$ -
Interest	500,000	-	255,421	255,421
Total revenue	600,000	-	255,421	255,421
<b>EXPENDITURES</b>				
Capital outlay:				
Newport Middle School construction	15,024,455	-	3,201,817	3,201,817
Total expenditures	15,024,455	-	3,201,817	3,201,817
Revenue under expenditures	(14,424,455)	-	(2,946,396)	(2,946,396)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Certificate of Participation bonds	- 14,424,455	- -	- 14,515,000	- 14,515,000
Total financing sources	14,424,455	-	14,515,000	14,515,000
Revenue and other financing sources over expenditures	\$ -	\$ -	11,568,604	\$ 11,568,604
FUND BALANCE, beginning			-	
FUND BALANCE, ending			\$ 11,568,604	

**CARTERET COUNTY, NORTH CAROLINA  
SCHOOL PROJECTS FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
From Inception and For the Fiscal Year Ended June 30, 2000**

	Total Project Estimate	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUE</b>				
Interest	\$ 1,350,000	\$ 1,590,731	\$ -	\$ 1,590,731
Intergovernmental:				
Sales tax refund	480,955	269,946	7,584	277,530
Public School Building Bond Act of 1996	6,919,845	6,319,845	507,830	6,827,675
Total revenue	<u>8,750,800</u>	<u>8,180,522</u>	<u>515,414</u>	<u>8,695,936</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Western High School	16,743,186	16,712,446	25,904	16,738,350
Western Elementary	7,098,027	7,076,858	13,501	7,090,359
Beaufort Elementary renovation	1,470,000	1,527,994	(57,994)	1,470,000
Smyrna Elementary renovation	2,293,247	2,279,811	161	2,279,972
White Oak Renovation	219,805	219,805	-	219,805
Technology	6,201,600	6,138,018	58,982	6,197,000
Auditorium	90,748	90,748	-	90,748
Newport Middle School	1,450,000	1,235,118	142,292	1,377,410
Athletic Facilities	900,000	738,430	161,570	900,000
Equipment Needs	3,250,484	3,211,789	38,695	3,250,484
Issuance costs	95,083	95,191	-	95,191
Total expenditures	<u>39,812,180</u>	<u>39,326,208</u>	<u>383,111</u>	<u>39,709,319</u>
Revenue over (under) expenditures	<u>(31,061,380)</u>	<u>(31,145,686)</u>	<u>132,303</u>	<u>(31,013,383)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers from General Fund	2,450,632	2,450,632	-	2,450,632
Operating transfers from School Projects Reserve Fund	-	950,000	-	950,000
Operating transfer to General Fund			(950,000)	(950,000)
Operating transfers to School Fund	(389,252)	-	(389,252)	(389,252)
Bond proceeds	29,000,000	29,000,000	-	29,000,000
Total other financing sources (uses)	<u>31,061,380</u>	<u>32,400,632</u>	<u>(1,339,252)</u>	<u>31,061,380</u>
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,254,946</u>	<u>(1,206,949)</u>	<u>\$ 47,997</u>
FUND BALANCE, beginning			<u>1,254,946</u>	
FUND BALANCE, ending			<u>\$ 47,997</u>	

**CARTERET COUNTY, NORTH CAROLINA  
SCHOOL SPECIAL PROJECTS FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Interest	\$ -	\$ 82,901	\$ 82,901
EXPENDITURES			
Capital outlay, Board of Education	3,372,449	1,949,821	1,422,628
Revenue over (under) expenditures	(3,372,449)	(1,866,920)	1,505,529
OTHER FINANCING SOURCES			
Fund Balance appropriated	1,086,197	-	1,086,197
Operating transfer from General Fund	2,286,252	2,286,252	-
Total other financing sources	3,372,449	2,286,252	(1,086,197)
Revenue and other financing sources over (under) expenditures	<u>\$ -</u>	419,332	<u>419,332</u>
FUND BALANCE, beginning		<u>1,197,573</u>	
FUND BALANCE, ending		<u>\$ 1,616,905</u>	

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# AGENCY FUND

*Agency Funds serve primarily as clearing mechanisms for cash resources which are collected by a governmental unit, held as such for a brief period and then distributed to authorized recipients. (Individual fund descriptions are on the next page.)*

The following comprise the County's Agency Funds:

**Sheriff's Department Fund** - This fund is used to account for the collection and distribution of assets in conjunction with the clerk of court for judgments and claims that have been assessed.

**Social Services Trust Fund** - This fund is used to account for the receipt and distribution of funds received specifically for the benefit of various clients of the social services department caseworkers.

**CARTERET COUNTY, NORTH CAROLINA  
ALL AGENCY FUNDS**

**COMBINING BALANCE SHEET**

**June 30, 2000**

	Sheriff's Department Fund	Social Services Trust Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ 4,072	\$ 28,922	\$ 32,994
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 4,072	\$ 28,922	\$ 32,994
Total liabilities	\$ 4,072	\$ 28,922	\$ 32,994

**CARTERET COUNTY, NORTH CAROLINA  
ALL AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2000**

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
<u>Sheriff's Department Fund:</u>				
Assets, cash and investments	\$ 6,417	\$ 90,355	\$ 92,700	\$ 4,072
Liabilities	\$ 6,417	\$ 90,355	\$ 92,700	\$ 4,072
<u>Social Services Trust Fund:</u>				
Assets, cash and investments	\$ 22,491	\$ 73,806	\$ 67,375	\$ 28,922
Liabilities	\$ 22,491	\$ 73,806	\$ 67,375	\$ 28,922
<u>Totals - All Agency Funds:</u>				
Assets, cash and investments	\$ 28,908	\$ 164,161	\$ 160,075	\$ 32,994
Liabilities:				
Accounts payable and accrued liabilities	28,908	164,161	160,075	32,994
Total liabilities	\$ 28,908	\$ 164,161	\$ 160,075	\$ 32,994

## **OTHER FINANCIAL INFORMATION**

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**Other financial information includes additional detailed analysis of particular aspects of the County's financial position or results of operations.**

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**CARTERET COUNTY, NORTH CAROLINA**

**SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
For the Fiscal Year Ended June 30, 2000**

Fiscal Year	Uncollected Balance				Adjustments	Uncollected Balance
	June 30, 1999	Additions	Collections			June 30, 2000
1999-2000	\$ -	\$ 29,796,564	\$ 28,576,260	\$ (169,514)	\$	1,050,790
1998-1999	861,077	1,738	424,753	(6,006)		432,056
1997-1998	385,254	1,848	120,710	(3,362)		263,030
1996-1997	98,019	1,075	21,824	(2,667)		74,603
1995-1996	58,751	1,236	7,468	(572)		51,947
1994-1995	36,631	-	4,716	(508)		31,407
1993-1994	33,012	-	3,771	(187)		29,054
1992-1993	33,348	8	2,824	(164)		30,368
1991-1992	46,469	54	1,778	(178)		44,567
1990-1991	43,988	-	863	(172)		42,953
1989-1990	52,000	-	1,127	(50,873)		-
	<u>\$ 1,648,549</u>	<u>\$ 29,802,523</u>	<u>\$ 29,166,094</u>	<u>\$ (234,203)</u>	<u>\$</u>	<u>2,050,775</u>

Less allowance for uncollectible taxes:

General Fund	\$ (575,425)
Fire District Fund	(39,880)
Rescue District Fund	(24,611)
	<u>(639,916)</u>

Ad Valorem taxes receivable - net

1,410,859

Reconciliation with revenue:

Taxes - General Fund excluding interest of \$186,478	\$ 27,059,401
Taxes - Fire District Fund	1,334,951
Taxes - Rescue District Fund	771,742
	<u>\$ 29,166,094</u>

Reconciliation of uncollected balance at June 30, 2000

General Fund	\$ 1,826,600
Fire District Fund	138,625
Rescue District Fund	85,550
	<u>2,050,775</u>

Less Allowance for uncollectible taxes

639,916

\$ 1,410,859

**CARTERET COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT YEAR'S TAX LEVY**

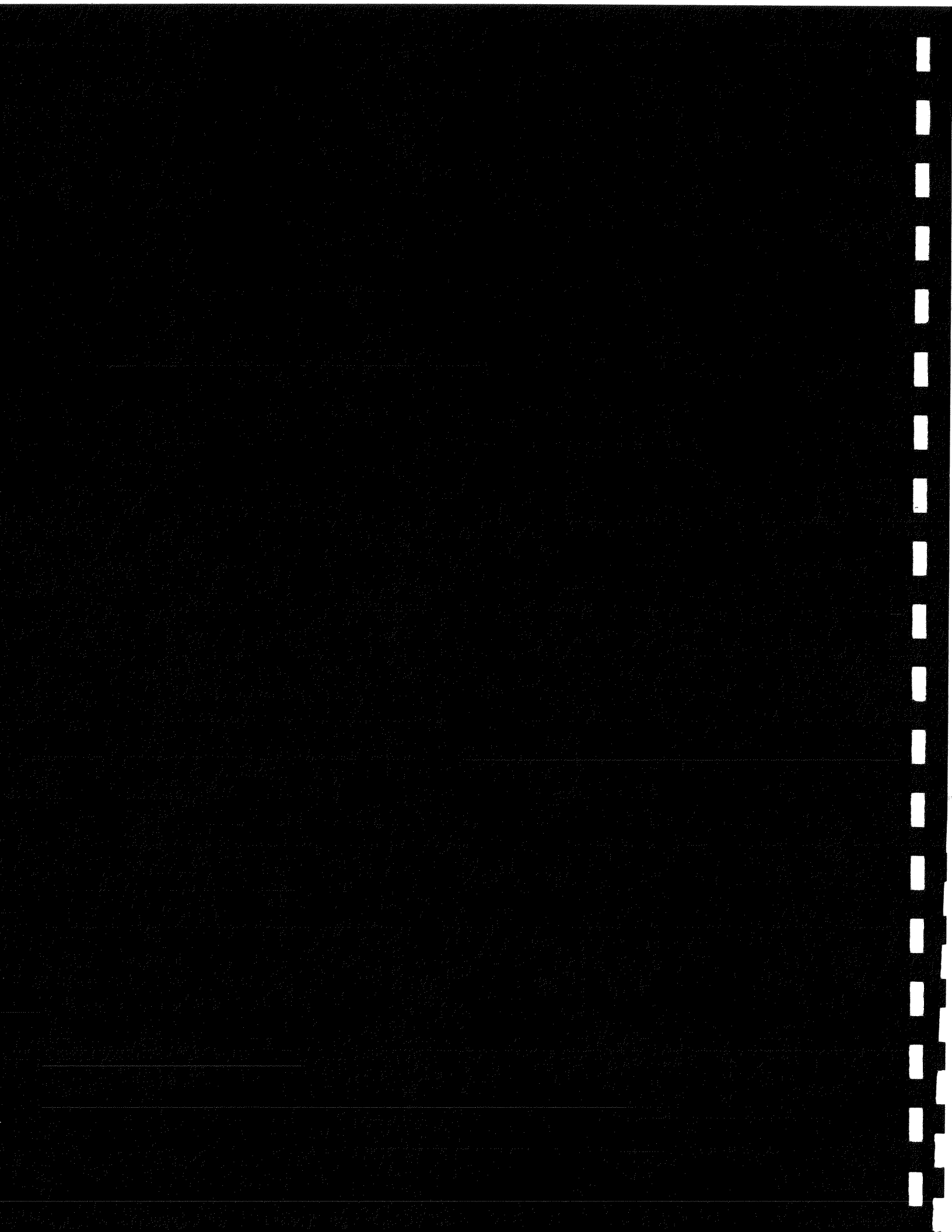
**For the Fiscal Year Ended June 30, 2000**

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding registered motor vehicles	Registered motor vehicles
Original levy:					
Property taxed at current year's rate	\$ 5,303,845,200	0.50	\$ 26,519,226	\$ 25,141,146	\$ 1,378,080
Fire District			1,322,559	1,175,166	147,393
Rescue District			791,185	714,365	76,820
Motor vehicle taxes at prior year's rate	133,251,429	0.42	559,656	-	559,656
Penalties					
Total	<u>5,437,096,629</u>		<u>29,192,626</u>	<u>27,030,677</u>	<u>2,161,949</u>
Discoveries:					
Current year taxes	115,735,200		578,676	573,130	5,546
Corrections	5,052,200		25,261	10,944	14,317
Total	<u>120,787,400</u>		<u>603,937</u>	<u>584,074</u>	<u>19,863</u>
Abatements	(33,902,800)		(169,514)	(91,186)	(78,328)
Total property valuation	<u>\$ 5,523,981,229</u>				
Net levy			29,627,049	27,523,565	2,103,484
Uncollected taxes at June 30, 2000			1,050,790	758,050	292,740
Current year's taxes collected			<u>\$ 28,576,260</u>	<u>\$ 26,765,515</u>	<u>\$ 1,810,744</u>
Current levy collection percentage			<u>96.45%</u>	<u>97.25%</u>	<u>86.08%</u>

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# STATISTICAL

*The tables in this section provide trends, statistical  
and demographic information*



**Carteret County, North Carolina**  
**General Governmental Expenditures by Function<sup>(1)</sup>**  
*Last Ten Fiscal Years*

Table 1

<b>Fiscal Year Ended June 30,</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Transportation</b>	<b>Economic &amp; Physical Development</b>	<b>Human Services</b>	<b>Environmental Protection<sup>(2)</sup></b>	<b>Cultural &amp; Recreation</b>	<b>Education</b>	<b>Capital Projects</b>	<b>Debt Service<sup>(3)</sup></b>	<b>Total Expenditures</b>
1991	\$2,631,506	\$3,734,973	\$104,299	\$517,226	\$4,867,358	\$1,912,255	\$709,011	\$8,992,296	\$1,223,206	\$1,982,478	\$26,674,608
1992	2,783,323	4,100,593	130,595	551,233	5,652,600	2,006,072	778,910	12,959,984	3,575,942	2,456,385	34,995,637
1993	1,989,707	4,743,134	407,724	1,546,697	7,548,401	1,988,961	866,821	9,398,963	7,902,715	3,262,108	39,655,231
1994	2,074,890	4,869,061	424,535	1,475,208	7,602,778	2,864,177	834,247	8,958,336	2,352,655	8,427,002	39,882,889
1995	2,233,792	5,529,875	141,991	954,126	8,378,689	3,493,264	932,054	12,033,251	1,469,115	3,431,638	38,597,795
1996	2,853,875	6,096,750	47,877	888,771	8,918,409	2,944,919	1,064,194	10,399,586	705,722	3,860,088	37,780,191
1997	2,943,541	6,448,719	12,080	866,084	8,364,160	4,158,262	1,305,786	11,294,206	213,581	4,429,954	40,036,373
1998	2,885,480	6,840,765	186,103	940,857	8,835,890	3,732,955	1,733,648	11,564,543	794	5,333,642	42,054,677
1999	2,993,951	7,543,507	66,115	1,102,181	9,469,558	3,808,134	1,695,707	15,099,455	473,995	5,260,003	47,512,606
2000	3,799,606	8,033,685	360,064	1,134,822	11,622,653	4,014,794	2,036,509	18,897,588	2,363,086	5,189,390	57,452,197

Notes: (1) Includes Annually Budgeted Funds: General, E-911, Fire Districts, Rescue Districts, Occupancy, Capital Reserve, Capital Improvements, and School Special Projects Funds.  
(2) 1994 increase reflects retirement of \$4,007,000 Hospital Facilities bonds issued in 1983.  
(3) 1994 increase reflects landfill closure costs and contract for waste disposal.

**Carteret County, North Carolina**  
**General Governmental Revenues, By Source<sup>(1)</sup>**  
*Last Ten Fiscal Years*

Table 2

<b>Fiscal Year Ended June 30,</b>	<b>Ad Valorem Taxes</b>	<b>Other Taxes &amp; Licenses</b>	<b>Permits &amp; Fees<sup>(2)</sup></b>	<b>Inter- governmental</b>	<b>Sales &amp; Services<sup>(2)</sup></b>	<b>Investment Earnings</b>	<b>Miscellaneous</b>	<b>Total Revenues</b>
1991	\$14,063,401	\$6,906,381	\$908,244	\$4,944,196	\$539,803	\$890,998	\$346,502	\$28,599,525
1992	14,912,522	7,618,598	1,140,050	4,624,373	814,952	800,552	220,877	30,131,924
1993	15,188,731	8,224,153	969,683	5,363,651	2,969,924	454,026	120,998	33,291,166
1994	17,185,308	8,925,058	965,442	5,497,109	2,534,065	474,241	182,169	35,763,392
1995	18,247,444	9,603,424	1,085,046	5,961,632	1,801,137	689,460	1,370,510	38,758,653
1996	20,280,173	10,083,350	1,073,019	5,910,131	1,698,697	832,806	60,618	39,938,794
1997	21,305,801	10,610,240	1,165,644	7,906,364	931,881	931,114	216,429	43,067,473
1998	23,830,199	11,866,765	1,291,897	7,676,826	943,704	1,147,860	200,659	46,957,910
1999	24,481,785	12,539,196	1,331,064	7,280,730	1,006,710	1,096,689	531,407	48,267,581
2000	29,352,572	13,198,118	1,245,765	10,270,375	1,305,467	1,253,627	224,114	56,850,038

**Notes:**

(1) Includes Annually Budgeted Funds: General, E-911, Fire Districts, Rescue Districts, Occupancy, Capital Reserve, Capital Improvements, and School Special Projects Funds.

(2) Decreases reflects loss of revenues from closing the county landfill in October 1993

(3) Decreases in 1993 & 1994 reflects a reclassification of the solid waste assessment from permits & fees to sales & services

**Carteret County, North Carolina**  
**Property Tax Levies & Collections<sup>(1)(2)</sup>**  
*Last Ten Fiscal Years*

Table 3

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy<sup>(1)(2)</sup></b>	<b>Collections of Current Levy</b>	<b>Percent of Current Taxes Collected</b>	<b>Collections of Prior Levy</b>	<b>Total Property Taxes Collected</b>	<b>Ratio of Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Tax Levy</b>
1991	14,428,922	13,531,962	93.78%	531,439	14,063,401	97.47%	1,997,568	13.84%
1992	14,792,161	14,071,687	95.13%	840,835	14,912,522	100.81%	1,988,803	13.44%
1993	15,073,549	14,482,611	96.08%	706,120	15,188,731	100.76%	1,958,232	12.99%
1994	17,406,345	16,492,922	94.75%	692,386	17,185,308	98.73%	2,301,586	13.22%
1995	17,776,872	17,024,807	95.77%	1,216,071	18,240,878	102.61%	2,127,643	11.97%
1996	19,857,390	19,069,463	96.03%	1,203,897	20,273,360	102.09%	1,943,076	9.79%
1997	20,566,276	19,840,154	96.47%	1,544,718	21,384,872	103.98%	1,478,593	7.19%
1998	24,033,750	23,070,030	95.99%	619,904	23,689,934	99.00%	1,787,545	7.44%
1999	24,437,491	23,576,414	96.48%	782,988	24,359,402	99.68%	1,648,549	6.75%
2000	29,627,049	28,576,260	96.45%	589,834	29,166,094	98.45%	2,050,775	6.93%

Notes:

(1) Includes General and Special Revenue Funds

(2) Does not include reimbursement In-Lieu-Of taxes and Senior Citizens Exemptions

**Carteret County, North Carolina**  
**General Fund Balance Position at June 30**  
**Last Ten Fiscal Years**

Table 4

<b>Fiscal Year Ended June 30,</b>	<b>Reserved for State Statute</b>	<b>Reserved for Sheriff Fund</b>	<b>Reserved for Debt Service</b>	<b>Reserved for Recreation Districts</b>	<b>Reserved for Capital Outlay</b>	<b>Reserved for Wire E911</b>	<b>Reserved for Health Programs</b>	<b>Designated for Subsequent Years' Expenditures</b>	<b>Undesignated Expenditures</b>	<b>Total Fund Balance</b>	<b>General Fund Expenditures</b>	<b>Undesignated Fund Balance Percentage of General Fund Expenditures</b>
1991	\$2,100,424	\$0	\$0	\$0	\$0	\$0	\$0	\$1,581,355	\$1,433,386	\$5,115,165	\$22,878,440	6.27%
1992	2,432,011	0	0	0	0	0	0	1,669,467	1,743,143	5,844,621	28,442,554	6.13%
1993	3,540,373	18,927	0	0	0	0	0	1,360,606	3,020,487	7,940,393	28,118,033	10.74%
1994	2,389,572	18,927	0	0	0	0	319,282	2,973,028	6,123,058	11,823,867	33,206,037	18.44%
1995	2,609,224	8,042	484,116	0	0	0	431,847	2,235,093	5,660,261	11,428,583	32,110,320	17.63%
1996	2,344,290	31,765	531,650	0	0	0	607,172	2,623,678	5,778,938	11,917,493	32,927,915	17.55%
1997	3,013,128	22,211	531,069	0	0	0	476,407	2,222,889	5,658,258	11,923,962	36,590,856	15.46%
1998	3,051,097	17,961	371,806	0	0	0	477,774	2,178,534	6,808,857	12,906,029	38,361,640	17.63%
1999	3,164,347	29,306	396,521	57,520	680,000	0	492,733	2,845,617	5,722,097	13,388,141	43,364,081	13.20%
2000	4,110,074	26,194	1,488,357	72,410	0	86,161	529,407	3,386,473	6,448,978	16,148,054	51,423,086	12.54%

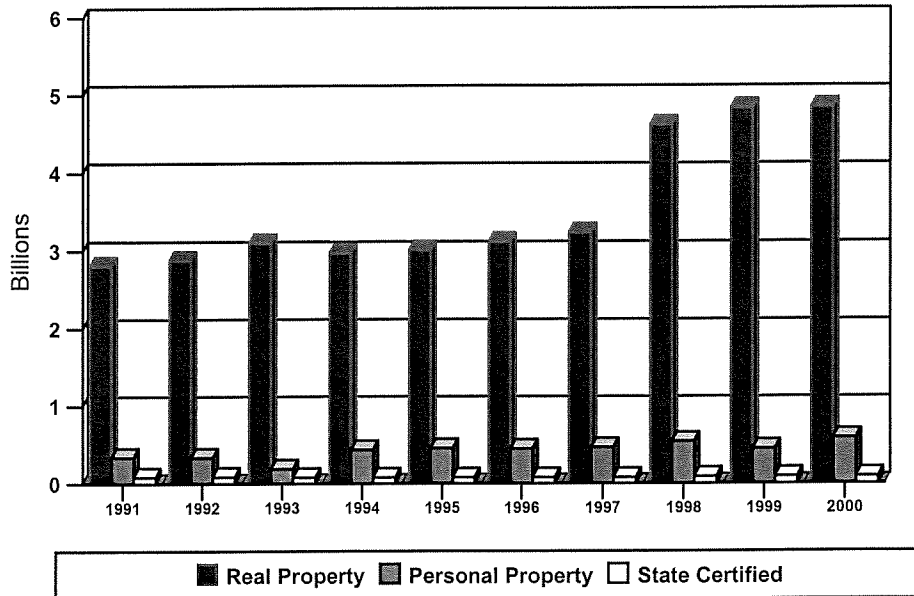
**Carteret County, North Carolina**  
**Assessed Value of Property<sup>(2)(3)</sup>**  
**Last Ten Fiscal Years**

Table 5

<u>Fiscal Year Ended June 30,</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>State Certified</u>	<u>Total Assessed Valuation</u>
1991	2,813,348,157	339,986,760	85,990,963	3,239,325,880
1992	2,880,769,157	337,456,689	88,463,193	3,306,689,039
1993	3,100,220,475	194,379,132	79,185,905	3,373,785,512
1994	2,971,677,840	436,581,711	79,796,536	3,488,056,087
1995	3,009,850,833	458,668,214	80,125,832	3,548,644,879
1996	3,117,310,410	450,304,682	80,237,556	3,647,582,648
1997	3,233,221,306	467,568,251	80,253,554	3,781,043,111
1998 <sup>(1)</sup>	4,611,176,025	544,308,312	92,773,636	5,248,257,973
1999	4,829,925,832	449,038,101	94,814,401	5,373,778,334
2000	4,840,679,280	591,147,538	92,154,411	5,523,981,229

- Notes: (1) Reflects revaluation year  
(2) Amounts are net of Senior Citizens Exemption  
(3) Amount includes discoveries and abatements  
(4) Assessed value is equal to estimated actual value

## Assessed Value of Property



**Carteret County, North Carolina**  
**Property Tax Rates - Direct and Underlying Governments**  
**(Per \$100.00 of Assessed Valued)**  
**Last Ten Fiscal Years**

**Table 6**

<b><i>Municipalities</i></b>	<b><u>1991</u></b>	<b><u>1992</u></b>	<b><u>1993</u></b>	<b><u>1994</u></b>	<b><u>1995</u></b>	<b><u>1996</u></b>	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>
Carteret County	0.4100	0.4100	0.4100	0.4600	0.4600	0.5100	0.5100	0.4200	0.4200	0.5000
Atlantic Beach	0.3500	0.3500	0.4500	0.4500	0.4500	0.4500	0.4500	0.3500	0.3100	0.3100
Beaufort	0.5300	0.4800	0.4050	0.4050	0.4050	0.4050	0.4050	0.3450	0.3450	0.3450
Bogue <sup>1</sup>							0.0500	0.0500	0.0500	0.0500
Cape Carteret	0.2700	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.2600	0.2600	0.2600
Cedar Point	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Emerald Isle	0.2150	0.2150	0.2150	0.2150	0.2150	0.2000	0.2150	0.1750	0.1850	0.1950
Indian Beach	0.1700	0.2300	0.2300	0.1900	0.1900	0.1900	0.2300	0.1700	0.1700	0.1700
Morehead City	0.4800	0.4800	0.4500	0.4500	0.4500	0.4500	0.4500	0.4000	0.4600	0.4000
Newport	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4200	0.4200	0.4200
Peletier <sup>2</sup>								0.0500	0.0500	0.0500
Pine Knoll Shores	0.1000	0.1500	0.1700	0.2050	0.2050	0.2100	0.2100	0.1600	0.1600	0.1600
<b><i>Fire Districts</i></b>										
Atlantic	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Atlantic Beach	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Beaufort	0.0700	0.0700	0.0825	0.0825	0.0825	0.0825	0.0825	0.0680	0.0600	0.0600
Broad & Gales Creek	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	0.0400	0.0400
Cape Carteret	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Cedar Island	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1000	0.1000	0.1000	0.1000
Davis	0.0800	0.0800	0.0880	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000
Harkers Island	0.0400	0.0400	0.0400	0.0400	0.0400	0.0410	0.0410	0.0400	0.0400	0.0400
Harlowe	0.0500	0.0500	0.0500	0.0500	0.0550	0.0500	0.0500	0.0550	0.0550	0.0550
Marshallberg	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0700
Mill Creek	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0550
Mitchell Village	0.0600	0.0600	0.0600	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Newport	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0650	0.0600	0.0600
North River	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Otway	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400
Salter Path	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	0.0500
Sea Level	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
South River/ Merrimon	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Stacy	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Stella	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Wildwood	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600
<b><i>Rescue Squads</i></b>										
Beaufort	0.0300	0.0350	0.0300	0.0330	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450
Broad & Gales Creek	0.0200	0.0275	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0150	0.0150
Cape Carteret	0.0200	0.0200	0.0270	0.0200	0.0250	0.0250	0.0250	0.0250	0.0200	0.0470
Mitchell Village	0.0300	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Otway	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0250	0.0500
Sea Level	0.0400	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0900	0.0900	0.1000
Mill Creek <sup>3</sup>										0.0100

**Notes:** 1 First Year Tax District 1997  
2 First Year Tax District 1998  
3 First Year Tax District 2000

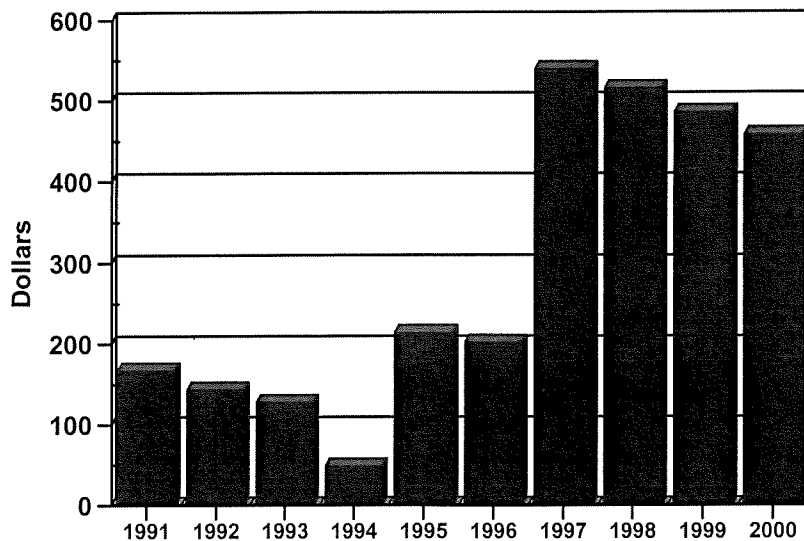
**Carteret County, North Carolina**  
**Ratio of General Obligation Debt to Assessed Value**  
**& General Obligation Bonded Debt Per Capita**  
*Last Ten Fiscal Years*

Table 7

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Assessed Value</u>	<u>Net General</u> <u>Obligation</u> <u>Bonded Debt</u>	<u>Ratio of net</u> <u>General</u> <u>Obligation</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Population<sup>(1)</sup></u>	<u>Net General</u> <u>Obligation</u> <u>Bonded Debt</u> <u>Per Capita</u>
1991	\$3,239,325,880	\$8,977,177	0.28%	53,732	\$167.07
1992	3,306,689,039	7,893,000	0.24%	55,086	143.29
1993	3,373,785,512	7,207,000	0.22%	56,533	127.49
1994	3,488,056,087	2,800,000	0.08%	57,750	48.49
1995	3,548,644,879	12,400,000	0.35%	57,997	213.81
1996	3,647,582,648	11,769,877	0.33%	58,385	201.59
1997	3,781,043,111	32,000,000	0.85%	59,370	539.00
1998	5,248,257,973	30,750,000	0.59%	59,725	514.86
1999	5,373,778,334	29,450,000	0.55%	60,719	485.03
2000	5,523,981,229	28,150,000	0.51%	61,587	457.08

Notes: (1) NC Office of State Planning

### Net G. O. Bonded Debt Per Capita



***Carteret County, North Carolina***  
***Computation of Legal Debt Margin***  
***June 30, 2000***

**Table 8**

Assessed Values of Property		<u>\$5,523,981,229</u>
Debt Limit 8 percent of Assessed Value		441,918,498
Gross Debt:		
Total Bonded Debt	\$48,630,000	
Installment Debt	551,632	
Authorized Unissued Bonded Debt	<u>13,525,000</u>	
Total Amount of Debt Applicable to Debt Limit		<u>62,706,632</u>
Legal Debt Margin		<u>\$379,211,866</u>

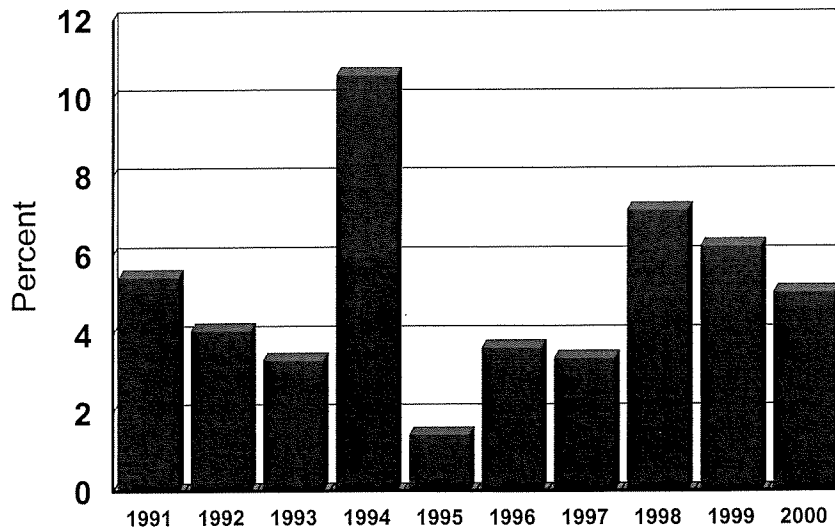
**Carteret County, North Carolina**  
**Ratio of Annual Debt Service Expenditures for General Obligation**  
**Bonded Debt to Total General Governmental Expenditures<sup>(3)</sup>**  
**Last Ten Fiscal Years**

Table 9

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u> <u>on Bonds</u>	<u>Total Debt</u> <u>Service<sup>(2)</sup></u>	<u>Total General</u> <u>Governmental</u> <u>Expenditures<sup>(3)</sup></u>	<u>Debt Service to</u> <u>Total General</u> <u>Governmental</u> <u>Expenditures</u>
1991	\$708,660	\$746,420	\$1,455,080	\$26,674,608	5.45%
1992	731,660	694,953	1,426,613	34,995,640	4.08%
1993	686,000	629,474	1,315,474	39,655,231	3.32%
1994	4,407,000 <sup>(1)</sup>	406,994	4,813,994	45,548,405	10.57%
1995	400,000	182,688	582,688	40,868,577	1.43%
1996	700,000	675,538	1,375,538	37,780,191	3.64%
1997	700,000	647,788	1,347,788	40,036,373	3.37%
1998	1,250,000	1,741,538	2,991,538	42,054,677	7.12%
1999	1,250,000	1,699,788	2,949,788	47,512,606	6.21%
2000	1,300,000	1,595,738	2,895,738	57,452,197	5.04%

Notes: (1) This figure includes the retirement of \$4,007,000 Hospital Facilities Bonds. The funds to make this final payment came from Carteret General Hospital.  
(2) This figure includes total debt service for general obligation bonded debt.  
(3) Includes annually budgeted funds: General, E-911, Fire Districts, Rescue Districts, Occupancy, Capital Reserve, Capital Improvements, and School Special Projects Funds.

**Ratio of Debt Service to Total General Governmental Expenditures**



***Carteret County, North Carolina***  
***Computation of Direct and Underlying Debt***  
***General Obligation Bonds***  
***June 30, 2000***

Table 10

	<b><i>Net General Obligation Bonded Debt</i></b>	<b><i>Percent Applicable to County</i></b>	<b><i>Amount Applicable to County</i></b>
<b><i>Direct</i></b>			
Carteret County	28,150,000	100.00%	28,150,000
<b><i>Underlying</i></b>			
Town of Beaufort	910,000	100.00%	910,000
Town of Atlantic Beach	601,712	100.00%	601,712
Town of Newport	1,000,000	100.00%	1,000,000
Town of Morehead City	<u>591,900</u>	100.00%	<u>591,900</u>
	<u>31,253,612</u>		<u>31,253,612</u>

***Carteret County, North Carolina***  
***Demographic Statistics***  
***Last Ten Fiscal Years***

Table 11

<u><i>Fiscal Year</i></u>	<u><i>Population<sup>(1)</sup></i></u>	<u><i>Per Capita Income<sup>(2)</sup></i></u>	<u><i>Unemployment Rate<sup>(3)</sup></i></u>	<u><i>Public School Enrollment<sup>(4)</sup></i></u>
1991	53,732	\$14,580	6.26%	7,839
1992	55,086	15,405	6.88%	7,977
1993	56,533	15,642	6.40%	8,032
1994	57,750	16,392	5.44%	7,986
1995	57,997	17,924	5.69%	8,116
1996	58,385	20,003	5.20%	8,259
1997	59,370	20,901	3.20%	8,176
1998	59,725	21,537	4.50%	8,507
1999	60,719	21,375	4.40%	8,221
2000	61,587	21,644	3.80%	8,326

Data Sources:

- (1) North Carolina Office of State Planning
- (2) Economic Development Council
- (3) North Carolina Employment Security Commission
- (4) Carteret County Board of Education

***Carteret County, North Carolina***  
***Ten Largest Taxpayers***  
***June 30, 2000***

**Table 12**

<u><i>Taxpayer</i></u>	<u><i>Type of Business</i></u>	<u><i>1999 Assessed Valuation</i></u>	<u><i>Percentage of Total Assessed Valuation</i></u>
Open Ground Farms, Inc.	Farming	\$72,970,264	1.33%
Atlantic Veneer Corp.	Manufacturing	26,702,512	0.49%
Carolina Telephone	Utility	24,993,324	0.46%
Atlantic Beach Hotel Limited	Real Estate	24,966,528	0.45%
Carteret Craven Electric	Utility	24,616,958	0.44%
Carolina Power & Light Co.	Utility	20,016,742	0.36%
Glimcher Properties LTD.	Real Estate	19,607,728	0.35%
Southstar Holdings MHC LLC.	Retail	15,679,680	0.28%
Alber Investments Inc.	Real Estate	10,653,072	0.19%
Harborview Enterprises	Real Estate	<u>10,191,160</u>	<u>0.18%</u>
		<u>250,397,968</u>	<u>4.53%</u>

**Carteret County, North Carolina**  
**Property Value, Construction, & Bank Deposits**  
**Last Ten Fiscal Years**

Table 13

<u>Fiscal Year Ended June 30,</u>	<u>Property Value</u>	<u>Construction<sup>(2)</sup> Number of Permits Issued</u>	<u>Construction Value</u>	<u>Bank Deposits<sup>(1)</sup></u>
1991	3,239,325,880	1,144	22,321,760	423,815,000
1992	3,306,689,039	2,147	25,470,630	428,514,000
1993	3,373,785,512	1,870	29,997,950	437,150,000
1994	3,488,056,087	2,169	40,982,172	446,743,000
1995	3,548,644,879	2,930	27,453,693	482,619,000
1996	3,647,582,648	3,153	35,647,790	523,958,000
1997	3,781,043,111	3,275	40,265,512	555,039,000
1998	5,248,257,973 <sup>(3)</sup>	3,619	54,069,500	592,710,000
1999	5,373,778,334	2,665	46,128,300	613,821,000
2000	5,523,981,229	2,652	53,631,985	*

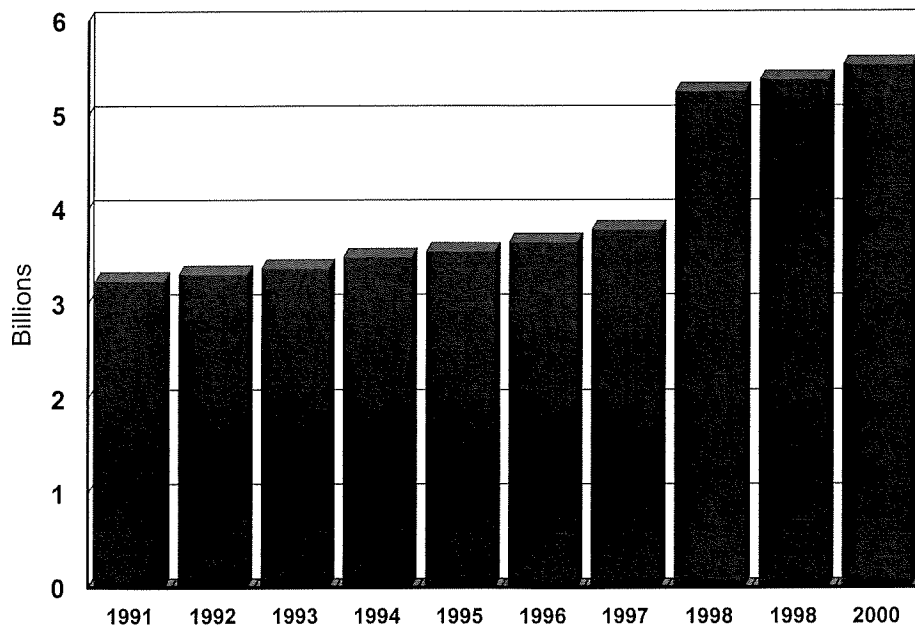
Notes: \* Not Available

(1) North Carolina State Banking Commission

(2) Carteret County Planning Department (does not include any incorporated areas for municipalities)

(3) Revaluation Year

## Property Value



***Carteret County, North Carolina***  
***Miscellaneous Statistics***  
***June 30, 2000***

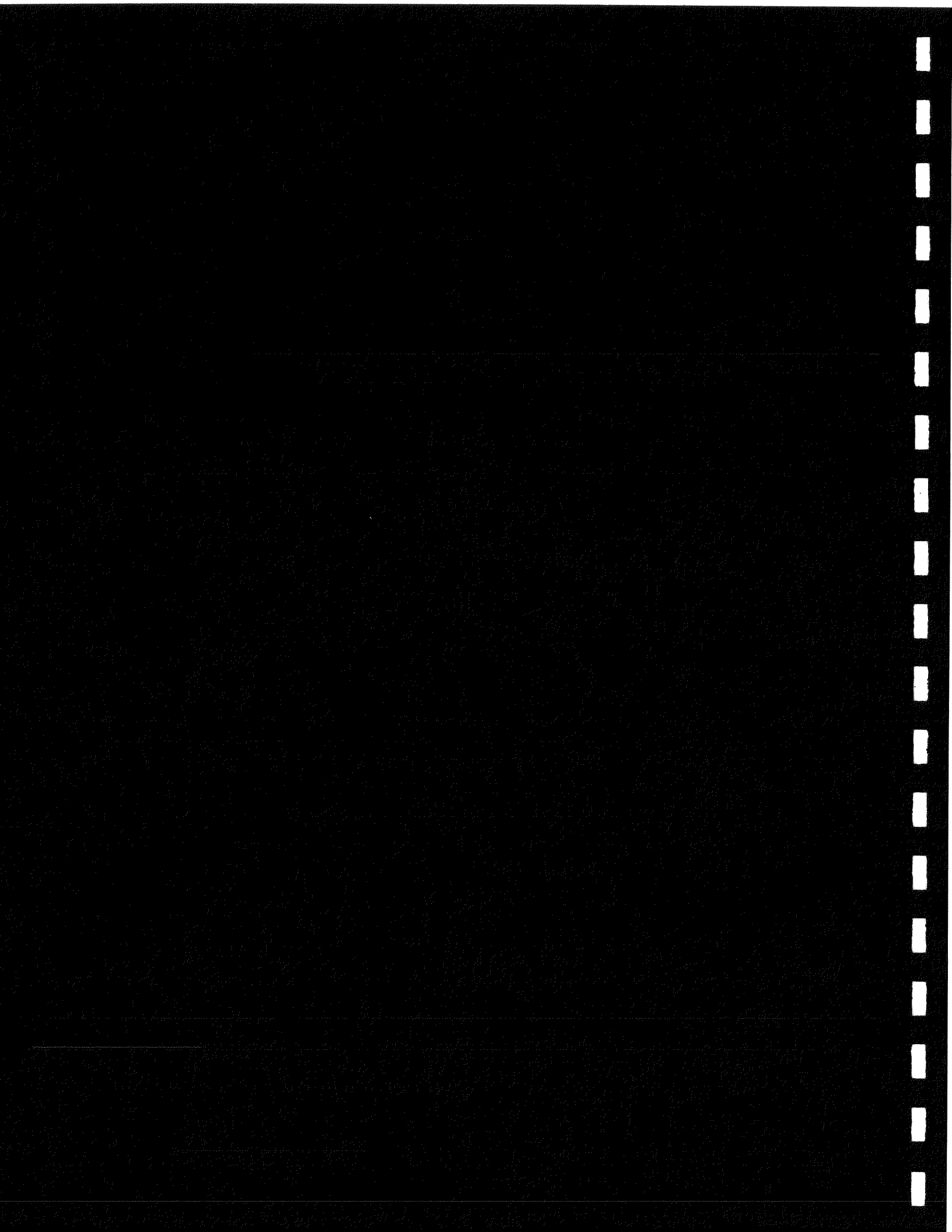
**Table 14**

<b>Date of Establishment</b>	1722
<b>Form of Government</b>	Commission-Manager
<b>Area</b>	526 Square Miles
<b>Carteret County Facilities and Services:</b>	
<i>Fire Protection:</i>	
Number of stations	24
Number of firemen and officers	615
Number of calls answered	1,850
<i>Police Protection:</i>	
Number of stations	1
Number of deputies and officers	50
Number of patrol units	20
<i>Inspections:</i>	
Number of building permits issued <sup>(1)</sup>	2,652
<i>Cultural and Recreational:</i>	
Number of parks	7 with 148 total acres
Number of public beach accesses/ boat ramps	9
<b>Facilities and Services not included in primary government:</b>	
<i>Hospitals<sup>(2)</sup>:</i>	
Number of hospitals	1
Number of patients beds	117
<b>Facilities and Services not included in the reporting entity:</b>	
<i>Education<sup>(3)</sup>:</i>	
Number of schools	15
Number of teachers	763
Number of students	8,326
<i>Cultural and Recreational<sup>(4)</sup>:</i>	
Number of libraries	4
Number of volumes	75,000

Sources:

- (1) Permits issued for fiscal year 2000
- (2) Carteret General Hospital
- (3) Carteret County Board of Education
- (4) Carteret County Library

# COMPLIANCE



**INDEPENDENT AUDITOR'S 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 County Commissioners  
Carteret County, North Carolina

We have audited the general purpose financial statements of Carteret County, North Carolina, as of and for the year ended June 30, 2000, and have issued our report thereon dated September 8, 2000, except for Note 22, as to which the date is October 31, 2000. We did not audit the financial statements of Carteret General Hospital Corporation, Carteret County Alcoholic Beverage Control (ABC) Board, Beaufort-Morehead City Airport Authority or Carteret County Tourism Development Bureau. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Carteret General Hospital Corporation, Carteret County Alcoholic Beverage Control (ABC) Board, Beaufort-Morehead City Airport Authority or Carteret County Tourism Development Bureau is based solely on the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Carteret General Hospital Corporation and Carteret County Alcoholic Beverage Control Board were not audited in accordance with the standards applicable to financial audits contained in Government Auditing Standards and, accordingly, this report does not extend to those component units. Our audit, described below, also did not include the operations of Beaufort-Morehead City Airport Authority and Carteret County Tourism Development Bureau because those component units engaged other auditors to perform an audit in accordance with the standards applicable to financial audits contained in Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Carteret County's general purpose 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 Carteret 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 county commissioners, management, federal and State awarding agencies and pass-through entities and the North Carolina Department of the State Treasurer and is not intended to be, and should not be, used by anyone other than the specified parties.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
September 8, 2000



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners  
Carteret County, North Carolina

Scope of the Report

Carteret County's general purpose financial statements include the operations of Carteret General Hospital Corporation, Carteret County Alcoholic Beverage Control Board (ABC Board), Beaufort-Morehead City Airport Authority, and Carteret County Tourism Development Bureau, which are discretely presented component units of Carteret County. The financial statements of Carteret General Hospital Corporation and ABC Board were not audited in accordance with Government Auditing Standards, OMB Circular A-133, or the State Single Audit Implementation Act. The financial statements of Beaufort-Morehead City Airport Authority and Carteret County Tourism Development Bureau were audited in accordance with Government Auditing Standards, but not in accordance with OMB Circular A-133 or the State Single Audit Implementation Act. Accordingly, our audit, described below, does not extend to any of the County's discretely presented component units.

Compliance

We have audited the compliance of Carteret 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, 2000. Carteret 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 Carteret County's management. Our responsibility is to express an opinion on Carteret County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Carteret 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 Carteret County's compliance with those requirements.

In our opinion, Carteret 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, 2000.

Internal Control Over Compliance

The management of Carteret 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 Carteret 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.

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 county commissioners, management, federal and State awarding agencies and pass-through entities and the North Carolina Department of the State Treasurer and is not intended to be, and should not be, used by anyone other than the specified parties.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
September 8, 2000



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB  
CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners  
Carteret County, North Carolina

Scope of the Report

Carteret County's general purpose financial statements include the operations of Carteret General Hospital Corporation, Carteret County Alcoholic Beverage Control Board (ABC Board), Beaufort-Morehead City Airport Authority, and Carteret County Tourism Development Bureau, which are discretely presented component units of Carteret County. The financial statements of Carteret General Hospital Corporation and the ABC Board were not audited in accordance with Government Auditing Standards, applicable sections of OMB Circular A-133 or the State Single Audit Implementation Act. The financial statements of Beaufort-Morehead City Airport Authority and Carteret County Tourism Development Bureau were audited in accordance with Government Auditing Standards, but not in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act. Accordingly, our audit, described below, does not extend to any of the County's discretely presented component units.

Compliance

We have audited the compliance of Carteret 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, 2000. Carteret 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 Carteret County's management. Our responsibility is to express an opinion on the Carteret County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Carteret 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 Carteret County's compliance with those requirements.

In our opinion, Carteret 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, 2000.

Internal Control Over Compliance

The management of Carteret 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 Carteret County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

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 State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the county commissioners, management, State awarding agencies and pass-through entities and the North Carolina Department of the State Treasurer and is not intended to be, and should not be, used by anyone other than the specified parties.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
September 8, 2000

CARTERET COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ending June 30, 2000

Section 1. 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  none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 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:

<u>Program Name</u>	<u>CFDA</u>
Medical Assistance	93.778
Temporary Assistance for Needy Families	93.558

**CARTERET COUNTY, NORTH CAROLINA  
STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2000**

There were no findings for the year ended June 30, 1999.

**CARTERET COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2000**

(Page 1 of 5)

	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
<b>FEDERAL AWARDS:</b>					
<b>US Department of Agriculture:</b>					
Passed through NC Department of Agriculture:					
Administered by the County Finance Department:					
Soil and water conservation	10.550		\$ 15,786	\$ -	\$ 50,355
Passed through Neuse River Council of Governments:					
Administered by Coastal Community Action:					
USDA Supplement	10.570		12,714	-	-
Passed through NC Department of Health and Human Services:					
Division of Women and Children:					
Administered by the County Health Department:					
Special Supplemental Food Program for Women, Infants, and Children:					
Benefit Payments	10.557		569,701	-	-
Administration	10.557		142,378	-	10,096
			712,079	-	10,096
Passed through NC Department of Health and Human Services:					
Division of Social Services:					
Administered by the County Department of Social Services:					
State Administrative Matching Grants for the Food Stamp Program					
	10.561		190,250	-	190,250
Benefit payments					
Food Stamp Cluster	10.551		2,169,345	-	-
			2,359,595	-	190,250
<b>Total US Department of Agriculture</b>			<b>3,100,174</b>	<b>-</b>	<b>250,701</b>
<b>US Department of Housing and Urban Development:</b>					
Passed through NC Department of Commerce:					
Administered by the County Finance Department:					
Community Development Block Grant	14.228	98-E-0497	281,964	-	95,977
Community Development Block Grant	14.228	04-19-57026	23,733	-	68,939
Community Development Block Grant	14.228	97-C-0309	679,779	-	45,736
<b>Total US Department of Housing and Urban Development</b>			<b>985,476</b>	<b>-</b>	<b>210,652</b>
<b>U.S. Department of Justice:</b>					
Direct Programs:					
Community Oriented Policies Services					
COPS FAST	16.710		48,716	-	15,971
<b>U.S. Department of Labor:</b>					
Passed through NC Department of Health and Human Services, NC Division of Aging:					
Passed through Neuse River Council of Governments:					
Administered by Coastal Community Action:					
Senior Employment	17.235		43,312	-	4,812

*See Notes to Schedule.*

**CARTERET COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2000**

(Page 2 of 5)

	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
<b>US Department of Interior:</b>					
Administered by the County Finance Department:					
National Forest, Public Schools	15.225		112,271	-	6,303
<b>US Department of Transportation:</b>					
Passed through NC Department of Transportation:					
Administered by the County Finance Department:					
Elderly and Disabled Transportation Assistance	20.509		67,824	-	-
<b>Federal Emergency Management Agency:</b>					
Passed through NC Department of Crime Control and Public Safety:					
Administered by the County Department of Emergency Management:					
State and Local					
Mitigation Directorate	83.536		56,025	6,225	-
Administered by the County Finance Department:					
State and Local Emergency Management Assistance	83.544		677,383	225,795	-
<b>Total Federal Emergency Management Agency</b>			<b>733,408</b>	<b>232,020</b>	<b>-</b>
<b>US Department of Health and Human Services:</b>					
Passed through NC Department of Health and Human Services:					
Division of Social Services:					
Administered by the County Department of Social Services:					
TANF Benefit payment	93.558		506,543	-	-
Work First Administration	93.558		65,032	606	68,607
Work First Service	93.558		484,794	4,494	507,588
			<b>1,056,369</b>	<b>5,100</b>	<b>576,195</b>
Passed through NC Department of Economic and Community Development:					
Administered by the County Department of Social Services:					
Low Income Home Energy Assistance:					
Benefit payments	93.568		76,543	-	-
Administration	93.568		21,372	-	-
Crisis Intervention payments	93.568		120,219	-	-
			<b>218,134</b>	<b>-</b>	<b>-</b>
Passed through NC Department of Health and Human Services:					
Administered by the County Department of Social Services:					
Subsidized Child Care Cluster:					
Child Care & Development Fund - Discretionary	93.575		505,102	-	-
Child Care & Development Fund - Mandatory	93.596		496,554	-	-
Child Care & Development Fund - Match	93.596		156,871	24,012	-
SSBG	93.667		76,434	-	-
Temporary Assistance for Needy Families	93.558		85,532	-	-
State Appropriations			-	132,879	-
TANF - MOE			-	98,949	-
			<b>1,320,493</b>	<b>255,840</b>	<b>-</b>

See Notes to Schedule.

**CARTERET COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2000**

(Page 3 of 5)

	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
Administered by the County Department of Social Services:					
Access	93.044		28,805	1,694	3,389
In home level III B (Aging Cluster)	93.044		31,434	1,849	3,698
In home level III D	93.046		2,114	124	249
			<u>62,353</u>	<u>3,667</u>	<u>7,336</u>
SSBG	93.667		18,037	1,061	2,122
Title III F	93.043		6,512	385	814
Permanency Planning:					
Regular	93.645		23,269	7,756	-
Adoption subsidy	93.645		5,734	18,056	7,930
			<u>29,003</u>	<u>25,812</u>	<u>7,930</u>
Title IV-E Foster Care:					
Administration	93.658		80,229	-	80,229
Foster Care payments	93.658		124,824	53,119	41,294
Title IV-E adoption subsidy	93.659		44,014	9,319	17,349
			<u>249,067</u>	<u>62,438</u>	<u>138,872</u>
Division of Social Services:					
Administered by the County Department of Social Services:					
Social Services Block Grant:					
Family Planning:					
Other Services and Training	93.667		177,842	-	59,281
In-home Services	93.667		5,447	-	778
			<u>183,289</u>	<u>-</u>	<u>60,059</u>
Division of Aging:					
Passed through Neuse River Council of Governments:					
Administered by Coastal Community Action:					
Congregate Meals	93.045		39,600	2,329	4,659
Home Delivered	93.045		16,693	982	1,964
			<u>56,293</u>	<u>3,311</u>	<u>6,623</u>
Administered by the County Department of Social Services:					
Medical Assistance:					
Benefit payments	93.778		20,770,433	10,533,464	1,743,874
Administration	93.778		483,864	33,042	450,119
Transportation	93.778		28,972	-	28,972
			<u>21,283,269</u>	<u>10,566,506</u>	<u>2,222,965</u>
Safe Children's Health Insurance Program	93.767		26,934	20,167	-
<b>Total US Department of Health and Human Services</b>			<u>24,059,753</u>	<u>10,944,287</u>	<u>3,022,916</u>

See Notes to Schedule.

**CARTERET COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2000**

(Page 4 of 5)

	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
<b>STATE AWARDS:</b>					
<b>NC Department of Health and Human Services:</b>					
Division of Youth Services:					
Community based Alternatives:					
Administered by the County Department of Social Services:					
A.N.C.H.O.R.			-	48,177	805
Administered by the County Finance Department:					
Services for Court Referrals			-	83,738	-
Juvenile Restitution Fund			-	33,295	-
Teen Court			-	43,186	-
Teen Parents Resolve			-	6,500	-
CBA INSYNC			-	33,696	-
			-	<u>248,592</u>	<u>805</u>
Division of Social Services:					
Administered by the County Department of Social Services:					
State/County Special Assistance Benefit			-	315,501	315,501
Energy Assistance, Carolina Power & Light			-	13,386	-
Aid to Counties			-	49,917	-
State Foster Home			-	10,787	-
			-	<u>389,591</u>	<u>315,501</u>
Division of Aging:					
Passed through Neuse River Council of					
Administered by the County Department of Social Services:					
In-house Services 90% State Funds			-	195,338	21,704
Outreach			-	2,507	278
Operation Fan			-	381	-
			-	<u>198,226</u>	<u>21,982</u>
Health Divisions:					
Administered by the County Health Department:					
Maternal Health			-	42,003	190,954
Aids/Community Testing			-	16,976	-
Tuberculosis			-	12,125	-
Child Health			-	44,899	62,157
Hypertension			-	35,344	-
Health Promotion			-	24,445	-
Environmental Health			-	29,646	701,126
Child Care Coordination			-	32,693	149,844
Cancer/Glaucoma/Diabetes			-	15,297	29,535
Kidney			-	8,767	-
Breast/Cervical Cancer			-	24,541	4,994
Communicable Disease Prevention			-	1,435	-
Teen Pregnancy Grant			-	2,764	3,109
Crippled Children Services			-	430	-
Immunization			-	12,714	-
Health Center			-	22,313	723,179
Nutrition			-	14,587	-
Breast Feeding			-	7,282	47,530
Administered by the County Finance Department:					
Mosquito Control			-	15,000	-
			-	<u>363,261</u>	<u>1,912,428</u>
<b>Total NC Department of Health and Human Services</b>					
			-	<u>1,199,670</u>	<u>2,250,716</u>

See Notes to Schedule.

**CARTERET COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2000**

(Page 5 of 5)

	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
<b>NC Department of Environment and Natural Resources:</b>					
Natural Resources Division:					
Administered by the County Finance Department:					
White Goods Disposal			-	33,170	-
Scrap Tire Disposal			-	54,093	-
			-	87,263	-
Division of Water Resources:					
Administered by the County Finance Department:					
Bogue Banks Beach Renourishment			-	47,776	51,858
Newport River Dredging Project Study			-	37,500	37,500
Marshalburg Boat Access Project			-	3,552	-
			-	88,828	89,358
Division of Parks and Recreation:					
Administered by the County Parks and Recreation Department					
Western Park Project			-	32,140	-
			-	208,231	89,358
<b>Total NC Dept of Environment and Natural Resources</b>					
			-	208,231	89,358
<b>NC Department of Corrections:</b>					
Administered by the County Finance Department:					
Criminal Justice Partner Program			-	75,808	6,028
<b>NC Department of Administration:</b>					
Administered by the County Finance Department:					
Sexual Assault/Rape Crisis			-	30,182	66,019
Victims of Crime Act			-	22,239	-
Domestic Violence			-	52,784	68,885
Marriage License			-	11,298	-
Child Victims			-	12,470	-
Veterans Services			-	2,000	127,311
ESGP Grant			-	5,674	11,212
VANA Grant			-	30,704	-
			-	167,351	273,427
<b>NC Department of Public Instruction:</b>					
Public School Bond Fund					
Passed to Carteret County Board of Education			-	507,830	-
<b>NC Office of Budget and Management:</b>					
Administered by the County Finance Department:					
Public School Building Capital Fund			-	750,000	919,350
<b>NC Department of Commerce:</b>					
Administered by the County Finance Department:					
Community Development Assistance			-	25,000	12,250
Housing and Business Redevelopment			-	382,500	-
			-	407,500	12,250
<b>NC Department of Transportation:</b>					
Administered by the County Finance Department:					
CCATS Van Program			-	34,799	178,904
Total Federal Expenditures			\$	29,600,934	
Total State Expenditures			\$	14,527,496	
Total Local Expenditures					\$ 7,241,388

See Notes to Schedule.

**CARTERET COUNTY, NORTH CAROLINA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Fiscal Year Ended June 30, 2000**

**Note 1. GENERAL**

The accompanying Schedule of Expenditures of Federal and State Awards represents only the activity of all federal and State financial assistance programs of Carteret County, North Carolina, primary government. The information is presented in accordance with the requirements of OMB Circular A-133, audits of States, Local Governments, and non-profit organizations.

**Note 2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's general purpose financial statements, except that benefit payments made by the State of North Carolina directly to eligible program beneficiaries, such as medical assistance, temporary assistance for needy families, and low income home energy assistance, as well as the value of food stamps and WIC vouchers distributed, which are not included as expenditures in the general purpose financial statements, are included herein.

**Note 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

All federal and State financial award programs (other than direct benefit payments - see Note 2) are accounted for in the County's governmental funds.

