



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, January 12, 2026**  
**Train Depot, 614 Broad Street**

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**Call to Order/Pledge of Allegiance**

**Roll Call**

**Agenda Approval**

**Items of Consent**

- [1.](#) Meeting Minutes: December 8, 2025
- [2.](#) Personnel Policy Amendments: Section 8. Vacation Leave: Manner of Taking and Section 14. Transfer of Sick Leave from Previous Employer
- [3.](#) FY 2026 Budget Amendment #3
- [4.](#) USDA Capital Project Utilities Improvements Budget Amendment #3
- [5.](#) Resolution: Adopting Water and Sewer System Revenue Bond Anticipation Note

**Presentations**

- [1.](#) Draft FY 2025 Audit: Martin Starnes and Associates
- [2.](#) 2025 Parking Season: Pivot Parking

**Public Hearing**

1. Case 25-14: Request to Rezone 19.67 acres between HWY 101 and Ronnie Road, from R8MH, R-20 & R-8 to TCA K. Garner

**Public Comment**

**Old Business**

- [1.](#) Godette Hotel: 400 Pollock Street A. Grady

**New Business**

- [1.](#) Sewer Allocation Reservation Request: 2621 HWY 70 & 100 Tiffany Way S. Bell
- [2.](#) Approval to Fund a Temporary Position in Public Utilities B. Cooper
- [3.](#) George Aswad's Request for a New Commercial Slip M. Zapp

## **Manager Report**

1. 2025 Overview by Departments

## **Mayor/Commissioner Comments**

## **Closed Session**

1. Pursuant to NCGS 143-318.11 (a) (3)

## **Adjourn**



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**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026**

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**AGENDA CATEGORY:** Items of Consent

**SUBJECT:** Meeting Minutes: December 8, 2025

**REQUESTED ACTION:**

Approval of draft minutes for the following meeting:

- December 8, 2025- Board of Commissioners Regular Meeting

**SUMBITTED BY:**

Elizabeth Lewis, Assistant Town Manager/Town Clerk



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**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, December 08, 2025**  
**Train Depot, 614 Broad Street**

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**Call to Order/Pledge of Allegiance**

Mayor Harker called the meeting to order at 6:00 PM, inviting all to join her in the Pledge of Allegiance.

**Roll Call**

Elizabeth Lewis, Town Clerk, called the roll:

**PRESENT:**

- Mayor Harker
- Mayor Pro Tem Cooper
- Commissioner Gillikin
- Commissioner LoPiccolo
- Commissioner Oliver
- Commissioner Spiegler

**ABSENT:** None

**Agenda Approval**

Commissioner Cooper made a motion to approve the agenda. The motion carried unanimously with a (5-0) vote.

**Items of Consent**

1. Meeting Minutes: November 10, 2025
2. FY 2025 Audit Contract Amendment
3. Personnel Policy Amendment- Article V. Section 12: Drug and Alcohol Policy
4. Resolution: Issuance of Stormwater System Revenue Bond

Commissioner Cooper made a motion to approve the Items of Consent as presented.

The motion carried unanimously with a (5-0) vote.

**Public Comment**

There was none.

## Old Business

1. Adoption of Proposed F3 Marina Budget Ordinance, FY 2026 Fee Schedule and Budget Amendment #3

Town Manager, Matt Zapp, began the presentation by announcing that the Town anticipates assuming management control of the Beaufort Town Docks effective at midnight on December 31, 2025. He publicly thanked Lori Meehan of F3 Marina, Hunter Spitler, and the entire F3 team for their assistance over the past 60 days in preparing for the transition.

Mr. Zapp explained that a new enterprise fund had been established to ensure full transparency in the financial management of the docks. He noted that the proposed budget reflected the first six months of operational activity. He reminded the Board that, as a North Carolina municipal government operating on a fiscal year from July 1 through June 30, the Town would be midway through the fiscal year as of January 1. As such, the budget figures presented represented approximately 50 percent of an annualized operating budget.

Lori Meehan reviewed the proposed F3 Marina operating budget in detail, as included in the meeting packet. She explained that the pricing structure reflected extensive discussions held over several meetings regarding new annual customers, new commercial customers, existing commercial customers, and transient slip projections. Ms. Meehan stated that the proposed commercial operator rate was \$13.50 per foot annually, billed monthly, while new commercial or annual customers would be charged the market rate of \$16.00 per foot. She further explained that winter dockage would be set at \$10.50 per foot, replacing the traditional flat fee with additional charges. Electric fees would remain consistent with current rates and would include a 10–15 percent cushion to account for maintenance, water, and other utility costs.

Commissioner Cooper asked for clarification regarding the rental rate per foot, noting that the Board had previously discussed a \$10.50 rate.

Ms. Meehan confirmed that the \$13.50 rate reflected the recommendation of the Beaufort Waterfront Operations and Finance (BWOFF) Committee, explaining that earlier discussions had begun at \$10.50 per foot. She noted that existing commercial customers had expressed a willingness to pay the proposed rate and potentially more, but that staff and F3 were awaiting final direction from the Board. Ms. Meehan also reviewed the proposed fee schedule in detail.

Commissioner LoPiccolo requested clarification regarding day dock fees, specifically asking how a vessel arriving at 10:00 a.m. and remaining throughout the day would be charged.

Ms. Meehan responded that such a vessel would be charged the transient rate.

Commissioner LoPiccolo also observed that the proposed fee schedule did not distinguish between existing and new commercial operators.

Ms. Meehan clarified that the \$13.50 per foot rate applied exclusively to existing commercial operators, while any new commercial operators would fall under the annual market rate of \$16.00 per foot.

Commissioner Cooper inquired about the status of moorings located outside of the docks.

Ms. Meehan responded that F3 Marina did not have jurisdiction over the mooring field.

Commissioner Gillikin acknowledged that the need for moorings existed and remained an area of interest; however, he noted that the Town was not prepared to address the mooring field during the first year of dock operations.

Following discussion, the Board reached consensus to move forward with the commercial operator rate of \$13.50 per foot, consistent with the recommendation of the BWOF Committee and as proposed in the meeting packet.

Commissioner LoPiccolo specifically thanked Robert Morris of Lookout Cruises and John Dickinson of Waterbug Tours, noting that both had reached out independently to express a willingness to pay the \$16.00 market rate. He stated that they understood the need for repairs and the associated operational costs. Commissioner LoPiccolo further emphasized the high demand for downtown slips, noting that inquiries had already been received without any formal advertising, with prospective customers expressing interest at market rates.

Commissioner Spiegler thanked Ms. Meehan and the F3 Marina team for their work in preparing the budget documentation.

Commissioner Oliver made a motion to approve the proposed F3 Marina operating budget and the corresponding budget ordinance for the Dock Enterprise Fund.

The motion carried unanimously by a vote of 5–0.

Commissioner Oliver then made a motion to approve the proposed fee schedule as presented, amending the FY 2026 Town of Beaufort Fee Schedule to include the updated Beaufort Town Docks fees for the period of January 1, 2026, through June 30, 2026.

The motion carried unanimously by a vote of 5–0.

Commissioner Oliver made a motion to approve Budget Amendment #3, transferring \$472,000 from the Waterfront Improvement Project Fund to the Town Docks Enterprise Fund for working capital.

The motion carried unanimously by a vote of 5–0.

### **Recognition of Outgoing Commissioner, Bucky Oliver**

Mayor Harper recognized Commissioner Charles “Bucky” Oliver for his four years of service to the Town of Beaufort, commending his dedication, preparedness, and thoughtful leadership. She highlighted his commitment to the community since moving to Beaufort and noted his consistent focus on advancing the Town’s priorities with care and diligence. Mayor Harper expressed confidence that, although his term was ending, Commissioner Oliver would continue to remain actively engaged in serving the community. She presented him with a token of appreciation in gratitude for his service and leadership.

Commissioner Cooper expressed his appreciation for Commissioner Oliver’s mentorship, particularly in financial and budgetary matters, noting the strong working partnership they developed during their shared tenure. He emphasized Oliver’s willingness to teach, collaborate, and ensure that Beaufort’s best interests remained the priority, and shared that his presence on the Board would be greatly missed.

Commissioner Gillikin thanked Commissioner Oliver for his analytical skills, attention to detail, and accessibility, noting his consistent willingness to provide guidance and mentorship regardless of differing viewpoints.

Commissioner LoPiccolo recognized Commissioner Oliver’s extensive community involvement, leadership, and commitment to Beaufort’s residents, highlighting the depth of institutional knowledge and relationships he brought to the Board.

Commissioner Spiegler expressed gratitude for Commissioner Oliver's mentorship during her early tenure, noting the value of his experience, perspective, and leadership, and encouraged him to remain engaged with the Board and community.

### Administration of Oaths

1. Melvin Cooper, Commissioner Elect

Attorney and Public Notary, Jeffery Newton, administered the oath of office to Commissioner Melvin Cooper, who was returning for another four-year term. Commissioner Cooper repeated the oath, swearing to support and maintain the Constitution and laws of the United States and North Carolina, and to faithfully discharge the duties of his office as Commissioner for the Town of Beaufort.

2. Dexter Matthews, Commissioner Elect

Commissioner-Elect Dexter Matthews was unable to attend the meeting to be sworn in. Mayor Harker explained that he would take his Oath of Office at a later date.

### New Business

1. Budget Amendments for Pump Station #7

Finance Director, Christi Wood, presented two related budget amendments. She explained that Project Fund No. 67 for Pump Station #7 had been established using American Rescue Plan Act (ARPA) funds. The Town received a low bid of approximately \$1.5 million from Thomas Simpson Construction, which resulted in a funding shortfall of \$511,000.

Ms. Wood detailed the proposed funding source, noting that the Town currently has approximately \$5 million in unassigned fund balance. She explained that \$2.6 million of this amount is restricted under the Board's financial policy, representing approximately 50 percent of the Town's annual operating expenditures. As a result, the Town has approximately \$2.3 million available for appropriation. Ms. Wood stated that the requested \$511,000 would be appropriated from this available fund balance.

Commissioner Gillikin asked whether there were any other imminent needs for the remaining \$2.3 million in available fund balance.

Ms. Wood responded that Pump Station #7 represented the most pressing project at this time.

Commissioner LoPiccolo made a motion to approve the proposed budget amendments associated with Pump Station #7.

The motion carried unanimously by a vote of 4-0.

2. Award of Construction Contract - Pump Station No.7 Replacement Project

Town Engineer, Sam Bell, presented the construction contract award for the Pump Station #7 replacement project. He reported that four bids were received from responsible and responsive contractors, with Thomas Simpson Construction Company of Beaufort submitting the lowest bid in the amount of \$1,448,618. Mr. Bell noted that the firm has successfully completed numerous projects for the Town in the past and is a trusted local contractor.

Mr. Bell provided an overview of the project, including the location and condition of the existing pump station, which was originally constructed in 1969 and is located on the Carteret County school bus garage property. He explained that the station is currently operating above its design capacity and is vulnerable to inundation from high tides, storm events, and elevated groundwater levels.

The proposed replacement project will relocate the pump station away from the bus garage and include increased pump and wet well capacity, along with watertight compartments designed to reduce inflow and infiltration. Mr. Bell also described the service area supported by Pump Station #7, which includes areas north of Cedar Street and flows from Lift Station #10, serving the Maritime Education Center, Gallants Point, and West Beaufort Road.

Mr. Bell outlined the anticipated project schedule, noting that the Notice of Award is expected in December 2025, with a Notice to Proceed in January 2026. The contract includes 180 days for construction, with final completion anticipated within 210 days, targeting completion by summer 2026.

Commissioner LoPiccolo asked whether property-related matters with Carteret County had been resolved.

Mr. Bell confirmed they had.

Commissioner LoPiccolo expressed appreciation for the long-term collaboration and effort that led to the project's advancement, noting satisfaction with the use of experienced local contractors, including Thomas Simpson Construction and Hibbs Electrical.

Commissioner Cooper made a motion to award the construction contract to Thomas Simpson Construction Company.

The motion carried unanimously by a vote of 4–0.

### 3. Mardi Gras 2026 Event Application

Jen Welborn, Community Engagement Director, presented a special event permit application submitted by the Beaufort Business Association (BBA) for the 2026 Mardi Gras Parade and Festival, scheduled for Saturday, February 21, 2026. She noted that the event date follows the Valentine's Day weekend, which is anticipated to support local businesses and downtown activity.

Ms. Welborn outlined the planning and coordination process, explaining that Town staff met with BBA representatives Kristen Prescott and Town public safety officials, including the Police Department, on November 17 to review logistics, safety measures, and proposed road closures. The Fire Department and Public Works Department also reviewed the application electronically and provided input.

She summarized the event schedule, noting that the festival would take place from late morning through the afternoon, with the parade occurring later in the day and a designated lineup period prior to the parade. Ms. Welborn reviewed the requested road closures, which include portions of Turner Street, Middle Lane, and the Craven Street parking lot for food truck use. She also described the parade route, which would travel along Front Street between Gordon and Orange Streets before continuing to Broad Street.

Ms. Welborn explained that parade-related road closures would be in effect during the parade lineup and procession, while other event-related closures would occur earlier in the day. She stated that food trucks would conclude operations in the early evening, with streets reopening later that evening as crowds disperse and public safety conditions allow.

Regarding alcohol service, Ms. Welborn clarified that the BBA would not sell alcohol directly for the event. Instead, permitted local vendors would be allowed to sell alcohol within designated areas, specifically the 100 block of Turner Street and Middle Lane, with restrictions in place to prevent alcohol from crossing Front Street.

Commissioner Cooper requested clarification regarding alcohol sales and the event date. Ms. Welborn confirmed the event would take place on February 21, 2026, and reiterated that alcohol sales would be managed by permitted local vendors, as opposed to the BBA, consistent with supporting local businesses.

Commissioner Cooper also raised concerns regarding the proximity of the event date to recent construction on Turner Street and expressed hope that the roadway would be fully suitable for the event.

Commissioner Gillikin asked for clarification regarding the location of food trucks and whether the area constituted public or private property. Ms. Welborn confirmed that food trucks would be located exclusively within the Craven Street parking lot, which is Town-owned property.

Ms. Welborn concluded by highlighting several safety and crowd control enhancements planned for the event. These include limiting parade participation to pedestrians and golf carts, with no full-size vehicles permitted, and the use of designated BBA representatives to assist with crowd management during the parade.

Commissioner LoPiccolo acknowledged the proactive crowd control measures and expressed appreciation for the planning efforts undertaken to address safety considerations given the anticipated attendance.

Commissioner Gillikin made a motion to approve the Special Event Application for Mardi Gras from the BBA as presented, including street closures and alcohol waivers.

The motion carried unanimously by a vote of 4–0.

### **Appointment of Mayor Pro Tempore**

Commissioner Cooper made a motion to open the floor for nominations of Mayor Pro Tempore.

The motion carried unanimously by a vote of 4–0.

Commissioner Cooper nominated Paula Gillikin.

With no other nominations forthcoming, Commissioner Cooper made a motion to close the floor for nominations.

The motion carried unanimously by a vote of 4–0.

By acclamation, Commissioner Paula Gillikin was appointed to serve as Mayor Pro Tem for the next two years.

### **Mayor/Commissioner Comments**

Commissioner Spiegler thanked Commissioner Cooper for his service as Mayor Pro Tem and congratulated Commissioner Gillikin on the appointment.

Commissioner Cooper reflected on his two-year term as Mayor Pro Tem, noting that the role had been active and rewarding. He expressed appreciation to Jeff Newton for administering his oath of office and to Commissioner Oliver for assisting during the ceremony.

Commissioner Cooper also encouraged community support for local food pantries, noting increased demand during the holiday season and the ongoing impacts of recent economic challenges. He emphasized the importance of donating complete meal items to ensure families are able to fully utilize the food provided. He reflected on his service on the Board, acknowledging the opportunity to work closely with fellow commissioners over the past four years and expressing appreciation for the leadership and collaboration experienced during that time.

Commissioner Cooper thanked the citizens of Beaufort for their continued trust and support through his reelection and reaffirmed his commitment to serving the community with fairness, integrity, and accountability. He concluded by extending holiday well wishes and encouraging safe travels for all.

Commissioner Gillikin congratulated Commissioner Cooper on his reelection and recognized the long-standing contributions of Haywood Weeks to the Town of Beaufort, particularly his role in the development and stewardship of the Town Docks. She noted that the docks have been a longstanding and well-known asset within the community and credited Mr. Weeks with establishing a strong foundation that has positioned the Town for the upcoming transition in operations.

Commissioner Gillikin expressed her support and enthusiasm for the Town and F3 Marina assuming management of the docks beginning January 1, 2026, and acknowledged that this transition builds upon the careful stewardship and planning undertaken over many years. She also recognized Jeb for his leadership and reputation within the maritime community, noting his professional standing and the recognition he has brought to Beaufort beyond the local region. Commissioner Gillikin extended appreciation to Mike and other long-serving dock employees for their dedication and service. She concluded by extending holiday and New Year well wishes to Town staff, Board members, and the community.

Commissioner LoPiccolo expressed appreciation to the Beaufort Business Association for organizing the Mardi Gras event, noting both its positive economic impact and its contribution to community enjoyment. He also commended the Public Works Department for the Town's holiday decorations, recognizing the traditional and tasteful appearance they bring to downtown Beaufort.

Commissioner LoPiccolo welcomed newly elected Commissioner Dexter Matthews in his absence, acknowledging his commitment to family and expressing enthusiasm for his service on the Board. He also congratulated Commissioner Gillikin and recognized Commissioner Oliver as he concluded his term, thanking him for his service and emphasizing that his contributions to the Town would be long remembered.

Mayor Harker commented on the Town's holiday decorations, expressing appreciation for their visual impact and the festive atmosphere they create throughout Beaufort. She reflected on her December newsletter recognition of Haywood Weeks, acknowledging his long-standing vision and stewardship of the Beaufort Town Docks over more than four decades. Mayor Harker emphasized that his dedication and love for the Town helped establish the docks as a destination that has brought visitors from around the world and contributed significantly to Beaufort's identity and economy.

Mayor Harker welcomed F3 Marina and expressed the Board's collective support for a successful transition as the Town assumes dock operations beginning January 1, 2026. She noted the importance of the transition to the Town and conveyed confidence in the partnership moving forward.

Mayor Harker congratulated Commissioner Cooper on his reelection, welcomed Commissioner Dexter Matthews to the Board, and recognized the Beaufort Business Association and its leadership for assuming new responsibilities. She also congratulated Commissioner Gillikin on her appointment as Mayor Pro Tem. She expressed extensive gratitude to Town staff, recognizing their professionalism, responsiveness, and commitment to public service. She specifically acknowledged Town Manager, Matt Zapp, for his leadership and vision, as well as the Town's legal counsel for their consistent availability and support.

Mayor Harker also commended the Board of Commissioners for their preparedness, accessibility, and dedication to serving the community, and thanked Beaufort residents for their resilience and adaptability during periods of disruption. She announced that there would be no December 22 Work Session. Mayor Harker also noted that the annual Board of Commissioners Retreat would be held at the Beaufort Hotel on Thursday, January 29, and Friday, January 30, with both sessions open to the public.

**Adjourn**

Commissioner LoPiccolo made a motion to adjourn the meeting at 7:14 PM.

The motion carried unanimously by a vote of 4-0.

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Sharon E. Harker, Mayor

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Elizabeth Lewis, Town Clerk



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**Board of Commissioners  
Regular Meeting  
6:00 PM- Monday, January 12, 2026  
614 Broad Street, Beaufort NC**

**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** Personnel Policy Amendments: Section 8. Vacation Leave: Manner of Taking and Section 14. Transfer of Sick Leave from Previous Employer

**REQUESTED ACTION:** Amend Article VII: Section 8 – Vacation Leave: Manner of Taking and Section 14 – Transfer of Sick Leave from Previous Employer

The purpose of these amendments is to update the Town’s Sick and Vacation Leave Policy to allow new employees to immediately transfer existing accrued sick leave from previous public-sector employers and to use accrued vacation leave immediately upon hire, rather than after waiting an extended period. All vacation leave requests will continue to require supervisor approval.

These proposed changes are intended to strengthen the Town’s ability to recruit highly qualified candidates, retain current employees, and remain competitive with neighboring municipalities and peer organizations.

**SUBMITTED BY:** Barbara Cooper, Human Resources Manager

**BUDGET AMENDMENT REQUIRED:** None

**Proposed Changes to Vacation Leave Policy: - Removal of Section 7 – Updated Section 9 currently Section 8**

**Section 5. Vacation Leave**

Vacation is a privilege granted to employees by the Town. Vacation leave is intended to be used for rest and relaxation, school appointments, and other personal needs. Vacation should be requested in advance in methods determined by the department and approved by the supervisor.

Vacation leave may also be used by employees who wish to observe religious holidays other than those granted by the Town. Employees who wish to use leave for religious observances must request leave from their respective department directors. The department director will attempt to arrange the work schedule so that an employee may be granted vacation leave for the religious observance. Vacation leave or accrued compensatory time for religious observance may be denied only when granting the leave would create an undue hardship for the Town.

**Section 6. Vacation Leave: Accrual Rate**

Full-time employees of the Town will accrue vacation leave based on the following:

- a) Employees with no prior local or state government service will accrue vacation leave per the table below; or
- b) Employees with verified prior service in municipal, county, and/or state government— whether in North Carolina or another state—may be eligible to accrue vacation leave based on their total years of qualifying public service. To receive credit toward vacation accrual, employees must submit approved documentation from each applicable former public employer. Upon verification, vacation leave will accrue in accordance with the schedule outlined in the table below.

A letter with dates of employment from the previous and most current employer must be provided to Human Resources for years of service credit.

Vacation leave is accrued per pay period (24 annually) based on the number of hours the employee is scheduled to work per week per table below.

YEARS OF SERVICE	DAYS EARNED PER YEAR	HOURS EARNED BI-WEEKLY PER SCHEDULED WEEKLY HOURS		
		REGULAR	POLICE	FIRE
		less than 5 years	12	4.00
5 but less than 10 years	15	5.00	5.25	7.00
10 but less than 15 years	18	6.00	6.30	8.40
15 but less than 20 years	21	7.00	7.35	9.80
20 or more years	24	8.00	8.40	11.20

Accrual Rate Adjustment for Prior Government Employees

Effective September 1, 2025, new hires who transfer to the Town of Beaufort from an entity covered by the North Carolina State or another state and Local Government Retirement Systems will receive years of service credit in determining eligibility for vacation leave accrual.

In addition, employees hired before September 1, 2025, can request an adjustment to their vacation accrual rate for future accruals if the accrual rate would be greater with years of service credit. Years of service credit is determined by active time in the North Carolina State or another state and Local Government Retirement Systems. The accrual rate adjustment based on years of creditable service for new and existing employees will be effective on the first pay period following receipt of the required documentation and will not be retroactive. All documentation must be submitted to Human Resources who will verify active years of creditable service.

A “day” is defined by the formula ratio determined in Section 16 of this article for employees working other than 40 hours per week. For example, a “day” for a law enforcement officer working an average 42-hour workweek is 8.4 hours. Vacation benefits will accrue on a pro-rated basis each pay period. Employees on leave without pay status will not accrue vacation leave.

A “day” is defined by the formula ratio determined in Section 16 of this article for employees working other than 40 hours per week. For example, a “day” for a law enforcement officer working an average 42-hour workweek is 8.4 hours. Vacation benefits will accrue on a pro-rated basis each pay period. Employees on leave without pay status will not accrue vacation leave.

Section 7. Vacation Leave: Maximum Accumulation

Vacation leave may be accumulated without any applicable maximum until the pay period including December 31 of each fiscal year. During the pay period including December 31, any employee with a balance exceeding 30 days shall have the excess accumulation transferred to sick leave so that only a balance of 30 days is carried forward to January 1.

Employees are cautioned not to retain excess accumulated vacation leave until late in the calendar year. Because of the necessity to keep all functions in operation, large numbers of employees cannot be granted vacation leave at any one time. If an employee has excess leave accumulation during the latter part of the year and is unable to take such leave because of staffing demands, the employee shall receive no special consideration either in having vacation leave scheduled or in receiving any exception to the maximum accumulation.

Section 8. Vacation Leave: Manner of Taking

Probationary and regular employees will be granted the use of earned vacation leave, upon request in advance, at those times designated and approved by the department director, which will least obstruct normal operations of the Town. Department directors are responsible for ensuring that approved vacation leave does not hinder the effectiveness of service delivery. Vacation may be taken in quarter hour increments. Vacation leave will not be taken until it has been earned and credited to the employee's account. Failure to request or take vacation leave without prior approval may result in disciplinary action. Notwithstanding the procedures described in this Article, employees must use accrued compensatory time before using accrued vacation leave.

Section 9. Vacation Leave: Payment upon Separation

An employee who has successfully completed the established probationary period for his/her position will normally be paid for accumulated vacation leave upon separation not to exceed 30 days provided notice is given to the supervisor at least two weeks in advance of the effective date of resignation, or in the amount of thirty days for department directors.

Any employee failing to give the notice required by this section shall forfeit payment for accumulated leave. The notice requirement may be waived by the Town Manager when deemed to be in the best interest of the Town.

Section 10. Vacation Leave: Payment upon Death

The estate of an employee who dies while employed by the Town shall be entitled to payment of all the accumulated vacation leave credited to the employee's account not to exceed the maximums established in Section 8 of this Article.

Section 14. Transfer of Sick Leave from Previous Employer – (Proposed Policy)

The Town will accept sick leave balances when documented by a previous employer when the employee worked for a previous employer covered by the North Carolina State or Local Government Retirement Systems and the employee did not withdraw accumulated retirement contributions from that employer when leaving employment.

The sick leave will be treated as though it were earned with the Town of Beaufort and may be used as any other accrued sick leave by the employee. The sick leave amount must be certified by the previous employer, and it is the employee's responsibility to provide documentation from his or her previous employer. The employee shall request credit for his/her eligible sick leave balance within 90 days of hire with the Town or run the risk of forfeiting the balance transfer. **Transferred sick leave will be credited to the employee effective upon his/her first date of employment and may be used upon the Town's confirmation of the balance transfer.**



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**Board of Commissioners  
Regular Meeting  
6:00 PM  
Monday, January 12, 2026  
Train Depot, 614 Broad Street  
Beaufort, NC 28516**

**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** FY 2026 Budget Amendment #3

**BREIF SUMMARY:**

The Police Department applied for a grant through the Big Rock Foundation. The grant was awarded for \$18,500 to establish a bicycle patrol program. No match is required for this grant.

**REQUESTED ACTION:**

Approve FY 26 Budget Amendment #3

**SUBMITTED BY:**

Christi Wood- Finance Director

**BUDGET AMENDMENT REQUIRED:**

Yes



**TOWN OF BEAUFORT  
FY 2026 BUDGET AMENDMENT #3**

WHEREAS, the Town of Beaufort adopted its Fiscal Year 2026 Budget through Ordinance on June 9, 2025, and

WHEREAS, the Board of Commissioners recognizes that periodic modifications to the estimated revenues and expenditures for the fiscal year may be necessary for fiscal management purposes and to implement decisions of the Board of Commissioners;

BE IT THEREFORE ORDAINED that the Board of Commissioners amends the Fiscal Year 2026 Budget as follows:

**SECTION I: GENERAL FUND**

This amendment requests the appropriation of Grant Funds to establish a Police Bicycle Patrol Program.

**A. REVENUE**

<b><u>INCREASE</u></b>	
OTHER REVENUE.....	\$ 18,500
<b>TOTAL INCREASE.....</b>	<b>\$ 18,500</b>

**B. EXPENDITURES AUTHORIZED BY DEPARTMENT**

<b><u>INCREASE</u></b>	
POLICE DEPARTMENT.....	\$ 18,500
<b>TOTAL INCREASE.....</b>	<b>\$ 18,500</b>

**SECTION VI: DISTRIBUTION**

Copies of this ordinance shall be furnished to the Town Manager and Finance Officer to be kept on file for their direction in the disbursement of funds.

Adopted this 12th day of January, 2026.

ATTEST:

\_\_\_\_\_  
Elizabeth Lewis  
Town Clerk

\_\_\_\_\_  
Sharon E. Harker  
Mayor



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**Board of Commissioners  
Regular Meeting  
6:00 PM – Monday, January 12, 2026  
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**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** USDA Capital Project Utilities Improvements Budget Amendment #3

**BRIEF SUMMARY:**

This budget amendment requests the appropriation of the additional funding for the USDA Water project \$6,469,000 and the sewer grant funds of \$5,000,000.

**REQUESTED ACTION:**

Approval of Budget Amendment #3 for USSI- Utilities Improvement Project.

**SUBMITTED BY:**

Christi Wood – Finance Director

**BUDGET AMENDMENT REQUIRED:**

Yes



**TOWN OF BEAUFORT  
CAPITAL PROJECT BUDGET AMEDNMENT #3  
USSI - UTILITIES IMPROVEMENTS**

WHEREAS, the Town of Beaufort adopted a Capital Project Budget Ordinance for the USSI- Utilities Improvements on April 12, 2021, and

WHERAS, the Board of Commissioners recognizes that periodic modifications to the revenues and expenditures for capital projects may be necessary for the fiscal management purposes and to implement the decisions of the Board of Commissioners;

BE IT ORDAINED by the Board of Commissioners by the Town of Beaufort amend the Capital Project USSI-Utilities Improvements as follows:

- Appropriate loan proceeds for the water project and grant proceeds from USDA for the sewer project.  
     Loan Proceed     \$6,469,000  
     Grant Proceeds   \$5,000,000

**SECTION I: REVENUE**

LOAN PROCEEDS .....	\$ 6,469,000
GRANT PROCEEDS .....	\$ 5,000,000
<b>TOTAL REVENUE INCREASE.....</b>	<b>\$ 11,469,000</b>

**SECTION II: EXPENDITURES**

SEWER.....	\$ 5,000,000
WATER.....	\$ 6,469,000
<b>TOTAL EXPENDITURE INCREASE.....</b>	<b>\$ 11,469,000</b>

**SECTION III: DISTRIBUTION**

Copies of this ordinance shall be furnished to the Town Manager and Finance Officer to be kept on file for their direction in the disbursement of funds for carrying out this project.

Adopted this 12<sup>th</sup> day of January 2026.

ATTEST:

\_\_\_\_\_  
Elizabeth Lewis  
Town Clerk

\_\_\_\_\_  
Sharon E. Harker  
Mayor



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - [www.beaufortnc.org](http://www.beaufortnc.org)

**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, January 12, 2026**  
**Train Depot, 614 Broad Street**

**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** USDA Water Loan  
**BRIEF SUMMARY:**

Adopt the resolution for the issuance of \$14,500,000 Water and Sewer System Revenue Bond Anticipation Note.

On March 11, 2024, the Town approved and issued the note for \$8,031,000. PNC purchased the note. This note matures on January 28, 2026.

The water project is not complete, and the Town would like to refinance the existing note and provide additional funds to finance the costs of the water project. The Town desires to issue \$14,500,000 Water and Sewer Revenue Bonds to fund the project (\$8,031,000 original note and \$6,469,000 additional note).

PNC has agreed to purchase the Note and USDA has agreed to purchase the Bonds in the aggregate amount of \$14,500,000 upon completion of the project. The Local Government Commission (LGC) approved the Bonds at its March 5, 2024 and December 2, 2025, meetings.

The maturity date on the notes will be August 15, 2027. Interim interest will be paid on the Note.

Debt Service payments on the bond will begin June 2028.

\$8,031,000 bond term 1.25% 40 years annual payment ~\$257,000

\$6,469,000 bond term 3.125% 40 years annual payment ~\$285,000

**REQUESTED ACTION:**  
Adopt the attached resolution.

**EXPECTED LENGTH OF PRESENTATION:**  
5 minutes

**SUBMITTED BY:**  
Christi Wood- Finance Director

**BUDGET AMENDMENT REQUIRED:**  
NO

**BOARD OF COMMISSIONERS OF THE TOWN OF BEAUFORT, NORTH CAROLINA  
PROVIDING FOR THE ISSUANCE OF A \$14,500,000 WATER AND SEWER SYSTEM REVENUE BOND  
ANTICIPATION NOTE, SERIES 2026 OF THE TOWN OF BEAUFORT, NORTH CAROLINA**

**WHEREAS**, the Bond Order hereinafter described was approved on March 11, 2024 and is in force and effect approving the issuance of water and sewer system revenue bonds of the Town of Beaufort, North Carolina (the “*Town*”);

**WHEREAS**, the Town desires to finance the Project (as defined in the Bond Order) as permitted by Section 159-161 of the General Statutes of North Carolina, as amended;

**WHEREAS**, the Town has previously authorized and issued a note in the principal amount of \$8,031,000 (the “*Existing Note*”), purchased by PNC Bank, National Association (the “*Bank*”), which remains outstanding and matures on January 28, 2026;

**WHEREAS**, the Town has not yet completed the Project and wishes to issue a Note (as defined herein) to refinance the Existing Note and provide additional funds to finance the costs of the Project;

**WHEREAS**, the Town desires to finance a portion of the Project through the issuance of \$14,500,000 Water and Sewer System Revenue Bonds (the “*Bonds*”) which may be issued in one or more series under the Bond Order (as defined herein), and the Town will finance the Project through the issuance of the Note (as defined herein);

**WHEREAS**, the Bond Order authorizes the issuance of bond anticipation notes in accordance with Section 2.10 thereof in anticipation of the issuance of Bonds under the Bond Order, secured in part by the proceeds of such Bonds;

**WHEREAS**, the Bank has agreed to purchase the Note and the United States of America Department of Agriculture, Rural Development (“*USDA*”) has agreed to purchase the Bonds in the aggregate principal amount of \$14,500,000 after completion of the Project, all of the proceeds of which will be applied to the repayment of the principal amount of the Note;

**WHEREAS**, the Local Government Commission of North Carolina (the “*LGC*”) approved the application of the Town for approval of the Bonds as required by Section 159-85 of the General Statutes of North Carolina, as amended, and the issuance and private sale of the Bonds at its March 5, 2024 and December 2, 2025 meetings;

**WHEREAS**, the LGC approved the issuance and private sale of the Note under the provisions of Article 9 of Chapter 159 of the General Statutes of North Carolina, as amended, at its December 2, 2025 meeting.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Town of Beaufort, North Carolina (the “*Board of Commissioners*”), as follows:

1. Capitalized terms but not defined in this Resolution have the meanings ascribed thereto in the Bond Order. For purposes of this Resolution, the following words have the meanings ascribed to them below:

“*Board of Commissioners*” means the Board of Commissioners of the Town.

“*Bond Order*” means the Bond Order authorizing the Bonds adopted by the Board of Commissioners on March 11, 2024 and effective thereon.

“*Business Day*” means a day that is not a Saturday or a Sunday and is a day that the Bond Registrar is open for the conducting of business.

“*Date of Taxability*” means the first date upon which interest on the Note is included in the gross income of the Bank or any subsequent Holder of the Note for federal income tax purposes as a result of a Determination of Taxability.

“*Default Rate*” means the greatest of (i) the PNC Prime Rate plus 3.0%, (ii) the sum of the Overnight Bank Funding Rate plus three hundred fifty (350) basis points (3.50%), and (iii) 9%.

“*Determination of Taxability*” means a determination that the interest on the Note is included in gross income of the Holder for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the Holder is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, as a consequence of an Event of Taxability, the interest on the Note is included in the gross income of the Holder for federal income tax purposes; (b) the date on which the Town receives notice from the Holder that the Holder has been advised in writing that the Internal Revenue Services has issued a statutory notice of deficiency or similar notice to the Holder which asserts, in effect, that interest on the Note received by the Holder is included in the gross income of the Holder for federal income tax purposes, as a result of an Event of Taxability; (c) the day on which the Town is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service that the interest on the Note is included in the gross income of the Holder for federal income tax purposes as a result of an Event of Taxability; or (d) the day on which the Town is advised in writing by counsel to the Holder that a final determination, from which no further right of appeal exists has been made by a court of competent jurisdiction in the United State of America in a proceeding with respect to which the Town has been given notice and an opportunity to participate and defend that interest on the Note is included in the gross income of the Holder for federal income tax purposes as a result of an Event of Taxability.

“*Event of Taxability*” means any event, occurrence or situation, resulting from an action, or failure to act, by the Town, the effect of which is to cause the interest on the Note to be includible in the gross income of the Holder for federal income tax purposes.

“*Note*” means the Town’s \$14,500,000 Water and Sewer System Revenue Bond Anticipation Note, Series 2026.

“*Overnight Bank Funding Rate*” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“*NYFRB*”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Bank for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Town.

“*PNC Prime Rate*” means the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily

reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“Town” means the Town of Beaufort, North Carolina, and its successors or assigns.

2. The Town shall issue its Note in the total aggregate principal amount not to exceed \$14,500,000.

3. The Note is being issued to provide funds to refinance the Existing Note and pay a portion of the cost of various improvements to the Town’s water system (the “Project”) pursuant to and in accordance with the Bond Order.

4. Unless otherwise changed by a certificate delivered at closing by the Town Manager or the Finance Director, the Note shall be dated the date of delivery thereof and shall mature on August 15, 2027, at which time the principal and all unpaid interest accrued thereon shall be due and payable. The Note shall bear interest at the rate to be designated by the Town Manager or Finance Director, which interest shall be payable as designated by the Town Manager or Finance Director and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No interest coupons shall be attached to the Note.

Upon the occurrence and during the continuation of an Event of Default under the Bond Order, all amounts outstanding under the Note shall bear interest at the Default Rate.

If at any time there is a Determination of Taxability, the fixed rate of interest shall be increased to and be calculated at the rate which will provide to the Holder the effective yield which it would have received if there had not been a Determination of Taxability or an Event of Taxability, such rate to be determined by the Holder (the “Alternative Rate of Interest”), and shall be payable from the Date of Taxability to such time as the Note is paid in full. In such event, the Town shall be required to pay to the Holder all amounts, if any, which may be necessary to reimburse the Holder for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue of the State against the Holder by reason of the Holder’s failure to include the interest on the Note in its gross income for income tax purposes. The Town shall pay to the Holder the above mentioned Alternative Rate of Interest notwithstanding any Transfer by the Holder or payment or prepayment by the Town prior to the date such Determination of Taxability was made.

5. Upon ten days written notice to the Holder of the Note, the principal amount of the Note may be prepaid in whole within thirty (30) days prior to the Maturity Date without penalty.

6. The Note will be payable as to both principal and interest to the Bank as the Holder of the Note to such account in the United States as the Holder may designate, by wire transfer or other immediately available funds delivered on the date as such principal or interest is due.

7. The Note shall be sold to the Bank at a purchase price of \$14,500,000.00, such purchase price and the interest rate set forth above being in the best interests of the Town.

8. The Note, which shall be in the form attached hereto as Exhibit A, shall bear the original or facsimile signatures of the Mayor or Town Manager of the Town and the Clerk. An original or facsimile of the seal of the Town is to be imprinted on the Note.

9. Before or simultaneously with the issuance and delivery of the Note, there must be filed with the Bond Registrar the following:

- (a) copies, certified by the Clerk to be true and correct copies, of the Bond Order and this Resolution;
- (b) a certificate of the LGC authorizing the issuance of the Note and the award of the Note to the Bank;
- (c) an opinion of bond counsel to the Town to the effect that the Note has been validly issued in accordance with the provisions of the Bond Order and this Resolution and that the interest on the Note is excluded from gross income for federal income tax purposes, in form and substance satisfactory to the Bank;
- (d) an opinion of counsel to the Town in form and substance satisfactory to the Bank;
- (e) information relating to USDA’s commitment to purchase the Bonds in anticipation of which the Note is being issued upon substantial completion of the Project, including the Town’s executed letter of intent to meet conditions, a fully compiled Form RD 1940-1, and a commitment letter from USDA to purchase the Bonds; and
- (f) such other documentation or opinions as may reasonably be requested by Bond Registrar, the Bank or bond counsel.

When the documents mentioned in subsections (a) to (f), inclusive, of this Section shall have been filed with the Bond Registrar and the Bank, and when the Note shall have been executed as required by the Bond Order and this Resolution, the Note shall be delivered to or upon the order of the State Treasurer for redelivery to or upon the order of the Bank, but only upon the deposit of the purchase price of the Note in accordance with Section 7.

10. Unless otherwise changed by a certificate delivered at closing by the Town Manager or the Finance Director, the proceeds of the Note shall be deposited into an account in the name of the Town held by the Bank. The moneys held in such account shall be used to pay a portion of the costs of the Project or costs incurred in connection with the issuance of the Note. Funds may not be used to pay costs of the Project until the Town has delivered to the Holder written approval of such specific use by USDA of the Note. Funds in such account shall be invested in compliance with Section 159-30 of the North Carolina General Statutes, as amended, with interest earnings to be applied to the costs of the Project.

11. The Mayor, the Town Manager, the Finance Director and the Clerk, each acting on behalf of the Town, are hereby authorized and directed to cause the Note to be prepared, executed and delivered as set forth herein. The LGC is hereby requested to sell the Note at private sale and without advertisement pursuant to G.S. 159-123 to the Bank.

12. The Mayor, the Town Manager, the Finance Director and the Clerk, or their respective designees, each acting on behalf of the Town, are authorized and directed to execute and deliver for and on behalf of the Town any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated hereinabove or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution. Any and all acts of the authorized officers of the Town may be done individually or collectively.

13. If the maturity date of the Note occurs prior to the date that the Project is completed or substantially completed enough such that the USDA is willing to purchase the Bonds expected to be used to pay off the Note, then the Mayor, the Town Manager, the Finance Director and the Clerk, and their respective designees, each acting on behalf of the Town, are authorized and directed to execute and

deliver another note or notes in substantially the form of Exhibit A with such terms as they deem necessary to keep such note or notes outstanding until such time as USDA is willing to purchase the Bonds to pay off the note or notes.

14. After the close of each Fiscal Year, the Town will cause an audit to be made of its books and accounts relating to the System by a firm of independent certified public accountants to be chosen by the Town and will cause an annual report of operations of the System to be prepared, such annual report to cover the matters usually contained in annual reports for similar systems. Within 210 days after the close of such Fiscal Year, the Town Clerk shall mail reports of each such audit and copies of each such annual report to the Holder of the Note.

15. The Town acknowledges and agrees that: (1) the primary role of the Bank is to purchase the Note for its own account, in an arms' length commercial transaction between the Town and the Bank and the Bank has financial and other interests that differ from those of the Town; (2) the Bank is acting solely as principal and is not acting as municipal advisor, financial advisor or fiduciaries to the Town and has not assumed any advisory or fiduciary responsibility to the Town with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (3) the only obligations the Bank has to the Town with respect to the transaction contemplated hereby expressly are set forth in this Resolution and the Note; and (4) the Town has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

***READ, APPROVED AND ADOPTED*** this 12th day of January, 2026.

\_\_\_\_\_  
TOWN CLERK

\_\_\_\_\_  
MAYOR

(SEAL)

**CERTIFICATE**

**I, ELIZABETH LEWIS, TOWN CLERK OF THE TOWN OF BEAUFORT, NORTH CAROLINA DO HEREBY CERTIFY** that the foregoing is a true and accurate copy of the Resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF BEAUFORT, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF A \$14,500,000 WATER AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE, SERIES 2026 OF THE TOWN OF BEAUFORT, NORTH CAROLINA”** which was adopted by the Board of Commissioners at its regular meeting held on the 12th day of January, 2026, to become effective on thereon.

---

ELIZABETH LEWIS  
TOWN CLERK

**EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS OF COMMISSIONERS**

A regular meeting of the Board of Commissioners (the “*Board of Commissioners*”) of the Town of Beaufort, North Carolina was held on January 12, 2026, in the Beaufort Train Depot, Beaufort, North Carolina,, Mayor Sharon Harker presiding and the following Commissioners present:

Commissioners Absent:

\* \* \* \* \*

\_\_\_\_\_ moved that the resolution entitled, “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF BEAUFORT, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF A \$14,500,000 WATER AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE, SERIES 2026 OF THE TOWN OF BEAUFORT, NORTH CAROLINA**”, copies of which having been made available to the Board of Commissioners, be adopted.

The motion was adopted by a vote of \_\_\_\_\_.

AYES:

NAYS:

***PASSED, ADOPTED AND APPROVED*** this 12th day of January, 2026.

**BOARD OF COMMISSIONERS OF THE TOWN OF  
BEAUFORT, NORTH CAROLINA**

BY: \_\_\_\_\_  
ELIZABETH LEWIS  
TOWN CLERK

**EXHIBIT A**

(Form of Note)

NO. R-1

**\$14,500,000**

UNITED STATES OF AMERICA  
STATE OF NORTH CAROLINA  
TOWN OF BEAUFORT, NORTH CAROLINA  
WATER AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE, SERIES 2026

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATED DATE</b>
____%	August 15, 2027	_____, 20__

**OWNER: PNC BANK, NATIONAL ASSOCIATION**

**PRINCIPAL SUM: FOURTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS**

The **TOWN OF BEAUFORT, NORTH CAROLINA** (the “Town”) acknowledges itself indebted and for value received hereby promises to pay to the Owner named above, on the Maturity Date specified above, the Principal Sum shown above and to pay to the Owner hereof interest thereon from the date of this Note on \_\_\_\_\_ and August 15, 2027, the date on which it shall mature, each payment at the Interest Rate per annum specified above calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on this Note is payable in immediately available funds and is payable in U.S. dollars to the Holder of the Note. The principal amount of the Note may be prepaid in whole on any date within 30 days of the Maturity Date without penalty.

Upon the occurrence and during the continuation of an Event of Default, all amounts due shall accrue at the Default Rate, which equals the greatest of (i) the PNC Prime Rate plus 3.0%, (ii) the Overnight Bank Funding Rate plus 3.5%, and (iii) 9.0%.

If at any time there is a Determination of Taxability, the fixed rate of interest shall be increased to and be calculated at the rate which will provide to the Holder the effective yield which it would have received if there had not been a Determination of Taxability, such rate to be determined by the Holder (the “Alternative Rate of Interest”), and shall be payable from the Date of Taxability to such time as the Note is paid in full. In such event, the Town shall be required to pay to the Holder all amounts, if any, which may be necessary to reimburse the Holder for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue of the State against the Holder by reason of the Holder’s failure to include the interest on the Note in its gross income for income tax purposes. The Town shall pay to the Holder the above mentioned Alternative Rate of Interest notwithstanding any Transfer by the Holder or payment or prepayment by the Town prior to the date such Determination of Taxability was made.

The Town shall pay interest at the Alternative Rate of Interest, as applicable, to each affected Holder, notwithstanding the fact that any particular Holder may not necessarily be a Holder of this Note on the date of a Determination of Taxability. The Town shall additionally pay to all affected counterparties any interest, penalties or other charges assessed against or payable by such noteholder and

attributable to a Determination of Taxability, notwithstanding the prior repayment of this Note in full or any transfer to another noteholder.

Principal of and interest on this Note is payable in immediately available funds and is payable in U.S. dollars to the Holder of the Note. Upon ten days' written notice to the Holder of the Note, the principal amount of the Note may be prepaid in whole on any date within 30 days of the Maturity Date without penalty.

This Note is issued pursuant to and in accordance with Article 5 and Article 9 of Chapter 159 of the General Statutes of North Carolina, both as amended, a bond order (the "Bond Order") adopted by the Board of Commissioners of the Town on March 11, 2024 and effective thereon and a resolution adopted by the Board of Commissioners of the Town on January 12, 2026 (the "Series Resolution"). This Note is issued in anticipation of the receipt of the proceeds of the sale of a like amount of the Town's Water and Sewer System Revenue Bonds, and the proceeds hereof shall be used to pay the principal of the Existing Note (as defined in the Series Resolution) and a portion of the cost of the Project (as defined in the Bond Order).

The Note is a special obligation of the Town payable solely from the Net Revenues (as defined in the Bond Order) and from the proceeds of said Water and Sewer System Revenue Bonds of the Town. Neither the credit nor the taxing power of the Town is pledged for the payment of this Note and no holder of this Note has the right to compel exercise of the taxing power by the Town or the forfeiture of any of the Town's property in connection with any default hereon. Reference is hereby made to the Bond Order and the Series Resolution and to all amendments and supplements thereto for a description of the provisions, among others, respecting the nature and extent of the security, the rights, duties and obligations of the Town, the rights of the holder of this Note and the terms upon which this Note is issued and secured.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Note, exist, have been performed and have happened, and that the amount of this Note, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes.

This Note is not valid or obligatory for any purpose until the certification hereon has been signed by an authorized representative of the Local Government Commission of North Carolina.

*IN WITNESS WHEREOF*, the Town has caused this Note to bear the original or facsimile of the signatures of the Mayor of the Town and the Town Clerk and an original or facsimile of the seal of the Town to be imprinted hereon.

(SEAL)

\_\_\_\_\_  
TOWN CLERK

\_\_\_\_\_  
MAYOR

Date of Execution: \_\_\_\_\_, 2026

The issue hereof has been approved under the provisions of The Local Government Bond Act.

---

DENISE L. CANADA  
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

*FOR VALUE RECEIVED* the undersigned hereby sells, assigns and transfers unto

---

(Please print or typewrite Name and Address,  
including Zip Code, and Federal Taxpayer Identification or  
Social Security Number of Assignee)

---

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

---

Attorney to register the transfer of the within Note on the books kept for registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

---

**NOTICE:** Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

---

**NOTICE:** The signature to this assignment must correspond with the name as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM  
Monday, January 12, 2026  
Train Depot, 614 Broad Street  
Beaufort, NC 28516**

**AGENDA CATEGORY:** Presentation  
**SUBJECT:** Draft FY 2025 Audit

**BRIEF SUMMARY:**

The Town of Beaufort’s auditor, Tonya Coffey of Martin Starnes and Associates, will present the draft FY 2025 Audit for the Board’s review. No action is requested following the presentation.

**EXPECTED LENGTH OF PRESENTATION:**

15 minutes

**SUBMITTED BY:**

Christi Wood- Finance Director

**BUDGET AMENDMENT REQUIRED:**

No

**TOWN OF BEAUFORT  
NORTH CAROLINA**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

DRAFT

DRAFT

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## Independent Auditor's Report

To the Honorable Mayor and  
Board of Commissioners  
Town of Beaufort, North Carolina

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Beaufort, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Beaufort, North Carolina, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As discussed in Note 5 to the financial statements, in 2025 the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Local Governmental Employees’ Retirement System Schedules of the Town’s Proportionate Share of Net Pension Liability (Asset) and Contributions, and the Law Enforcement Officers’ Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered-Employee Payroll be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Beaufort's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **November 26, 2026**, on our consideration of the Town of Beaufort's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Beaufort's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Beaufort's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
**November 26, 2026**

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 14,148,205	\$ 5,415,660	\$ 19,563,865
Intergovernmental receivable	1,292,039	-	1,292,039
Property taxes receivable, net	272,615	-	272,615
Accounts receivable, net	184,070	1,120,353	1,304,423
Prepaid items	10,836	-	10,836
Leases receivable, current	25,365	-	25,365
Restricted assets:			
Restricted cash and cash equivalents	3,100,135	11,725,057	14,825,192
Total current assets	<u>19,033,265</u>	<u>18,261,070</u>	<u>37,294,335</u>
Non-current assets:			
Leases receivable	241,727	-	241,727
Capital assets:			
Capital assets, non-depreciable	8,798,681	8,868,806	17,667,487
Capital assets, net of depreciation	17,515,673	30,219,208	47,734,881
Total non-current assets	<u>26,556,081</u>	<u>39,088,014</u>	<u>65,644,095</u>
Total assets	<u>45,589,346</u>	<u>57,349,084</u>	<u>102,938,430</u>
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	1,200,733	213,383	1,414,116
Contributions to pension plan in current fiscal year	706,706	137,055	843,761
Total deferred outflows of resources	<u>1,907,439</u>	<u>350,438</u>	<u>2,257,877</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	840,908	717,650	1,558,558
Liabilities to be paid from restricted assets	-	1,545,834	1,545,834
Advance from grantor	540,000	-	540,000
Long-term debt due within one year	4,275,761	8,243,662	12,519,423
Total current liabilities	<u>5,656,669</u>	<u>10,507,146</u>	<u>16,163,815</u>
Long-term liabilities:			
Long-term debt due in more than one year	4,629,410	11,403,005	16,032,415
Net pension liability	3,508,488	654,707	4,163,195
Total pension liability	650,740	-	650,740
Total long-term liabilities	<u>8,788,638</u>	<u>12,057,712</u>	<u>20,846,350</u>
Total liabilities	<u>14,445,307</u>	<u>22,564,858</u>	<u>37,010,165</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BEAUFORT, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Deferred Inflows of Resources:</b>			
Pension deferrals	226,278	23,091	249,369
Leases	261,772	-	261,772
Total deferred inflows of resources	<u>488,050</u>	<u>23,091</u>	<u>511,141</u>
<b>Net Position:</b>			
Net investment in capital assets	19,924,233	28,205,416	48,129,649
Restricted for stabilization by state statute	1,410,411	-	1,410,411
Restricted for streets	4,300	-	4,300
Restricted for culture and recreation	521,677	-	521,677
Restricted for capacity impact fees	-	1,495,983	1,495,983
Unrestricted	<u>10,702,807</u>	<u>5,410,174</u>	<u>16,112,981</u>
Total net position	<u>\$ 32,563,428</u>	<u>\$ 35,111,573</u>	<u>\$ 67,675,001</u>

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*The accompanying notes are an integral part of the financial statements.*

**TOWN OF BEAUFORT, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 2,663,233	\$ 298,479	\$ 49,255	\$ -
Public safety	6,756,529	938,870	170,500	58,515
Public works and utilities	1,767,090	259,989	242,272	2,020,730
Environmental protection	748,260	817,935	75,000	-
Culture and recreation	256,299	122,863	-	1,757
Interest on long-term debt	259,173	-	-	-
Total governmental activities	<u>12,450,584</u>	<u>2,438,136</u>	<u>537,027</u>	<u>2,081,002</u>
<b>Business-Type Activities:</b>				
Utility Fund	<u>4,972,431</u>	<u>5,059,040</u>	-	<u>4,684,094</u>
Total primary government	<u>\$ 17,423,015</u>	<u>\$ 7,497,176</u>	<u>\$ 537,027</u>	<u>\$ 6,765,096</u>

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF BEAUFORT, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>			
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ (2,315,499)	\$ -	\$ (2,315,499)
Public safety	(5,588,644)	-	(5,588,644)
Public works and utilities	755,901	-	755,901
Environmental protection	144,675	-	144,675
Culture and recreation	(131,679)	-	(131,679)
Interest on long-term debt	(259,173)	-	(259,173)
Total governmental activities	<u>(7,394,419)</u>	<u>-</u>	<u>(7,394,419)</u>
<b>Business-Type Activities:</b>			
Utility Fund	-	4,770,703	4,770,703
Total primary government	<u>(7,394,419)</u>	<u>4,770,703</u>	<u>(2,623,716)</u>
<b>General Revenues:</b>			
Property tax	6,031,322	-	6,031,322
Other taxes	4,828,946	-	4,828,946
Investment earnings	532,001	561,429	1,093,430
Miscellaneous	-	352,117	352,117
Total general revenues, excluding transfers	<u>11,392,269</u>	<u>913,546</u>	<u>12,305,815</u>
Transfers	(478,178)	478,178	-
Total general revenues and transfers	<u>10,914,091</u>	<u>1,391,724</u>	<u>12,305,815</u>
Change in net position	<u>3,519,672</u>	<u>6,162,427</u>	<u>9,682,099</u>
<b>Net Position:</b>			
Beginning of year, July 1	29,179,848	28,984,730	58,164,578
Restatement	(136,092)	(35,584)	(171,676)
Beginning of year - July 1, as restated	<u>29,043,756</u>	<u>28,949,146</u>	<u>57,992,902</u>
End of year, June 30	<u>\$ 32,563,428</u>	<u>\$ 35,111,573</u>	<u>\$ 67,675,001</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BEAUFORT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 10,100,935	\$ 4,047,270	\$ 14,148,205
Property taxes receivable	272,615	-	272,615
Due from other government	1,292,039	-	1,292,039
Accounts receivable	77,540	106,530	184,070
Due from other funds	106,280	-	106,280
Leases receivable	267,092	-	267,092
Prepaid items	10,836	-	10,836
Restricted cash and cash equivalents	4,300	3,095,835	3,100,135
Total assets	<u>\$ 12,131,637</u>	<u>\$ 7,249,635</u>	<u>\$ 19,381,272</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 431,709	\$ 355,947	\$ 787,656
Due to other funds	-	106,280	106,280
Advance from grantor	-	540,000	540,000
Total liabilities	<u>431,709</u>	<u>1,002,227</u>	<u>1,433,936</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes receivable	272,615	-	272,615
Unavailable revenue	65,448	-	65,448
Leases	261,772	-	261,772
Total deferred inflows of resources	<u>599,835</u>	<u>-</u>	<u>599,835</u>
<b>Fund Balances:</b>			
<b>Non-spendable:</b>			
Prepaid items	10,836	-	10,836
Leases	5,320	-	5,320
<b>Restricted:</b>			
Stabilization by state statute	1,410,411	-	1,410,411
Streets - Powell Bill	4,300	-	4,300
Culture and recreation	-	521,677	521,677
Public works and utilities	-	2,034,158	2,034,158
<b>Committed:</b>			
Environmental protection	-	159,635	159,635
Public works and utilities	-	3,440,675	3,440,675
Public safety	-	78,608	78,608
<b>Assigned:</b>			
Culture and recreation	-	12,655	12,655
Unassigned	9,669,226	-	9,669,226
Total fund balances	<u>11,100,093</u>	<u>6,247,408</u>	<u>17,347,501</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,131,637</u>	<u>\$ 7,249,635</u>	<u>\$ 19,381,272</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF BEAUFORT, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<u><b>Total Governmental Funds</b></u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance	\$ 17,347,501
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	26,314,354
Net pension liability	(3,508,488)
Total pension liability	(650,740)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	706,706
Pension related deferrals - outflows	1,200,733
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(8,958,423)
Pension related deferrals - inflows	(226,278)
Deferred inflows in the governmental funds are used to offset accounts receivable not expected to be received within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	<u>338,063</u>
Net position of governmental activities per Exhibit A	<u>\$ 32,563,428</u>

*The accompanying notes are an integral part of the financial statements.*

## TOWN OF BEAUFORT, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 6,016,757	\$ -	\$ 6,016,757
Other taxes and licenses	4,233,840	-	4,233,840
Unrestricted intergovernmental	595,106	-	595,106
Restricted intergovernmental	434,237	256,474	690,711
Permits and fees	1,819,829	189,206	2,009,035
Sales and services	230,925	-	230,925
Investment earnings	455,918	76,083	532,001
Miscellaneous	386,296	1,757	388,053
Total revenues	<u>14,172,908</u>	<u>523,520</u>	<u>14,696,428</u>
<b>Expenditures:</b>			
Current:			
General government	1,872,566	-	1,872,566
Public safety	6,531,657	-	6,531,657
Public works and utilities	1,570,871	2,091,429	3,662,300
Environmental protection	718,689	29,571	748,260
Culture and recreation	240,773	-	240,773
Non-departmental	2,168,818	-	2,168,818
Debt service:			
Principal	750,164	-	750,164
Interest	180,505	72,589	253,094
Total expenditures	<u>14,034,043</u>	<u>2,193,589</u>	<u>16,227,632</u>
Revenues over (under) expenditures	<u>138,865</u>	<u>(1,670,069)</u>	<u>(1,531,204)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	200,000	200,000
Transfers out	(200,000)	(478,178)	(678,178)
Total other financing sources (uses)	<u>(200,000)</u>	<u>(278,178)</u>	<u>(478,178)</u>
Net change in fund balances	(61,135)	(1,948,247)	(2,009,382)
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>11,161,228</u>	<u>8,195,655</u>	<u>19,356,883</u>
End of year, June 30	<u>\$ 11,100,093</u>	<u>\$ 6,247,408</u>	<u>\$ 17,347,501</u>

The accompanying notes are an integral part of the financial statements.

## TOWN OF BEAUFORT, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D) \$ (2,009,382)

Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes	14,565
Grants	(26,815)
Change in net pension liability	191,277
Change in total pension liability	(12,504)
Change in pension related deferred outflows	(469,193)
Change in pension related deferred inflows	(71,987)

Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets. 4,416,538

Gain/loss on sale of disposal of capital assets is not a use/source of current financial resources; therefore, it is not reported in the governmental funds statement. (12,812)

Contributions of capital assets are reported as capital grants and contributions revenue in the Statement of Activities and are not reported in the governmental funds statement. 1,764,256

Depreciation and amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (990,702)

Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. 750,164

Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement. (17,654)

Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds. (6,079)

Total changes in net position of governmental activities per Exhibit B \$ 3,519,672

*The accompanying notes are an integral part of the financial statements.*

## TOWN OF BEAUFORT, NORTH CAROLINA

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 6,018,208	\$ 6,018,208	\$ 6,016,757	\$ (1,451)
Other taxes and licenses	4,269,016	4,269,016	4,233,840	(35,176)
Unrestricted intergovernmental	508,650	508,650	595,106	86,456
Restricted intergovernmental	789,136	299,206	434,237	135,031
Permits and fees	1,514,145	1,514,145	1,819,829	305,684
Sales and services	154,063	154,063	230,925	76,862
Investment earnings	600,000	600,000	455,918	(144,082)
Miscellaneous	340,838	511,092	386,296	(124,796)
Total revenues	<u>14,194,056</u>	<u>13,874,380</u>	<u>14,172,908</u>	<u>298,528</u>
<b>Expenditures:</b>				
Current:				
General government	2,256,457	2,235,055	1,872,566	362,489
Public safety	6,739,439	7,156,796	6,531,657	625,139
Public works and utilities	1,976,988	2,035,378	1,570,871	464,507
Environmental protection	805,317	805,317	718,689	86,628
Culture and recreation	280,270	405,270	240,773	164,497
Non-departmental	1,431,330	2,493,824	2,168,818	325,006
Debt service:				
Principal	636,273	750,164	750,164	-
Interest	270,982	180,506	180,505	1
Total expenditures	<u>14,397,056</u>	<u>16,062,310</u>	<u>14,034,043</u>	<u>2,028,267</u>
Revenues over (under) expenditures	(203,000)	(2,187,930)	138,865	2,326,795
<b>Other Financing Sources (Uses):</b>				
Transfers out	(1,700,000)	(200,000)	(200,000)	-
Appropriated fund balance	<u>1,903,000</u>	<u>2,387,930</u>	<u>-</u>	<u>(2,387,930)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(61,135)</u>	<u>\$ (61,135)</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>11,161,228</u>	
End of year, June 30			<u>\$ 11,100,093</u>	

The accompanying notes are an integral part of the financial statements.

## TOWN OF BEAUFORT, NORTH CAROLINA

### STATEMENT OF FUND NET POSITION PROPRIETARY FUND JUNE 30, 2025

	<u>Enterprise Fund</u>	<u>Utility Fund</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 5,415,660	
Accounts receivable, net	1,120,353	
Restricted cash and cash equivalents	<u>11,725,057</u>	
Total current assets	<u>18,261,070</u>	
Non-current assets:		
Capital assets:		
Land and construction in progress	8,868,806	
Capital assets, net of depreciation	<u>30,219,208</u>	
Total capital assets	<u>39,088,014</u>	
Total assets	<u>57,349,084</u>	
<b>Deferred Outflows of Resources:</b>		
Pension deferrals	213,383	
Contributions to pension plan in current fiscal year	<u>137,055</u>	
Total deferred outflows of resources	<u>350,438</u>	
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and accrued liabilities	279,717	
Accrued interest payable	437,933	
Compensated absences - current portion	80,829	
Current portion of long-term debt	8,162,833	
Liabilities to be paid from restricted assets:		
Accounts payable	1,285,571	
Customer deposits	<u>260,263</u>	
Total current liabilities	<u>10,507,146</u>	
Non-current liabilities:		
Other long-term debt	11,403,006	
Net pension liability	<u>654,707</u>	
Total non-current liabilities	<u>12,057,712</u>	
Total liabilities	<u>22,564,858</u>	
<b>Deferred Inflows of Resources:</b>		
Pension deferrals	<u>23,091</u>	
<b>Net Position:</b>		
Net investment in capital assets	28,205,416	
Restricted	1,495,983	
Unrestricted	<u>5,410,174</u>	
Total net position	<u>\$ 35,111,573</u>	

The accompanying notes are an integral part of the financial statements.

## TOWN OF BEAUFORT, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Enterprise Fund</u>	<u>Utility Fund</u>
<b>Operating Revenues:</b>		
Charges for sales and services	\$ 4,964,985	
Tap fees	74,860	
Connection fees	19,195	
Total operating revenues	<u>5,059,040</u>	
<b>Operating Expenses:</b>		
Water operations	957,374	
Sewer operations	1,887,612	
Depreciation	1,202,034	
Total operating expenses	<u>4,047,020</u>	
Operating income (loss)	<u>1,012,020</u>	
<b>Non-Operating Revenues (Expenses):</b>		
Interest income	561,429	
Capacity use fees	352,117	
Gain (loss) on sale of capital assets	16,899	
Interest on long-term debt	<u>(942,310)</u>	
Total non-operating revenues (expenses)	<u>(11,865)</u>	
Income (loss) before capital contributions and transfers	1,000,155	
Capital contributions	4,684,094	
Transfers in	<u>478,178</u>	
Change in net position	<u>6,162,427</u>	
<b>Net Position:</b>		
Beginning of year, July 1	28,984,730	
Restatement	<u>(35,584)</u>	
Beginning of year - July 1, as restated	<u>28,949,146</u>	
End of year, June 30	<u>\$ 35,111,573</u>	

The accompanying notes are an integral part of the financial statements.

## TOWN OF BEAUFORT, NORTH CAROLINA

### STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Enterprise Fund</u>	<u>Utility Fund</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 5,093,399	
Cash paid for goods and services	(1,358,267)	
Cash paid to employees	(1,217,169)	
Customer deposits	(25,962)	
Net cash provided (used) by operating activities	<u>2,492,001</u>	
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfers in (out)		<u>478,178</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets		(5,890,476)
Proceeds from sale of capital assets		22,500
Capacity use fees collected		352,117
Principal paid on long-term debt		(1,126,836)
Interest paid on long-term debt		(524,505)
Net cash provided (used) for capital and related financing activities		<u>(7,167,200)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest received from investments		<u>561,429</u>
Net increase (decrease) in cash and cash equivalents		(3,635,592)
<b>Cash and Cash Equivalents:</b>		
Beginning of year, July 1		<u>20,776,309</u>
End of year, June 30		<u>\$ 17,140,717</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 1,012,020	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		1,202,034
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		34,359
Increase (decrease) in accounts payable		226,007
Increase (decrease) in accrued compensated absences		(8,106)
Increase (decrease) in customer deposits		(25,962)
(Increase) decrease in deferred outflows of resources for pensions		66,947
Increase (decrease) in deferred inflows of resources for pensions		15,840
Increase (decrease) in net pension liability		(31,138)
Net cash provided (used) by operating activities	<u>\$ 2,492,001</u>	
<b>Supplemental Schedule of Non-Cash Financing Activities</b>		
Net book value of capital assets disposed		<u>\$ 5,601</u>
Developer contributions of capital assets		<u>\$ 4,684,094</u>

The accompanying notes are an integral part of the financial statements.

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# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Beaufort, North Carolina, (the "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

#### A. Reporting Entity

The Town of Beaufort is a municipal corporation that is governed by an elected mayor and five-member council. As required by generally accepted accounting principles, these financial statements present the Town. The Town does not have a component unit.

#### B. Basis of Presentation

*Government-Wide Statements.* The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

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

*Fund Financial Statements.* The fund financial statements provide information about the Town's funds. Separate statements are provided for each fund category – *governmental and proprietary* – are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The Town reports the following major governmental fund:

**General Fund** – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Town reports the following nonmajor governmental funds:

**Stormwater Fund** – This special revenue fund is used to account for the Town’s non-capital stormwater activities, including both operating fees and grant awards.

**Community Improvement Fund** – This capital project fund is used to account for the construction of a new community park.

**Street Rehabilitation and Pedestrian Improvements Fund** – This capital project fund is used for street rehabilitation and pedestrian improvements.

**USDA – Stormwater and Streets Improvements Fund** – This capital project fund is used for USDA funded utility improvements.

**Capital Reserve Fund** – This capital project fund is used to accumulate resources for future capital projects.

**Stormwater and Equipment Fund** – This capital project fund is used to account for stormwater improvements and equipment purchases.

**Professional Park Drive Area Stormwater Project Fund** – This capital project is used to account for Professional Park Drive area stormwater improvements.

**Waterfront Improvement Project Fund** – This capital project fund is used to account for waterfront improvements.

The Town reports the following major enterprise fund:

**Utility Fund** – This fund is used to account for the Town’s water and sewer operations. Three Utility Capital Project Funds have been consolidated into the Utility Fund for financial reporting purposes. The budgetary comparisons for the Utility Capital Project Funds have been included in the supplemental information.

### C. Measurement Focus and Basis of Accounting

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

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Government-Wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under leases are reported as other financing sources.

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

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the state at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Carteret County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual, because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-drive grants are recognized as revenue when the qualifying expenditure have been incurred and all other grant requirements have been satisfied.

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

### D. Budgetary Data

The Town’s budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, special revenue, and enterprise funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the all the remaining governmental funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. The governing board must approve all amendments. The Town Manager is authorized to transfer funds from one appropriation to another within the same fund without limitation. Funds may not be transferred between funds without prior approval from the Board. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the Town Manager may adjust budgets to match, including grants that require a match for which funds are available. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

#### Deposits and Investments

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

State law [G.S. 159-30] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the state of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper, bankers’ acceptances, and mutual fund shares when the mutual fund is certified by the Local Government Commission. The Town’s investments are generally reported at fair value.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAA-mf by Moody’s Investors Service and reported at fair value.

### Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

### Restricted Assets

Powell Bill funds are classified as restricted cash because it can only be expended for the purposes outlined in G.S. 136-41.1 through 136-41.4 of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. The unexpended debt proceeds of the USDA Stormwater and Streets Improvements Fund, Street Rehabilitation and Pedestrian Improvements Fund, and USDA Utility Improvements Fund are classified as restricted assets because their uses are completely restricted for the purpose for which the debt was originally issued. Advances from grantors in the Professional Park Drive Area Stormwater Project Fund are classified as restricted because their use is completely restricted for the purpose for which the grant funding was awarded. Donations received that were placed in the Community Improvement Fund are restricted for the purpose in which it was collected: projects for community improvements. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Capacity impact fees are classified as restricted because the funds collected are to be expended only for the purpose in which it was collected.

#### Restricted Cash:

##### Governmental Activities:

General Fund - Powell Bill - streets	\$ 4,300
Nonmajor Funds:	
USDA Stormwater and Streets Improvements	
- unspent debt proceeds	1,884,959
Street Rehabilitation and Pedestrian Improvements	
Fund - unspent debt proceeds	149,199
Professional Park Drive Area Stormwater Project	
Fund - advance from grantor	540,000
Community Improvement Fund - donations	<u>521,677</u>
Total governmental activities restricted cash	<u>3,100,135</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Restricted Cash (Continued):**

**Business-Type Activities:**

Utility Fund:

Customer deposits	260,263
Capacity impact fees	1,495,983
USDA Utility Improvements - unspent debt proceeds	<u>9,968,811</u>
Total business-type activities restricted cash	<u>11,725,057</u>
 Total	 <u>\$ 14,825,192</u>

**Ad Valorem Taxes Receivable**

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2024.

**Allowances for Doubtful Accounts**

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

**Leases Receivable**

The Town’s leases receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Town may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

**Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost (\$5,000) and an estimated useful life in excess of two years. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The Town's capital assets also include certain right-to-use lease assets in accordance with GASB 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

Capital assets, except for land and construction in progress, are depreciated on the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Computer equipment	5-7 years
Vehicles	7-10 years
Equipment and fixtures	7-10 years
Buildings	25-40 years
Infrastructure	20-60 years

### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion - contributions made to pension plans in the current fiscal year and other pension related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - property taxes receivable and other unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), leases, and pension related deferrals.

### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. The Town has assumed a first-in, first-out method of using accumulated compensated time.

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. A liability for vacation time and the salary-related payments are recorded as the leave is earned.

The Town’s sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Upon separation from service, no monetary obligation exists. However, a liability is being recognized for the estimate of sick time that will be used by employees as time off.

### Net Position/Fund Balances

#### Net Position

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

#### Fund Balances

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

The governmental fund types classify fund balances as follows:

**Non-Spendable Fund Balance.** This classification includes the amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Prepaid Items* – portion of fund balance that is not available because it represents the year-end balance of amounts paid for future benefits, which are not spendable resources.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Leases* – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**Restricted Fund Balance.** This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

*Restricted for Streets - Powell Bill* – portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

*Restricted for Culture and Recreation* – portion of fund balance that is restricted by the donor for construction of a new community park.

*Restricted for Public Works and Utilities* – portion of fund balance that is restricted by revenue source for various public works and utilities projects. Unspent debt proceeds at year end for these funds are restricted for the purpose for which the debt was issued.

Restricted fund balance differs on Exhibit A from Exhibit C by unspent debt proceeds in the governmental funds of \$2,034,158.

**Committed Fund Balance.** This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Beaufort’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Environmental Protection* – portion of fund balance that has been committed by the Board for stormwater operations.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Committed for Public Works and Utilities* – portion of fund balance that has been committed by the Board for future capital needs and ongoing active projects in public works and utilities.

*Committed for Public Safety* – portion of fund balance that has been committed by the Board for future capital needs and ongoing active projects in public safety.

**Assigned Fund Balance.** Assigned fund balance is the portion of fund balance that the Town intends to use for specific purposes. The governing board has the authority to assign fund balance through the budget process.

*Assigned for Culture and Recreation* – portion of fund balance that has been budgeted by the Town’s board for construction of a new community park.

**Unassigned Fund Balance.** The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that may report a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond and debt proceeds, federal funds, state funds, local non-Town funds, and Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town or when required by grant or other contractual agreements.

The Town has adopted a financial policy that includes a minimum fund balance policy for the General Fund, which states that the General Fund unassigned fund balance at the close of each fiscal year shall not be less than 20 percent of actual General Fund net expenditures without prior approval of the Board.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 11,100,093
<b>Less:</b>	
Nonspendable	(16,156)
Stabilization by state statute	(1,410,411)
Streets - Powell Bill	<u>(4,300)</u>
Available for appropriation	<u>\$ 9,669,226</u>

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### F. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town’s employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

### G. Accounting Estimates

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

### H. Revenues, Expenditures, and Expenses

*Other Resources.* The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as “transfers-out” in the General Fund and “transfers-in” in the receiving fund.

*Cost Allocation.* The General Fund provides administrative services to the Utility Fund. At the end of the year, a cost allocation is presented between the General Fund departments and the Utility Fund to show the cost allocated. At June 30, 2025, the amount allocated between funds was \$257,500.

## 2. Detail Notes On All Funds

### A. Assets

#### Deposits

All the deposits of the Town are either insured or collateralized using the Pooling Method. Under this 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 Town, these deposits are considered to be held by the Town’s agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization and this risk may increase in periods of high cash flows. However, the State

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Town's deposits had a carrying amount of \$18,722,897 and a bank balance of \$16,631,735. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2025, the Town's petty cash fund totaled \$400.

### Investments

At June 30, 2025, the Town had \$15,665,760 invested with the North Carolina Capital Management Trust Government Portfolio, which carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investor Service. The Town has no formal policy regarding credit risk.

### Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position as of June 30, 2025, are net of the following allowances for doubtful accounts:

	<u>General Fund</u>	<u>Utility Fund</u>
Solid waste receivable	\$ 36,503	\$ -
Taxes receivable	61,617	-
Water receivable	-	115,566
Sewer receivable	-	109,723
<b>Total</b>	<u>\$ 98,120</u>	<u>\$ 225,289</u>

Due from other governments consists of the following at June 30, 2025:

Utility sales tax	\$ 100,000
Local option sales tax	782,961
Due from County	34,797
Grants receivable	56,448
Sales tax refund	116,008
Others	201,825
<b>Total</b>	<u>\$ 1,292,039</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Leases Receivable**

*Serviced by the General Fund:*

On July 1, 2021, the Town was in a lease as a lessor for the use of 400 Front Street Deck with 8 years remaining. An initial lease receivable was recorded in the amount of \$37,923. At June 30, 2025, the value of the lease receivable is \$22,423. The lessee is required to make annual variable payments of \$5,594, adjusted annually for consumer price index. The lease has an interest rate of 2.359%. The value of the deferred inflow of resources at fiscal year-end was \$20,764 and the Town recognized lease revenue of \$5,191 during the year.

On July 1, 2021, the Town was in a lease as a lessor for the use of Beaufort House (upper and lower decks) with 7 years remaining. An initial lease receivable was recorded in the amount of \$33,840. At June 30, 2025, the value of the lease receivable is \$13,179. The lessee is required to make annual variable payments of \$6,816, adjusted annually for consumer price index. The lease has an interest rate of 2.283%. The value of the deferred inflow of resources at fiscal year-end was \$12,309 and the Town recognized lease revenue of \$6,155 during the year.

On August 1, 2024, the Town entered into a lease as a lessor for the use of three boat slips at Grayden Paul Park ending on 12/31/2036. An initial lease receivable was recorded in the amount of \$249,490. At June 30, 2025, the value of the lease receivable is \$231,490. The lessee is required to make annual variable payments of \$18,000, with annual adjustments beginning on January 1, 2026 of 5% annually. The lease has an interest rate of 2.400%. The value of the deferred inflow of resources at fiscal year-end was \$228,699 and the Town recognized lease revenue of \$18,000 during the year.

	<u>Leases Receivable</u>	<u>Deferred Inflows</u>
<i>Leased Airspace:</i>		
400 Front Street Deck	\$ 22,423	\$ 20,764
<i>Leased Buildings:</i>		
Beaufort House - upper and lower deck	13,179	12,309
<i>Leased Land:</i>		
Island Ferry Dock	<u>231,490</u>	<u>228,699</u>
 Total leases	 <u>\$ 267,092</u>	 <u>\$ 261,772</u>

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
Leased airspace	\$ 26,094	\$ -	\$ 3,671	\$ 22,423	\$ 5,411
Leased buildings	108,291	-	95,112	13,179	6,515
Leased land	-	249,490	18,000	231,490	13,439
Total	<u>\$ 134,385</u>	<u>\$ 249,490</u>	<u>\$ 116,783</u>	<u>\$ 267,092</u>	<u>\$ 25,365</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2025 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2024</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2025</b>
<b>By Type:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land and improvements	\$ 3,575,176	\$ 1,672,806	\$ -	\$ 5,247,982
Construction in progress	<u>1,266,369</u>	<u>2,284,330</u>	-	<u>3,550,699</u>
Total non-depreciable capital assets	<u>4,841,545</u>	<u>3,957,136</u>	-	<u>8,798,681</u>
<b>Depreciable Capital Assets:</b>				
Buildings and improvements	5,911,655	35,950	-	5,947,605
Infrastructure	9,386,790	1,674,399	-	11,061,189
Equipment and fixtures	1,682,126	57,975	(191,074)	1,549,027
Vehicles	5,946,672	455,334	(445,366)	5,956,640
Right to use lease equipment	<u>74,871</u>	-	-	<u>74,871</u>
Total depreciable capital assets	<u>23,002,114</u>	<u>2,223,658</u>	<u>(636,440)</u>	<u>24,589,332</u>
<b>Less Accumulated Depreciation and Amortization:</b>				
Buildings and improvements	1,616,385	151,246	-	1,767,631
Infrastructure	886,508	283,200	-	1,169,708
Equipment and fixtures	1,174,702	98,419	(178,262)	1,094,859
Vehicles	3,007,777	442,863	(445,366)	3,005,274
Right to use lease equipment	<u>21,213</u>	<u>14,974</u>	-	<u>36,187</u>
Total accumulated depreciation and amortization	<u>6,706,585</u>	<u>990,702</u>	<u>(623,628)</u>	<u>7,073,659</u>
Depreciable capital assets, net	<u>16,295,529</u>			<u>17,515,673</u>
Capital assets, net	<u>\$ 21,137,074</u>			<u>\$ 26,314,354</u>

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

**Governmental Activities:**

General government	\$ 54,071
Public safety	486,096
Public works and utilities	354,029
Culture and recreational	<u>96,506</u>
Total	<u>\$ 990,702</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

The following is summary of changes in the business-type capital assets for the fiscal year:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Non-Depreciable Capital Assets:</b>				
Land and improvements	\$ 444,059	\$ -	\$ -	\$ 444,059
Construction in progress	1,424,662	7,000,085	-	8,424,747
Total non-depreciable capital assets	<u>1,868,721</u>	<u>7,000,085</u>	<u>-</u>	<u>8,868,806</u>
<b>Depreciable Capital Assets:</b>				
Equipment and fixtures	1,511,863	129,822	(112,184)	1,529,501
Vehicles	734,341	46,140	(63,774)	716,707
Buildings and improvements	1,361,814	-	-	1,361,814
Plant and collection system	32,197,516	3,014,442	-	35,211,958
Plant and distribution system	7,726,953	1,669,652	-	9,396,605
Total depreciable capital assets	<u>43,532,487</u>	<u>4,860,056</u>	<u>(175,958)</u>	<u>48,216,585</u>
<b>Less Accumulated Depreciation:</b>				
Equipment and fixtures	892,807	126,780	(106,583)	913,004
Vehicles	458,226	51,867	(63,774)	446,319
Buildings and improvements	1,121,384	20,389	-	1,141,773
Plant and collection system	12,122,842	827,950	-	12,950,792
Plant and distribution system	2,370,441	175,048	-	2,545,489
Total accumulated depreciation	<u>16,965,700</u>	<u>1,202,034</u>	<u>(170,357)</u>	<u>17,997,377</u>
Depreciable capital assets, net	<u>26,566,787</u>			<u>30,219,208</u>
Capital assets, net	<u>\$ 28,435,508</u>			<u>\$ 39,088,014</u>

**Construction Commitments**

The government has active construction projects as of June 30, 2025. At year-end, the government's commitments with contractors are as follows:

<u>Projects</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
USDA - Stormwater and Street Improvements	\$ 1,122,041	\$ 2,283,959
Street Rehabilitation and Pedestrian Improvements	1,554,504	2,607,708
Stormwater and Equipment	15,671	62,693
Professional Park Drive Area Stormwater Project	392,742	542,073
Waterfront Improvements	345,429	254,571
Firestation Improvements	120,312	4,000
Total governmental projects	<u>\$ 3,550,699</u>	<u>\$ 5,755,004</u>
Utilities	\$ 372,256	\$ 968,221
1809 Live Oak Street Water and Sewer Line Ext	358,615	239,385
USDA - Utilities Improvements	8,084,637	8,456,433
Total business-type projects	<u>\$ 8,815,508</u>	<u>\$ 9,664,039</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Net Investment in Capital Assets**

The total net investment in capital assets at June 30, 2025 is composed of the following elements:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets, net of depreciation	\$ 26,314,354	\$ 39,088,014
Less: construction payables	-	(1,285,571)
Less: long-term debt	(8,424,279)	(19,565,838)
Add: unspent debt proceeds	2,034,158	9,968,811
Net investment in capital assets	<u>\$ 19,924,233</u>	<u>\$ 28,205,416</u>

**B. Liabilities**

**Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities at June 30, 2025 were as follows:

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade payables	\$ 625,507	\$ 255,861	\$ 881,368
Accrued interest	53,252	437,933	491,185
Accrued salaries and benefits	162,149	23,856	186,005
Total	<u>\$ 840,908</u>	<u>\$ 717,650</u>	<u>\$ 1,558,558</u>

**Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

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

## TOWN OF BEAUFORT, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Benefits Provided.* LGERS provides retirement, disability and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with unreduced retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with reduced retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad workers who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Beaufort employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.64% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$827,475 for the year ended June 30, 2025.

*Refunds of Contributions.* County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members include interest (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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

At June 30, 2025, the Town reported a liability of \$4,163,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024 (measurement date), the Town's proportion was 0.0618%, which was a decrease of 0.0045% from its proportion measured as of June 30, 2023 (measurement date).

For the year ended June 30, 2025, the Town recognized pension expense of \$1,196,388. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 729,549	\$ 4,905
Net difference between projected and actual earnings on pension plan investments	565,984	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	37,839	150,120
Town contributions subsequent to the measurement date	<u>827,475</u>	<u>-</u>
Total	<u>\$ 2,160,847</u>	<u>\$ 155,025</u>

\$827,475 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2026	\$ 361,655
2027	789,280
2028	91,408
2029	<u>(63,996)</u>
Total	<u>\$ 1,178,347</u>

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions and methods used in the December 31, 2023 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future and ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement. The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic fixed income	7.0%	5.3%
Inflation sensitive	6.0%	4.3%
Total	<u>100.0%</u>	

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The information above is based on 30-year expectations developed with an investment consulting firm. The long-term nominal rates of return underlying the real rates of return are arithmetic annual figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. Return projections do not include any excess return expectations over benchmark averages for public markets. All rates of return and inflation are annual amounts.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Sensitivity of the Town’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town's proportionate share of the net pension liability (asset)	<u>\$ 7,377,303</u>	<u>\$ 4,163,195</u>	<u>\$ 1,519,149</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the state of North Carolina.

### Law Enforcement Officers' Special Separation Allowance

The Town administers a public employee retirement system (the “Separation Allowance”), a single-employer, defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% 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. A separate report was not issued for the plan.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance’s membership consisted of:

Inactive members currently receiving benefits	3
Active plan members	<u>18</u>
Total	<u><u>21</u></u>

### Summary of Significant Accounting Policies

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

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

### Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.28 percent, compounded annually

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employee’s Retirement System for the five-year period ending December 31, 2019.

**Mortality Assumption:** All mortality rates use Pub-2010 amount-weighted tables.

**Mortality Projection:** All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**Deaths After Retirement (Healthy):** Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and set forward by 1 year.

**Deaths After Retirement (Disabled Members at Retirement):** Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are set back 3 years for all ages.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

**Deaths After Retirement (*Survivors of Deceased Members*):** Mortality rates are based on the Below-Median Teachers Mortality Table for Contingent Survivors. Rates for male members are set forward 3 years. Rates for female members are set forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-Median Teachers Mortality Table for Employees is used for ages less than 45.

**Deaths Prior to Retirement:** Mortality rates are based on the Safety Mortality Table for Employees.

### Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and, at present, has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The Town’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$31,037 as benefits came due for the reporting period.

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

At June 30, 2025, the Town reported a total pension liability of \$650,740. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the Town recognized pension expense of \$76,562.

At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 41,733	\$ 14,128
Changes of assumptions and other inputs	39,011	80,216
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,286	-
Total	<u>\$ 97,030</u>	<u>\$ 94,344</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

\$16,286 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2026	\$ 22,397
2027	(18,222)
2028	(16,684)
2029	1,762
2030	(2,853)
Total	<u>\$ (13,600)</u>

*Sensitivity of the Town's Total Pension Liability to Changes in the Discount Rate.* The following presents the Town's total pension liability calculated using the discount rate of 4.28% as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.28%) or one percentage point higher (5.28%) than the current rate:

	<b>1% Decrease (3.28%)</b>	<b>Current Discount Rate (4.28%)</b>	<b>1% Increase (5.28%)</b>
Total pension liability	<u>\$ 720,069</u>	<u>\$ 650,740</u>	<u>\$ 589,012</u>

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

Total pension liability as of December 31, 2023	\$ 638,236
Service cost	37,690
Interest on the total pension liability	24,909
Differences between expected and actual experience	(440)
Changes of assumptions or other inputs	(18,618)
Benefit payments	<u>(31,037)</u>
Total pension liability as of December 31, 2024	<u>\$ 650,740</u>

*Changes of Assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023 (measurement date) to 4.28% at December 31, 2024 (measurement date).

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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

The following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	0.0618%	N/A	N/A
Total pension liability	\$ -	\$ 650,740	\$ 650,740
Net pension liability	4,163,195	-	4,163,195
Pension expense	1,196,388	76,562	1,272,950

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>			
Differences between expected and actual experience	\$ 729,549	\$ 41,733	\$ 771,282
Changes in assumptions	-	39,011	39,011
Net difference between projected and actual earnings on pension plan investments	565,984	-	565,984
Changes in proportion and differences between Town contributions and proportionate share of contributions	37,839	-	37,839
Town contributions subsequent to the measurement date	827,475	16,286	843,761
Total	<u>\$ 2,160,847</u>	<u>\$ 97,030</u>	<u>\$ 2,257,877</u>

<b><u>Deferred Inflows of Resources</u></b>			
Differences between expected and actual experience	\$ 4,905	\$ 14,128	\$ 19,033
Changes in proportion and differences between Town contributions and proportionate share of contributions	150,120	-	150,120
Changes in assumptions	-	80,216	80,216
Total	<u>\$ 155,025</u>	<u>\$ 94,344</u>	<u>\$ 249,369</u>

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

*Plan Description.* The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state’s ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the Plan.

The Town contributed \$70,641 for the reporting year. No amounts were forfeited.

### **Supplemental Retirement Income Plan – Employees Other Than Law Enforcement Officers**

*Plan Description.* All full-time employees of the Town can elect to participate in the Supplemental Retirement Income Plan, a defined contribution plan.

*Funding Policy.* The Town voluntarily contributes, each month, an amount equal to five percent of each employee’s salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan.

The Town made contributions of \$227,432 for the reporting year. No amounts were forfeited.

### **Post-Employment Benefits**

#### **Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all Town employees permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the plan is at the option of the employee. Investments are managed by the Plan’s trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. Employee contributions to the plan during fiscal year 2025 amounted to \$9,955.

The Town has complied with changes in the laws, which govern the Town’s deferred compensation plans, requiring all position of the plans to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, “Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans”, the Town’s Deferred Compensation Plan is not reported as Town agency funds.

#### **Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees’ Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum benefit payments to beneficiaries are equal to the employee’s 12 highest months’ salary in a row during the 24 months prior to the employee’s death, but the benefit will be a minimum of \$25,000 but will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. 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. The Town considers these contributions to be immaterial.

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources reported on the Statement of Net Position are comprised of the following:

<u>Source</u>	<u>Amount</u>
Benefit payments made and administration expenses for pension	\$ 843,761
Differences between expected and actual experience	771,282
Changes of assumptions	39,011
Net difference between projected and actual earnings on pension plan investments	565,984
Changes in proportion and differences between Town contributions and proportionate share of contributions	37,839
Total	<u>\$ 2,257,877</u>

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Property taxes receivable	\$ -	\$ 272,615
Grants receivable	-	65,448
Leases	261,772	261,772
Differences between expected and actual experience	19,033	-
Changes of assumptions	80,216	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	150,120	-
Total	<u>\$ 511,141</u>	<u>\$ 599,835</u>

**Risk Management**

The Town 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 Town participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2,000,000 per occurrence, property coverage up to \$31,656,467, workers' compensation coverage up to \$500,000. The pools are reinsured through commercial companies for single occurrence claims against general liability, and auto liability in excess of \$1,000,000, and \$150,000 for workers' compensation.

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The Town carries flood insurance through the National Flood Insurance Plan (NFIP). Because the Town is in an area that state that has been mapped and designated an A area, (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage of \$500,000 per structure through the NFIP.

The Town carries commercial coverage for all other risks of loss. 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.

In accordance with G.S. 159-29, the Town’s employees who have access to \$100 or more at any given time of the Town’s funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$1,000,000. The remaining employees who have access to funds are bonded under a blanket bond for \$200,000.

### Claims, Judgments and Contingent Liabilities

At June 30, 2025, the Town was a defendant to various lawsuits. In the opinion of the Town’s management and Town attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town’s financial position.

### Long-Term Obligations

#### Lease Liabilities

The Town has entered into an agreement to lease office equipment. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

#### *Governmental Activities:*

In August 2022, the Town entered into a lease for office equipment for the Administrative, Police, Fire, and Public Works departments. An initial lease liability was recorded in the amount of \$74,871. The Town is required to make payments of \$1,324 for 60 months, beginning February 1, 2023. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.359%, which is the stated rate in the lease agreement. The lease liability balance on June 30, 2025, was \$39,788. The value of the right-to-use asset at year end was \$74,871 with accumulated depreciation of \$36,187.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental	
	Principal	Interest
2026	\$ 15,114	\$ 776
2027	15,474	415
2028	9,200	72
Total	\$ 39,788	\$ 1,263

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Bond Anticipation Notes**

Bond anticipation notes at June 30, 2025 are comprised of the following individual issuances:

**Governmental Activities (direct borrowing):**

\$3,007,000 Stormwater system revenue bond anticipation note, issued March 2024, interest at 4.08%, with an interest only payment due on November 2024; the remaining interest and principal, originally due in full in July 2025, was extended until January 2026, at which time the remaining will be transferred to a new USDA-supervised account with the expectation that the principal balance will be repaid by permanent financing from USDA \$ 3,007,000

**Business-Type Activities (direct placement):**

\$8,031,000 Water system revenue bond anticipation notes, issued March 2024, interest at 4.240%, payable annually beginning November 2024; the remaining interest and principal were refinanced January 2026 and now matures August 2027 with the expectation that the principal balance will be repaid by permanent financing from USDA \$ 8,031,000

\$7,036,000 Sewer system revenue bond anticipation notes, issued March 2024, interest at 4.240%, payable annually beginning November 2024, with remaining interest and principal due in full March 2026, with the expectation that the principal balance will be repaid by permanent financing from USDA 7,036,000

Total business-type activities bond anticipation notes \$ 15,067,000

Annual debt service payments of the bond anticipation notes as of June 30, 2025 are as follows:

Year Ending June 30	Bond Anticipation Notes			
	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2026	\$ 3,007,000	\$ 122,686	\$ 7,036,000	\$ 758,171
2027	-	-	-	340,514
2028	-	-	8,031,000	56,752
Total	<u>\$ 3,007,000</u>	<u>\$ 122,686</u>	<u>\$ 15,067,000</u>	<u>\$ 1,155,437</u>

## TOWN OF BEAUFORT, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

#### Installment Purchases

Installment purchases at June 30, 2025 are comprised of the following individual agreements:

#### Governmental Activities (direct placement):

\$1,500,000 note issued June 2011, interest at 2.95%, payable in annual installments of \$100,000, plus interest, with a final payment due in fiscal year 2026; secured by building	\$ 200,000
\$3,675,000 note issued April 2020, interest at 2.44%, payable in annual installments of \$245,000, plus interest, with a final payment due in fiscal year 2035; secured by equipment	2,450,000
\$3,000,000 note issued December 2015, interest at 3.35%, payable in semi-annual installments of \$100,000, including interest, with a final payment due in fiscal year 2030; secured by building	1,200,000
\$1,001,687 note issued April 2020, interest at 2.19%, payable in annual installments of \$79,202, including interest, with a final payment due in fiscal year 2035; secured by vehicle	704,536
\$360,000 note issued August 2021, interest at 1.38%, payable in annual installments ranging from \$70,043 to \$73,987, plus interest, with a final payment due in fiscal year 2027; secured by fire pumper truck	147,946
\$732,000 note issued April 2024, interest at 5.49%, payable in annual installments of \$97,066, including interest, with a final payment due in fiscal year 2034; secured by fire truck	<u>675,009</u>
Total governmental activities installment purchases - direct placement	<u>\$ 5,377,491</u>

Installment purchase obligations from direct placements in the amount of \$5,377,491 reported for governmental activities include provisions that if the Town is determined to be in default, the full amount of the obligation could become due immediately, at the discretion of the lender.

Annual debt service payments of the direct placement installment purchases as of June 30, 2025 are as follows:

Year Ending June 30	Direct Placement Governmental	
	Principal	Interest
2026	\$ 741,755	\$ 325,780
2027	748,433	135,926
2028	578,368	115,914
2029	583,492	98,047
2030	588,850	80,012
2031-2035	2,136,593	167,063
Total	\$ 5,377,491	\$ 922,742

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Business-Type Activities (direct borrowing):**

\$602,293 NCDEQ loan issued December 2005, for the Cedar Street Sanitary Sewer Rehabilitation project; interest at 2.205%, payable in annual principal installments of \$30,115 and semi-annual interest payments through fiscal year May 2026; secured by system assets	\$ 30,112
\$592,554 NCDEQ loan issued July 2007, for the Sewer Force Main project; interest at 2.265%, payable in annual principal installments of \$29,628 and semi-annual interest payments through fiscal year May 2028; secured by system assets	88,881
\$5,557,814 NCDEQ loan issued July 2008, for the Waste Water Treatment Plant project; interest at 2.265%, payable in annual principal installments of \$277,766 and semi-annual interest payments through fiscal year May 2028; secured by system assets	833,304
\$1,011,208 NCDEQ loan issued November 2012, for the Well project; interest at 2.48%, payable in annual principal installments of \$50,560 and semi-annual interest payments through fiscal year May 2033; secured by system assets	404,483
\$14,023,600 NCDEQ loan issued April 2010, for the Waste Water Treatment Plant project; interest at 2.1%, payable in annual principal installments of \$692,017 and semi-annual interest payments through fiscal year May 2029; secured by system assets	2,768,058
\$935,000 NCDEQ loan issued April 2013, for the Sycamore Drive Water Project; interest at 2.455%, payable in annual principal installments of \$46,750 and semi-annual interest payments through fiscal year May 2033; secured by system assets	<u>374,000</u>
Total business-type activities installment purchases - direct borrowing	<u><u>\$ 4,498,838</u></u>

Installment purchase obligations from direct borrowing in the amount of \$4,498,838 include provisions that if the Town is found to be in default, the full amount of the obligation could become due immediately, at the discretion of the lender.

Annual debt service payments of the direct borrowing installment purchases as of June 30, 2025 are as follows:

<b>Year Ending June 30</b>	<b>Direct Borrowing</b>	
	<b>Business-Type</b>	
	<b>Principal</b>	<b>Interest</b>
2026	\$ 1,126,833	\$ 98,894
2027	1,096,721	74,333
2028	1,096,724	50,437
2029	789,314	26,540
2030	97,310	9,606
2031-2033	291,936	14,410
Total	<u>\$ 4,498,838</u>	<u>\$ 274,220</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

At June 30, 2025, the Town of Beaufort had a legal debt margin of approximately \$96,437,000.

**Long-Term Debt Obligation Activity**

The following is a summary of the changes in the long-term debt obligations as of June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>
<b>Governmental activities:</b>					
Installment purchases -					
direct placement	\$ 6,112,895	\$ -	\$ 735,404	\$ 5,377,491	\$ 741,755
Bond anticipation notes	3,007,000	-	-	3,007,000	3,007,000
Lease liabilities	54,548	-	14,760	39,788	15,114
Compensated absences	463,238	17,654	-	480,892	480,892
Net pension liability (LGERS)	3,699,765	-	191,277	3,508,488	-
Total pension liability (LEO)	638,236	12,504	-	650,740	31,000
Total	<u>\$ 13,975,682</u>	<u>\$ 30,158</u>	<u>\$ 941,441</u>	<u>\$ 13,064,399</u>	<u>\$ 4,275,761</u>

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>
<b>Business-type activities:</b>					
Bond anticipation notes	\$ 15,067,000	\$ -	\$ -	\$ 15,067,000	\$ 7,036,000
Installment purchases -					
direct borrowing	5,625,674	-	1,126,836	4,498,838	1,126,833
Compensated absences	88,935	-	8,106	80,829	80,829
Net pension liability (LGERS)	685,845	-	31,138	654,707	-
Total	<u>\$ 21,467,454</u>	<u>\$ -</u>	<u>\$ 1,166,080</u>	<u>\$ 20,301,374</u>	<u>\$ 8,243,662</u>

**Interfund Balances and Activity**

**Transfers to/from Other Funds**

Transfers to/from other funds during the year ended June 30, 2025 consist of the following:

	<u>Amount</u>
From the Capital Reserve Fund to Utility Capital Project Funds for share of capital project	\$ 478,178
From the General Fund to the Capital Reserve Fund to reserve funds for future capital projects	<u>200,000</u>
Total	<u>\$ 655,678</u>

# TOWN OF BEAUFORT, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### Due to/from Other Funds

The Professional Park Drive Area Stormwater Project Fund owed the General Fund \$106,280 at June 30, 2025. The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

### 3. Summary Disclosure of Significant Commitments and Contingencies

#### Federal and State-Assisted Programs

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

### 4. Subsequent Events

The Town docks have been maintained and managed by Beaufort Waterfront Enterprises (BWE) for many years. The agreement between the Town and BWE was set to expire in December 2024, and BWE did not plan to continue operating the docks beyond that date. An agreement was reached in August 2024 for BWE to extend their operations until December 2025. The Town hired a new dock management company, F3 Marian Management, to begin managing the docks in January 2026.

On September 17, 2025, the Town entered into a financing agreement to install a new fuel farm at the Town docks. The \$1,200,000 loan will be repaid beginning September 17, 2026, in five annual principal installments of \$240,000 plus interest at 3.9%.

#### USDA Funded Utilities Improvement Projects

*Stormwater drainage system improvement.* In March 2024, the Town obtained interim project financing of \$3,007,000. The project has been delayed and has not been completed as expected by July 2025, when the note was originally due in full. Estimated completion on the project is now February 28, 2026. The Town was granted an extension on the interim financing until January 2026. At the end of the extension, the remaining interim funding was transferred to a new USDA-supervised project account. USDA permanent financing is expected at project completion.

*Water distribution system improvement.* In March 2024, the Town obtained interim project financing of \$8,031,000. The project has been delayed and will not be completed as expected by January 2026, when the note was due in full. The original contractor has been unable to complete the work, and a new contractor will take over and complete the original work and additional tasks that are now necessary to complete the project. Project completion and USDA permanent financing are expected by April 2027. The Town refinanced the original note of \$8,031,000 and obtaining additional interim financing of \$6,469,000 in January 2026, maturing in August 2027.

**TOWN OF BEAUFORT, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

*Wastewater collection system rehabilitation.* In March 2024, the Town obtained interim project financing of \$7,036,000. Project completion and USDA permanent financing are anticipated on time in March 2026.

**5. Adjustments and Restatements of Beginning Balances**

During the current year, the Town of Beaufort implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Town of Beaufort now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below.

	<b>Net Position 6/30/2024 as Previously Reported</b>	<b>Restatement - GASB 101 Implementation</b>	<b>Net Position 6/30/2024 as Restated</b>
<b>Government-Wide:</b>			
Governmental activities	\$ 29,179,848	\$ (136,092)	\$ 29,043,756
Business-type activities	28,984,730	(35,584)	28,949,146
<b>Total Government-Wide</b>	<u>\$ 58,164,578</u>	<u>\$ (171,676)</u>	<u>\$ 57,992,902</u>
<b>Proprietary Funds:</b>			
<b>Enterprise Funds</b>			
Major funds:			
Water and Sewer Fund	\$ 28,984,730	\$ (35,584)	\$ 28,949,146

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS \***

	<b>Local Governmental Employees' Retirement System</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Town's proportion of the net pension liability (asset) (%)	0.0618%	0.0662%	0.0637%	0.0638%	0.0646%
Town's proportion of the net pension liability (asset) (\$)	\$ 4,163,195	\$ 4,385,610	\$ 3,593,024	\$ 977,666	\$ 2,307,719
Town's covered payroll	\$ 5,719,307	\$ 5,457,722	\$ 4,574,979	\$ 4,247,728	\$ 4,213,495
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.79%	80.36%	78.54%	23.02%	54.77%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%

**Notes to the Schedule:**

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

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

**TOWN OF BEAUFORT, NORTH CAROLINA**

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS \***

	<b>Local Governmental Employees' Retirement System</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Town's proportion of the net pension liability (asset) (%)	0.0594%	0.0551%	0.0523%	0.0539%	0.0548%
Town's proportion of the net pension liability (asset) (\$)	\$ 1,620,802	\$ 1,306,922	\$ 798,234	\$ 1,143,301	\$ 246,074
Town's covered payroll	\$ 3,593,838	\$ 3,137,753	\$ 2,967,679	\$ 2,836,171	\$ 2,718,474
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.10%	41.65%	26.90%	40.31%	9.05%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**TOWN OF BEAUFORT'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**Local Governmental Employees' Retirement System**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 827,475	\$ 752,361	\$ 674,450	\$ 528,606	\$ 440,076
Contributions in relation to the contractually required contribution	<u>827,475</u>	<u>752,361</u>	<u>674,450</u>	<u>528,606</u>	<u>440,076</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 5,913,594	\$ 5,719,307	\$ 5,457,722	\$ 4,574,979	\$ 4,247,728
Contributions as a percentage of covered payroll	13.99%	13.15%	12.36%	11.55%	10.36%

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**TOWN OF BEAUFORT'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**Local Governmental Employees' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 385,970	\$ 286,716	\$ 242,371	\$ 224,174	\$ 196,906
Contributions in relation to the contractually required contribution	<u>385,970</u>	<u>286,716</u>	<u>242,371</u>	<u>224,174</u>	<u>196,906</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 4,213,495	\$ 3,593,838	\$ 3,137,753	\$ 2,967,679	\$ 2,836,171
Contributions as a percentage of covered payroll	9.16%	7.98%	7.72%	7.55%	6.94%

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST NINE FISCAL YEARS**

<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 638,236	\$ 589,349	\$ 727,554	\$ 683,194
Service cost at end of year	37,690	31,726	42,169	45,688
Interest on the total pension liability	24,909	24,454	15,848	12,749
Differences between expected and actual experience	(440)	19,217	(28,724)	52,101
Changes of assumptions or other inputs	(18,618)	17,436	(121,124)	(20,952)
Benefit payments	<u>(31,037)</u>	<u>(43,946)</u>	<u>(46,374)</u>	<u>(45,226)</u>
Ending balance of the total pension liability	<u>\$ 650,740</u>	<u>\$ 638,236</u>	<u>\$ 589,349</u>	<u>\$ 727,554</u>

**Notes to the Schedule:**

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

As information becomes available, the Town will present the ten most current fiscal years' data.

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST NINE FISCAL YEARS**

<b>Law Enforcement Officers' Special Separation Allowance</b>					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 437,343	\$ 514,251	\$ 431,071	\$ 383,955	\$ 376,220
Service cost at end of year	28,001	21,429	22,208	18,912	19,064
Interest on the total pension liability	13,571	17,952	12,956	14,304	13,155
Differences between expected and actual experience	76,552	(85,707)	109,124	14,495	-
Changes of assumptions or other inputs	169,847	11,539	(18,987)	26,167	(9,042)
Benefit payments	<u>(42,120)</u>	<u>(42,121)</u>	<u>(42,121)</u>	<u>(26,762)</u>	<u>(15,442)</u>
Ending balance of the total pension liability	<u>\$ 683,194</u>	<u>\$ 437,343</u>	<u>\$ 514,251</u>	<u>\$ 431,071</u>	<u>\$ 383,955</u>

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE  
OF COVERED-EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST NINE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total pension liability	\$ 650,740	\$ 638,236	\$ 589,349	\$ 727,554
Covered-employee payroll	\$ 1,292,125	\$ 1,172,287	\$ 1,081,652	\$ 1,099,360
Total pension liability as a percentage of covered-employee payroll	50.36%	54.44%	54.49%	66.18%

**Notes to the Schedule:**

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

As information becomes available, the Town will present the ten most current fiscal years' data.

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE  
OF COVERED-EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST NINE FISCAL YEARS**

	<b>Law Enforcement Officers' Special Separation Allowance</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 514,251	\$ 437,343	\$ 431,071	\$ 383,955	\$ 376,220
Covered-employee payroll	\$ 943,037	\$ 808,593	\$ 706,932	\$ 723,729	\$ 692,771
Total pension liability as a percentage of covered-employee payroll	54.53%	54.09%	60.98%	53.05%	54.31%

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**TOWN OF BEAUFORT, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2025</u>		<b>Variance Over/Under</b>
	<u>Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes		\$ 5,992,734	
Penalties and interest		24,023	
Total ad valorem taxes	\$ 6,018,208	6,016,757	\$ (1,451)
<b>Other Taxes and Licenses:</b>			
Local option sales tax		2,875,230	
Fire district sales tax		240,000	
Harlowe district sales tax		24,039	
Fire district ad valorem taxes		752,000	
Harlowe fire district ad valorem taxes		76,925	
ABC net revenues		265,646	
Total other taxes and licenses	4,269,016	4,233,840	(35,176)
<b>Unrestricted Intergovernmental Revenues:</b>			
Utility franchise tax		538,436	
Beer and wine tax		19,347	
Payments in lieu of tax		37,323	
Total unrestricted intergovernmental revenues	508,650	595,106	86,456
<b>Restricted Intergovernmental Revenues:</b>			
Other grants		255,830	
Powell Bill allocation		178,407	
Total restricted intergovernmental revenues	299,206	434,237	135,031
<b>Permits and Fees:</b>			
Building permits		525,769	
Court and parking fees		396,112	
Garbage and recycle fees		817,935	
Solid waste fees		70,783	
Special events fee		9,230	
Total permits and fees	1,514,145	1,819,829	305,684

**TOWN OF BEAUFORT, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Sales and Services:</b>			
Rents		226,222	
Sales of cemetery lots		4,703	
Total sales and services	<u>154,063</u>	<u>230,925</u>	<u>76,862</u>
<b>Interest:</b>			
Investment earnings	<u>600,000</u>	<u>455,918</u>	<u>(144,082)</u>
<b>Miscellaneous Revenues:</b>			
Donations		49,255	
Miscellaneous		337,041	
Total miscellaneous revenues	<u>511,092</u>	<u>386,296</u>	<u>(124,796)</u>
Total revenues	<u>13,874,380</u>	<u>14,172,908</u>	<u>298,528</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Board:</b>			
Governing board fees		60,044	
Professional fees		10,263	
Operating expenditures		37,914	
Total governing board	<u>126,761</u>	<u>108,221</u>	<u>18,540</u>
<b>Administration:</b>			
Salaries and benefits		446,822	
Operating expenditures		152,329	
Total administration	<u>647,656</u>	<u>599,151</u>	<u>48,505</u>
<b>Human Resources:</b>			
Salaries and benefits		158,413	
Operating expenditures		50,782	
Total human resources	<u>226,025</u>	<u>209,195</u>	<u>16,830</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>		<b>Variance Over/Under</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Information Technology Services:</b>			
Salaries and benefits		46,126	
Operating expenditures		107,494	
Total human resources	201,460	153,620	47,840
<b>Finance:</b>			
Salaries and benefits		477,005	
Tax collection fees		130,984	
Operating expenditures		123,704	
Cost allocation		(131,209)	
Total finance	743,933	600,484	143,449
<b>Parking:</b>			
Operating expenditures		201,895	
Total parking	289,220	201,895	87,325
Total general government	2,235,055	1,872,566	362,489
<b>Public Safety:</b>			
<b>Police:</b>			
Salaries and benefits		2,260,587	
Operating expenses		401,459	
Capital outlay		407,800	
Total police	3,181,274	3,069,846	111,428
<b>Fire Department:</b>			
Salaries and benefits		2,261,003	
Operating expenses		405,395	
Capital outlay		105,364	
Total fire department	3,106,322	2,771,762	334,560

**TOWN OF BEAUFORT, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>		
	<u>Budget</u>	<u>Actual</u>	<b>Variance Over/Under</b>
<b>Planning and Inspections:</b>			
Salaries and benefits		561,085	
Operating expenditures		<u>128,964</u>	
Total planning and inspections	<u>869,200</u>	<u>690,049</u>	<u>179,151</u>
Total public safety	<u>7,156,796</u>	<u>6,531,657</u>	<u>625,139</u>
<b>Public Works and Utilities:</b>			
<b>Public Works:</b>			
Salaries and benefits		991,313	
Operating expenditures		154,235	
Street lights		163,945	
Street maintenance		63,789	
Capital outlay		<u>135,999</u>	
Total public works	<u>1,653,789</u>	<u>1,509,281</u>	<u>144,508</u>
<b>Public Service Administration:</b>			
Salaries and benefits		175,207	
Operating expenditures		12,674	
Cost allocation		<u>(126,291)</u>	
Total public service administration	<u>381,589</u>	<u>61,590</u>	<u>319,999</u>
Total public works and utilities	<u>2,035,378</u>	<u>1,570,871</u>	<u>464,507</u>
<b>Environmental Protection:</b>			
<b>Sanitation:</b>			
Operating expenditures		589,596	
Garbage and trash collection		<u>129,093</u>	
Total sanitation	<u>805,317</u>	<u>718,689</u>	<u>86,628</u>
Total environmental protection	<u>805,317</u>	<u>718,689</u>	<u>86,628</u>

TOWN OF BEAUFORT, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025

	2025		Variance Over/Under
	Budget	Actual	
<b>Culture and Recreation:</b>			
Operating expenditures		146,271	
Capital outlay		94,502	
Total culture and recreation	405,270	240,773	164,497
<b>Non-Departmental:</b>			
Human resources		94	
Professional services		97,700	
Legal services		209,591	
Others		359,464	
Capital outlay		1,501,969	
Total non-departmental	2,493,824	2,168,818	325,006
<b>Debt Service:</b>			
Principal		750,164	
Interest		180,505	
Total debt service	930,670	930,669	1
Total expenditures	16,062,310	14,034,043	2,028,267
Revenues over (under) expenditures	(2,187,930)	138,865	2,326,795
<b>Other Financing Sources (Uses):</b>			
Transfers out	(200,000)	(200,000)	-
Appropriated fund balance	2,387,930	-	(2,387,930)
Net change in fund balance	\$ -	(61,135)	\$ (61,135)
<b>Fund Balance:</b>			
Beginning of year, July 1		11,161,228	
End of year, June 30		\$ 11,100,093	

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TOWN OF BEAUFORT, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025

	<u>Capital Project Funds</u>			
	<u>Special Revenue Fund Stormwater Fund</u>	<u>Community Improvement Fund</u>	<u>Street Rehabilitation and Pedestrian Improvements Fund</u>	<u>USDA - Stormwater and Streets Improvements Fund</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 160,044	\$ 12,655	\$ 591,214	\$ 737,179
Accounts receivable	-	-	-	-
Restricted cash and cash equivalents	-	521,677	149,199	1,884,959
Total assets	<u>\$ 160,044</u>	<u>\$ 534,332</u>	<u>\$ 740,413</u>	<u>\$ 2,622,138</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 409	\$ -	\$ 108,130	\$ 243,208
Due to other funds	-	-	-	-
Advance from grantor	-	-	-	-
Total liabilities	<u>409</u>	<u>-</u>	<u>108,130</u>	<u>243,208</u>
<b>Fund Balances:</b>				
Restricted:				
Culture and recreation	-	521,677	-	-
Public works and utilities	-	-	149,199	1,884,959
Committed:				
Environmental protection	159,635	-	-	-
Public works and utilities	-	-	483,084	493,971
Public safety	-	-	-	-
Assigned:				
Culture and recreation	-	12,655	-	-
Total fund balances	<u>159,635</u>	<u>534,332</u>	<u>632,283</u>	<u>2,378,930</u>
Total liabilities, deferred inflows of and fund balances	<u>\$ 160,044</u>	<u>\$ 534,332</u>	<u>\$ 740,413</u>	<u>\$ 2,622,138</u>

TOWN OF BEAUFORT, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025

	<u>Capital Project Funds</u>				
	<u>Capital Reserve Fund</u>	<u>Stormwater and Equipment Fund</u>	<u>Professional Park Drive Area Stormwater Project Fund</u>	<u>Waterfront Improvement Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,242,578	\$ 44,829	\$ -	\$ 258,771	\$ 4,047,270
Accounts receivable	-	-	106,530	-	106,530
Restricted cash and cash equivalents	-	-	540,000	-	3,095,835
Total assets	<u>\$ 2,242,578</u>	<u>\$ 44,829</u>	<u>\$ 646,530</u>	<u>\$ 258,771</u>	<u>\$ 7,249,635</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 4,200	\$ 355,947
Due to other funds	-	-	106,280	-	106,280
Advance from grantor	-	-	540,000	-	540,000
Total liabilities	<u>-</u>	<u>-</u>	<u>646,280</u>	<u>4,200</u>	<u>1,002,227</u>
<b>Fund Balances:</b>					
Restricted:					
Culture and recreation	-	-	-	-	521,677
Public works and utilities	-	-	-	-	2,034,158
Committed:					
Environmental protection	-	-	-	-	159,635
Public works and utilities	2,163,970	44,829	250	254,571	3,440,675
Public safety	78,608	-	-	-	78,608
Assigned:					
Culture and recreation	-	-	-	-	12,655
Total fund balances	<u>2,242,578</u>	<u>44,829</u>	<u>250</u>	<u>254,571</u>	<u>6,247,408</u>
Total liabilities, deferred inflows of and fund balances	<u>\$ 2,242,578</u>	<u>\$ 44,829</u>	<u>\$ 646,530</u>	<u>\$ 258,771</u>	<u>\$ 7,249,635</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Capital Project Funds</u>			
	<u>Special Revenue Fund Stormwater Fund</u>	<u>Community Improvement Fund</u>	<u>Street Rehabilitation and Pedestrian Improvements Fund</u>	<u>USDA - Stormwater and Streets Improvements Fund</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Permits and fees	189,206	-	-	-
Investment earnings	-	-	102	75,981
Miscellaneous	-	1,757	-	-
Total revenues	<u>189,206</u>	<u>1,757</u>	<u>102</u>	<u>75,981</u>
<b>Expenditures:</b>				
Current:				
Public works and utilities	-	-	934,465	786,847
Environmental protection	29,571	-	-	-
Debt service:				
Interest	-	-	-	72,589
Total expenditures	<u>29,571</u>	<u>-</u>	<u>934,465</u>	<u>859,436</u>
Revenues over (under) expenditures	<u>159,635</u>	<u>1,757</u>	<u>(934,363)</u>	<u>(783,455)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>159,635</u>	<u>1,757</u>	<u>(934,363)</u>	<u>(783,455)</u>
<b>Fund Balances:</b>				
Beginning of year, July 1	<u>-</u>	<u>532,575</u>	<u>1,566,646</u>	<u>3,162,385</u>
End of year, June 30	<u>\$ 159,635</u>	<u>\$ 534,332</u>	<u>\$ 632,283</u>	<u>\$ 2,378,930</u>

**TOWN OF BEAUFORT, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Capital Project Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Capital Reserve Fund</b>	<b>Stormwater and Equipment Fund</b>	<b>Professional Park Drive Area Stormwater Project Fund</b>	<b>Waterfront Improvement Project Fund</b>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ 256,474	\$ -	\$ 256,474
Permits and fees	-	-	-	-	189,206
Investment earnings	-	-	-	-	76,083
Miscellaneous	-	-	-	-	1,757
Total revenues	<u>-</u>	<u>-</u>	<u>256,474</u>	<u>-</u>	<u>523,520</u>
<b>Expenditures:</b>					
Current:					
Public works and utilities	-	-	220,409	149,708	2,091,429
Environmental protection	-	-	-	-	29,571
Debt service:					
Interest	-	-	-	-	72,589
Total expenditures	<u>-</u>	<u>-</u>	<u>220,409</u>	<u>149,708</u>	<u>2,193,589</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>36,065</u>	<u>(149,708)</u>	<u>(1,670,069)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	200,000	-	-	-	200,000
Transfers out	(478,178)	-	-	-	(478,178)
Total other financing sources (uses)	<u>(278,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(278,178)</u>
Net change in fund balances	(278,178)	-	36,065	(149,708)	(1,948,247)
<b>Fund Balances:</b>					
Beginning of year, July 1	<u>2,520,756</u>	<u>44,829</u>	<u>(35,815)</u>	<u>404,279</u>	<u>8,195,655</u>
End of year, June 30	<u>\$ 2,242,578</u>	<u>\$ 44,829</u>	<u>\$ 250</u>	<u>\$ 254,571</u>	<u>\$ 6,247,408</u>

## TOWN OF BEAUFORT, NORTH CAROLINA

### STORMWATER FUND - NONMAJOR SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Stormwater fees	\$ 178,717	\$ 189,206	\$ 10,489
<b>Expenditures:</b>			
Environmental protection: Operating expenditures	178,717	29,571	149,146
Net change in fund balance	\$ -	159,635	\$ 159,635
<b>Fund Balance:</b>			
Beginning of year - July 1		-	
End of year - June 30		\$ 159,635	

## TOWN OF BEAUFORT, NORTH CAROLINA

COMMUNITY IMPROVEMENT FUND - NONMAJOR CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Recreation fees	\$ -	\$ 10,898	\$ 1,757	\$ 12,655	\$ 12,655
<b>Expenditures:</b>					
Culture and recreation:					
Cedar St./Randolph Johnson Water Tower Park	521,677	-	-	-	521,677
Revenues over (under) expenditures	(521,677)	10,898	1,757	12,655	534,332
<b>Other Financing Sources (Uses):</b>					
Transfers from General Fund	521,677	521,677	-	521,677	-
Net change in fund balance	\$ -	\$ 532,575	1,757	\$ 534,332	\$ 534,332
<b>Fund Balance:</b>					
Beginning of year - July 1			532,575		
End of year - June 30			\$ 534,332		

## TOWN OF BEAUFORT, NORTH CAROLINA

**STREET REHABILITATION AND PEDESTRIAN IMPROVEMENTS FUND -  
NONMAJOR CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 265,518	\$ 260,458	\$ -	\$ 260,458	\$ (5,060)
Investment earnings	-	830	102	932	932
Total revenues	<u>265,518</u>	<u>261,288</u>	<u>102</u>	<u>261,390</u>	<u>(4,128)</u>
<b>Expenditures:</b>					
Public works and utilities:					
Engineering	15,000	31,570	-	31,570	(16,570)
Construction	4,099,868	588,469	934,465	1,522,934	2,576,934
Admin and legal	47,344	-	-	-	47,344
Total expenditures	<u>4,162,212</u>	<u>620,039</u>	<u>934,465</u>	<u>1,554,504</u>	<u>2,607,708</u>
Revenues over (under) expenditures	<u>(3,896,694)</u>	<u>(358,751)</u>	<u>(934,363)</u>	<u>(1,293,114)</u>	<u>2,603,580</u>
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	3,675,000	1,703,703	-	1,703,703	(1,971,297)
Transfers from Capital Reserve Fund	221,694	221,694	-	221,694	-
Total other financing sources (uses)	<u>3,896,694</u>	<u>1,925,397</u>	<u>-</u>	<u>1,925,397</u>	<u>(1,971,297)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,566,646</u>	<u>(934,363)</u>	<u>\$ 632,283</u>	<u>\$ 632,283</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>1,566,646</u>		
End of year - June 30			<u>\$ 632,283</u>		

## TOWN OF BEAUFORT, NORTH CAROLINA

USDA - STORMWATER AND STREETS IMPROVEMENTS -  
NONMAJOR CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 18,990	\$ 75,981	\$ 94,971	\$ 94,971
<b>Expenditures:</b>					
Public works and utilities:					
Planning	45,000	56,500	-	56,500	(11,500)
Design, permit, and bid	354,000	206,105	146,056	352,161	1,839
Construction	3,007,000	-	640,791	640,791	2,366,209
Debt service - interest	-	-	72,589	72,589	(72,589)
Total expenditures	<u>3,406,000</u>	<u>262,605</u>	<u>859,436</u>	<u>1,122,041</u>	<u>2,283,959</u>
Revenues over (under) expenditures	<u>(3,406,000)</u>	<u>(243,615)</u>	<u>(783,455)</u>	<u>(1,027,070)</u>	<u>2,378,930</u>
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	3,007,000	3,007,000	-	3,007,000	-
Transfers from Capital Reserve Fund	254,000	254,000	-	254,000	-
Transfers from General Fund	145,000	145,000	-	145,000	-
Total other financing sources (uses)	<u>3,406,000</u>	<u>3,406,000</u>	<u>-</u>	<u>3,406,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,162,385</u>	<u>(783,455)</u>	<u>\$ 2,378,930</u>	<u>\$ 2,378,930</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>3,162,385</u>		
End of year - June 30			<u>\$ 2,378,930</u>		

## TOWN OF BEAUFORT, NORTH CAROLINA

**CAPITAL RESERVE FUND - NONMAJOR CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Other Financing Sources (Uses):</b>					
Transfer to Utility Fund	\$ (183,000)	\$ (90,000)	\$ -	\$ (90,000)	\$ 93,000
Transfer to Capital Project Funds	(5,201,184)	(600,000)	(478,178)	(1,078,178)	4,123,006
Transfer to Utility Capital Project Funds	(1,867,466)	-	-	-	1,867,466
Transfer to General Fund	(285,608)	(207,000)	-	(207,000)	78,608
Transfer from Utility Fund	6,425,194	1,321,532	-	1,321,532	(5,103,662)
Transfer from General Fund	1,112,064	2,096,224	200,000	2,296,224	1,184,160
Total other financing sources (uses)	-	2,520,756	(278,178)	2,242,578	2,242,578
Net change in fund balance	\$ -	\$ 2,520,756	(278,178)	\$ 2,242,578	\$ 2,242,578
<b>Fund Balance:</b>					
Beginning of year - July 1				2,520,756	
End of year - June 30				\$ 2,242,578	

## TOWN OF BEAUFORT, NORTH CAROLINA

STORMWATER AND EQUIPMENT - NONMAJOR CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Expenditures:</b>					
Public works and utilities:					
Stormwater	\$ 60,000	\$ 15,671	\$ -	\$ 15,671	\$ 44,329
Equipment	18,364	-	-	-	18,364
Total expenditures	<u>78,364</u>	<u>15,671</u>	<u>-</u>	<u>15,671</u>	<u>62,693</u>
Revenues over (under) expenditures	(78,364)	(15,671)	-	(15,671)	62,693
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	<u>78,364</u>	<u>60,500</u>	<u>-</u>	<u>60,500</u>	<u>(17,864)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 44,829</u>	<u>-</u>	<u>\$ 44,829</u>	<u>\$ 44,829</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>44,829</u>		
End of year - June 30			<u>\$ 44,829</u>		

## TOWN OF BEAUFORT, NORTH CAROLINA

PROFESSIONAL PARK DRIVE AREA STORMWATER PROJECT -  
 NONMAJOR CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 934,815	\$ 136,518	\$ 256,474	\$ 392,992	\$ (541,823)
<b>Expenditures:</b>					
Public works and utilities:					
Engineering and design	934,815	172,333	220,409	392,742	542,073
Net change in fund balance	\$ -	\$ (35,815)	36,065	\$ 250	\$ 250
<b>Fund Balance:</b>					
Beginning of year - July 1			(35,815)		
End of year - June 30			\$ 250		

## TOWN OF BEAUFORT, NORTH CAROLINA

WATERFRONT IMPROVEMENT PROJECT - NONMAJOR CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Expenditures:</b>					
Public works and utilities:					
Engineering and design	\$ 400,000	\$ 195,721	\$ 146,990	\$ 342,711	\$ 57,289
Permitting	100,000	-	2,718	2,718	97,282
Construction	100,000	-	-	-	100,000
Total expenditures	<u>600,000</u>	<u>195,721</u>	<u>149,708</u>	<u>345,429</u>	<u>254,571</u>
Revenues over (under) expenditures	(600,000)	(195,721)	(149,708)	(345,429)	254,571
<b>Other Financing Sources (Uses):</b>					
Transfers from Capital Reserve Fund	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 404,279</u>	<u>(149,708)</u>	<u>\$ 254,571</u>	<u>\$ 254,571</u>
<b>Fund Balance:</b>					
Beginning of year - July 1			<u>404,279</u>		
End of year - June 30			<u>\$ 254,571</u>		

**TOWN OF BEAUFORT, NORTH CAROLINA**

**ENTERPRISE FUND - UTILITY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues</b>			
<b>Operating Revenues:</b>			
Charges for sales and services:			
Sewer service charges		\$ 3,417,612	
Water service charges		1,547,373	
Water and sewer tap fees		74,860	
Water connection fees		19,195	
Total operating revenues	<u>\$ 4,898,360</u>	<u>5,059,040</u>	<u>\$ 160,680</u>
<b>Non-Operating Revenues:</b>			
Capacity use fees		352,117	
Investment earnings		189,439	
Total non-operating revenues	<u>-</u>	<u>541,556</u>	<u>541,556</u>
Total revenues	<u>4,898,360</u>	<u>5,600,596</u>	<u>702,236</u>
<b>Expenditures</b>			
<b>Water Operations:</b>			
Salaries and benefits		422,107	
Compliance testing		4,855	
Contract and professional services		49,106	
Permits		2,310	
Repairs and maintenance		37,403	
Supplies and maintenance		254,098	
Telephone and utilities		78,276	
Vehicle expense		8,820	
County water purchase		65,910	
Other		49,117	
Capital outlay		46,140	
Total water operations	<u>1,070,380</u>	<u>1,018,142</u>	<u>52,238</u>
<b>Sewer Operations:</b>			
Salaries and benefits		838,605	
Compliance testing		12,362	
Contract and professional services		60,843	
Insurance		74,032	
Permits		9,732	
Repairs and maintenance		160,245	
Supplies and maintenance		122,214	

**TOWN OF BEAUFORT, NORTH CAROLINA**

**ENTERPRISE FUND - UTILITY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Sewer Operations (continued):</b>			
Telephone and utilities		220,316	
Vehicle expense		19,807	
Contribution to General Fund - admin services		257,500	
Other		34,612	
Capital outlay		148,995	
Total sewer operations	<u>2,693,389</u>	<u>1,959,263</u>	<u>734,126</u>
<b>Debt Service:</b>			
Principal		1,126,836	
Interest		123,455	
Total debt service	<u>1,250,291</u>	<u>1,250,291</u>	<u>-</u>
Total expenditures	<u>5,014,060</u>	<u>4,227,696</u>	<u>786,364</u>
Revenues over (under) expenditures	(115,700)	1,372,900	1,488,600
<b>Other Financing Sources (Uses):</b>			
Proceeds from sale of assets	<u>-</u>	<u>22,500</u>	<u>22,500</u>
Appropriated fund balance	<u>115,700</u>	<u>-</u>	<u>(115,700)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,395,400</u>	<u>\$ 1,395,400</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
Capital outlay, capitalized		175,962	
Depreciation		(1,202,034)	
Developer contributed capital assets		4,684,094	
Book value of disposed capital asset		(5,601)	
Capital project fund expenditures expensed		(401,050)	
Revenues from Utility CPF		371,990	
Transfers to Utility CPF from Capital Reserve Fund		478,178	
Change in net pension liability		31,138	
Change in deferred outflows of resources - pensions		(66,947)	
Change in deferred inflows of resources - pensions		(15,840)	
Principal payment		1,126,836	
Change in accrued interest		(417,805)	
Change in accrued compensated absences		<u>8,106</u>	
Change in net position		<u>\$ 6,162,427</u>	

## TOWN OF BEAUFORT, NORTH CAROLINA

UTILITY CAPITAL PROJECT FUND  
 1809 LIVE OAK STREET WATER AND SEWER LINE EXTENSION  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Expenditures:</b>					
Water	\$ 234,850	\$ -	\$ 134,575	\$ 134,575	\$ 100,275
Water contingency	5,750	-	-	-	5,750
Sewer	335,150	7,000	217,040	224,040	111,110
Sewer contingency	22,250	-	-	-	22,250
Total expenditures	<u>598,000</u>	<u>7,000</u>	<u>351,615</u>	<u>358,615</u>	<u>239,385</u>
Revenues over (under) expenditures	(598,000)	(7,000)	(351,615)	(358,615)	239,385
<b>Other Financing Sources (Uses):</b>					
Transfers from Capital Reserve Fund	<u>598,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>(198,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>\$ 48,385</u>	<u>\$ 41,385</u>	<u>\$ 41,385</u>

## TOWN OF BEAUFORT, NORTH CAROLINA

UTILITY CAPITAL PROJECT FUND  
 USDA - UTILITIES IMPROVEMENTS  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 149,313	\$ 371,990	\$ 521,303	\$ 521,303
<b>Expenditures:</b>					
Planning - sewer	39,000	8,826	5,000	13,826	25,174
Sewer design, permit & bid	834,600	700,960	321,350	1,022,310	(187,710)
Sewer construction	7,036,000	1,358	4,308,741	4,310,099	2,725,901
Planning - water	87,000	92,000	7,100	99,100	(12,100)
Water design, permit & bid	513,470	323,310	268,936	592,246	(78,776)
Water construction	8,031,000	393	1,645,613	1,646,006	6,384,994
Debt service - interest	-	-	401,050	401,050	(401,050)
Total expenditures	16,541,070	1,126,847	6,957,790	8,084,637	8,456,433
Revenues over (under) expenditures	(16,541,070)	(977,534)	(6,585,800)	(7,563,334)	8,977,736
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	15,067,000	15,067,000	-	15,067,000	-
Transfers to General Fund	(45,000)	(45,000)	-	(45,000)	-
Transfers from Capital Reserve Fund	1,519,070	1,480,070	78,178	1,558,248	39,178
Total other financing sources (uses)	16,541,070	16,502,070	78,178	16,580,248	39,178
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 15,524,536	\$ (6,507,622)	\$ 9,016,914	\$ 9,016,914

## TOWN OF BEAUFORT, NORTH CAROLINA

## UTILITY CAPITAL PROJECT FUND

## UTILITIES

## SCHEDULE OF REVENUES AND EXPENDITURES -

## BUDGET AND ACTUAL (NON-GAAP)

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Expenditures:</b>					
Water	\$ 154,445	\$ 116,571	\$ 4,573	\$ 121,144	\$ 33,301
Sewer	1,186,032	163,955	87,157	251,112	934,920
Total expenditures	<u>1,340,477</u>	<u>280,526</u>	<u>91,730</u>	<u>372,256</u>	<u>968,221</u>
Revenues over (under) expenditures	(1,340,477)	(280,526)	(91,730)	(372,256)	968,221
<b>Other Financing Sources (Uses):</b>					
Transfers from General Fund	<u>1,340,477</u>	<u>1,300,188</u>	<u>-</u>	<u>1,300,188</u>	<u>(40,289)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,019,662</u>	<u>\$ (91,730)</u>	<u>\$ 927,932</u>	<u>\$ 927,932</u>

## TOWN OF BEAUFORT, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 6,036,882	\$ 5,929,383	\$ 107,499
2023-2024	142,957	(10,674)	39,508	92,775
2022-2023	61,145	-	13,953	47,192
2021-2022	26,696	-	5,249	21,447
2020-2021	23,280	-	3,360	19,920
2019-2020	15,722	-	136	15,586
2018-2019	10,529	-	226	10,303
2017-2018	11,304	-	462	10,842
2016-2017	8,880	-	212	8,668
2015-2016	2,632	-	2,632	-
Total	\$ 303,145	\$ 6,026,208	\$ 5,995,121	334,232
Less allowance for uncollectible ad valorem taxes receivable				(61,617)
<b>Ad Valorem Taxes Receivable, net</b>				\$ 272,615
<b>Reconciliation with Revenues:</b>				
Taxes, ad valorem - General Fund				\$ 6,016,757
Penalties and interest				(24,023)
Amounts written off for tax years per statute of limitations				2,632
Miscellaneous adjustments				(245)
Total collections and credits				\$ 5,995,121

## TOWN OF BEAUFORT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2025

	Town-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 1,338,727,826	0.4600	\$ 6,158,148	\$ 5,816,381	\$ 341,767
Penalties	N/A		9,657	9,657	-
Abatements	<u>(28,461,522)</u>		<u>(130,923)</u>	<u>(130,923)</u>	<u>-</u>
Total property valuation	<u>\$ 1,310,266,304</u>				
<b>Net Levy</b>			6,036,882	5,695,115	341,767
Uncollected taxes at June 30, 2025			<u>107,499</u>	<u>107,499</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 5,929,383</u>	<u>\$ 5,587,616</u>	<u>\$ 341,767</u>
<b>Current Levy Collection Percentage</b>			<u>98.22%</u>	<u>98.11%</u>	<u>100.00%</u>
<b>Prior Year Levy Collection Percentage</b>			<u>98.62%</u>	<u>98.55%</u>	<u>100.00%</u>



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026**

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**AGENDA CATEGORY:** Presentation

**SUBJECT:** 2025 Parking Season: Pivot Parking

**SUMMARY:**

The Town’s parking management contractor, Pivot Parking, will provide a presentation reviewing the 2025 parking season. The presentation will include an overview of operational performance, usage statistics, revenue data, and other relevant metrics from the past year.

The presentation is intended for the Board’s information and general awareness. No action is requested by the Board of Commissioners at this time. Staff anticipates that discussion regarding the upcoming parking season will be scheduled for a future meeting, at which time any policy changes or recommendations may be considered.

**SUMBITTED BY:**

Elizabeth Lewis, Assistant Town Manager/Town Clerk



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026  
614 Broad Street- Train Depot**

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**AGENDA CATEGORY:** Public Hearing  
**SUBJECT:** Case 25-14: Request to Rezone 19.67 acres between HWY 101 & Ronnie Road, from R8MH, R-20 & R-8 to TCA

**BRIEF SUMMARY:**  
Rezone 19.67 acres between HWY 101 & Ronnie Road from R8MH, R-20 & R-8 to TCA. The proposed rezoning is consistent with the adopted CAMA Land Use Plan of December 2023.

**REQUESTED ACTION:**  
Recommendation on Proposed Rezoning Request

**EXPECTED LENGTH OF PRESENTATION:**  
30 Minutes

**SUBMITTED BY:**  
Kyle Garner, AICP  
Planning & Inspections Director

**BUDGET AMENDMENT REQUIRED:**  
N/A



# Staff Report

**To:** Mayor & Board of Commissioners  
**From:** Kyle Garner, AICP

**Date:** 12/29/2025  
**Meeting Date:** 1/12/2026

## Case Number 25-14

### Summary of Request:

Rezone 19.67 acres between HWY 101 & Ronnie Road from R8MH, R-20 & R-8 to TCA

### Background

#### Location(s) & PIN

265 & 275 Hwy 101 (Pin # 730615549966000, 730615546839000, 730614447386000 & 730615640827000)

#### Owners Applicant

Ballou-Lewis Properties  
Taft Development Group

#### Current Zoning

R8MH, R-20 & R-8

#### Lot(s) Size & Conformity Status

19.67 Acres Conforming

#### Existing Land Use

Two single family residences & undeveloped property

#### Adjoining Land Use & Zoning

**North** US 70 By-pass & Airport zoned IW (Industrial)  
**South** Developed property zoned – R8MH  
**East** Developed residential property, zoned – R8MH, R-8 & R-20  
**West** US 70 By-pass & Airport zoned IW (Industrial)

#### Special Flood Hazard Area

Yes  No

#### Public Utilities

Water  Available  Not Available  
Sewer  Available  Not Available

#### Additional Information

See Staff Comments

#### Requested Action

Discussion.  
Provide recommendation to the Board of Commissioners to:

- Approve the request;
- Deny the request; or
- Recommend more restrictive zoning district

**Staff Comments**

- On October 27, 2025, the Board of Commissioners approved a Sewer Allocation Reservation & Workforce Housing Agreement that designates 10% of a proposed multi-family development for workforce housing and reserves 16,800 gallons of sewer allocation for up to 24 months. A copy of the agreement is attached.
- Most of the property was once farmland that reverted to a natural state.
- A rezoning to TCA would allow for the potential of 236 multi-family units. 19.67 acres X 12 units per acre.
- At their November 17, 2025, meeting the Planning Board recommended the rezoning with several conditions which were:
  1. NCDOT approval of access from Hwy 101
  2. *A Transportation Impact Analysis specifically studying whether turn lanes are required*
  3. Parking concerns based on the agreement for sewer allocation
  4. Adequate input from surrounding neighbors

**CAMA Land Use Plan – Future Land Use Classifications**

In accordance with NCGS § 160D-604(d), when conducting a review of proposed zoning text or map amendments the Planning Board shall advise and comment on whether the proposed action is consistent with the Town of Beaufort Comprehensive and CAMA Land Use Plan that has been adopted and any other officially adopted plan that is applicable.

The Planning Board has provided a written recommendation to the BOC that addresses plan consistency and other matters as deemed appropriate by the Planning Board. The Planning Board found that the proposed amendment was reasonable and in the public interest because it allows **Multi-family development in certain circumstances for workforce housing**, and is in furtherance of the Town plans, ordinances and regulations.

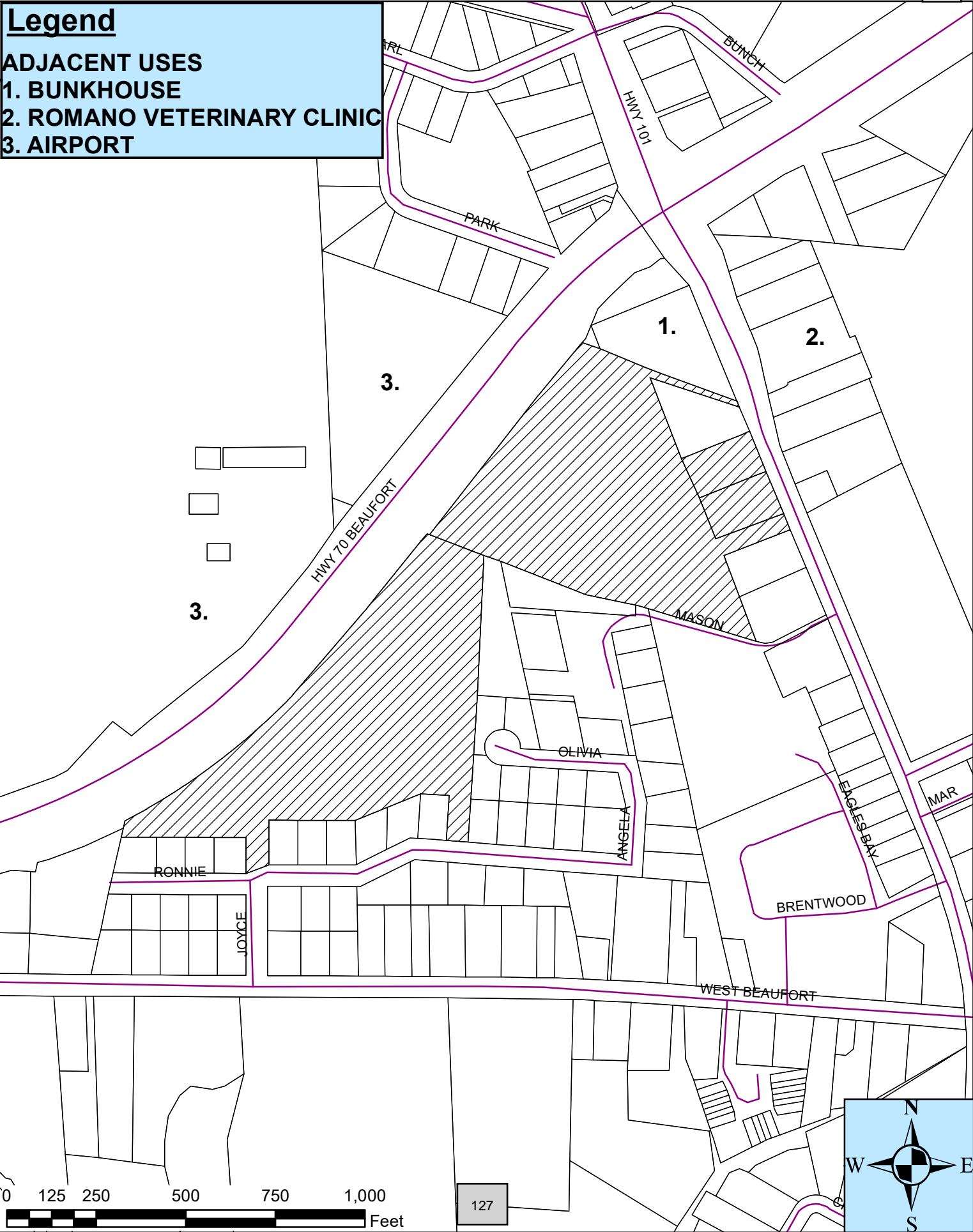
The recently adopted CAMA Land Use Plan identifies this property as **Employment Center** or **Suburban Residential** which is consistent with the rezoning request to TCA. (See Land Use Map & Attached Land Use Description

**Attachments:**

- Attachment B - Vicinity & Adjacent Uses Map
- Attachment C - Zoning Map
- Attachment D - CAMA Map
- Attachment E – CAMA Description OF Future Land Uses
- Attachment F - CAMA Consistency Statement
- Attachment G - Application Package
- Attachment H - TAFT REZONING MAP
- Attachment I - Abutting Property Owners
- Attachment J – Ariel Photo
- Attachment K - Draft Ordinance

<b>Item</b>	<b>Proposed (TCA)</b>
<b>Minimum Lot Size</b>	2,750 sq. ft. per dwelling unit
<b>Lot Width</b>	80' Minimum
<b>Front Setback</b>	25 feet
<b>Side Setback</b>	8 feet
<b>Rear Setback</b>	25 feet
<b>Building Height</b>	35 Feet

**Legend**  
ADJACENT USES  
1. BUNKHOUSE  
2. ROMANO VETERINARY CLINIC  
3. AIRPORT

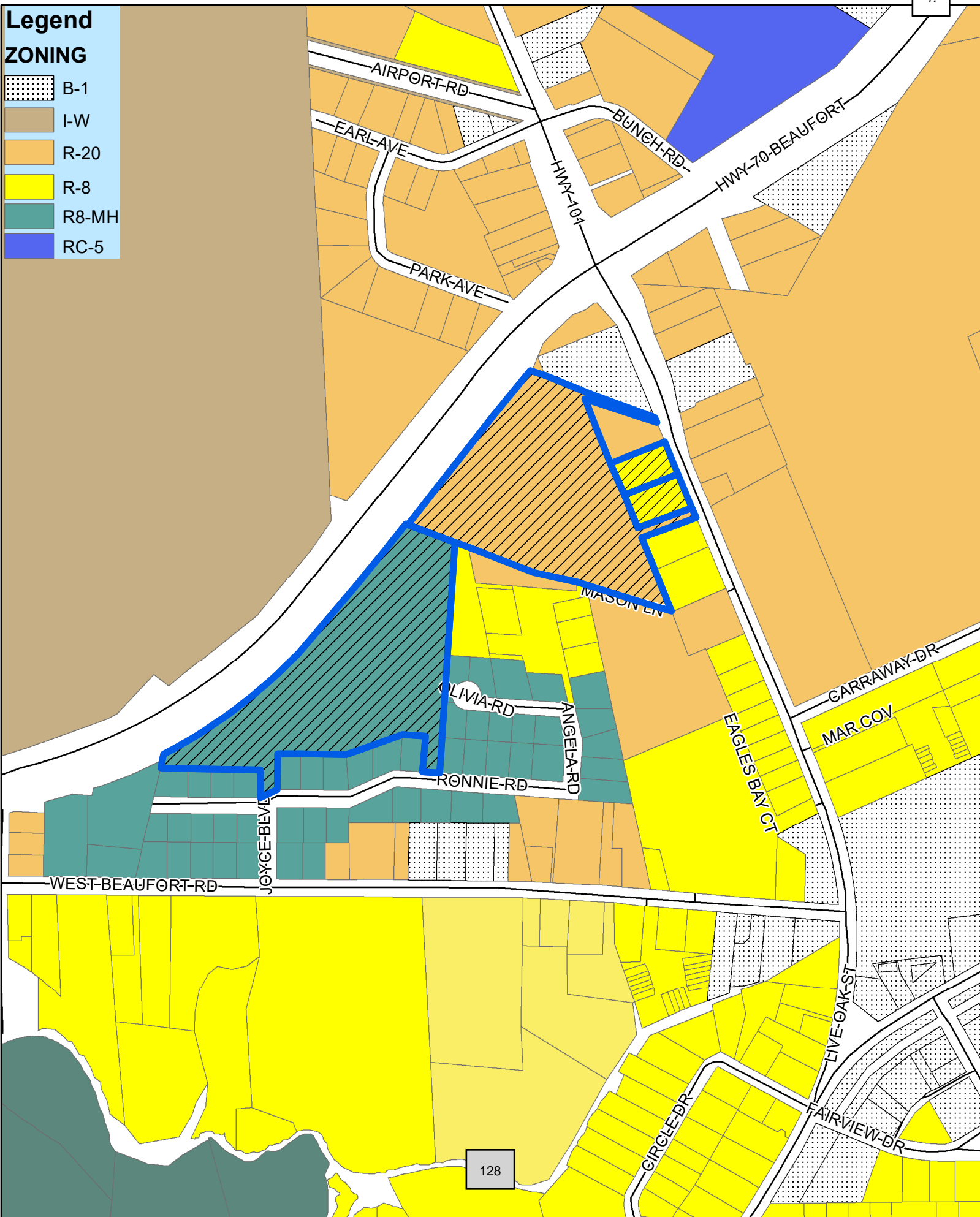


# Case 25-14 - 265 & 275 HWY 101 - Zoning Map

1.














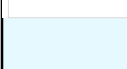
**Legend**  
**ZONING**

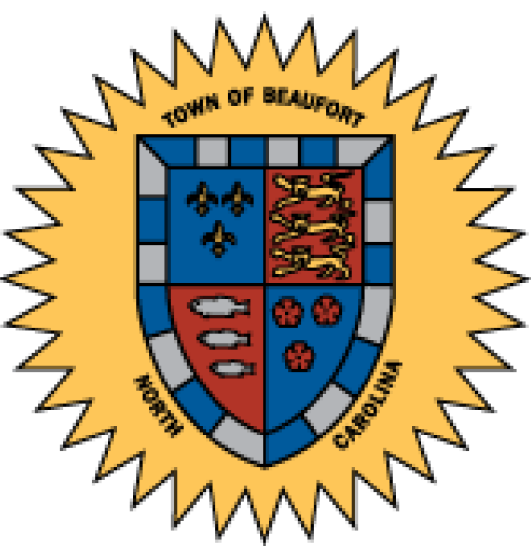
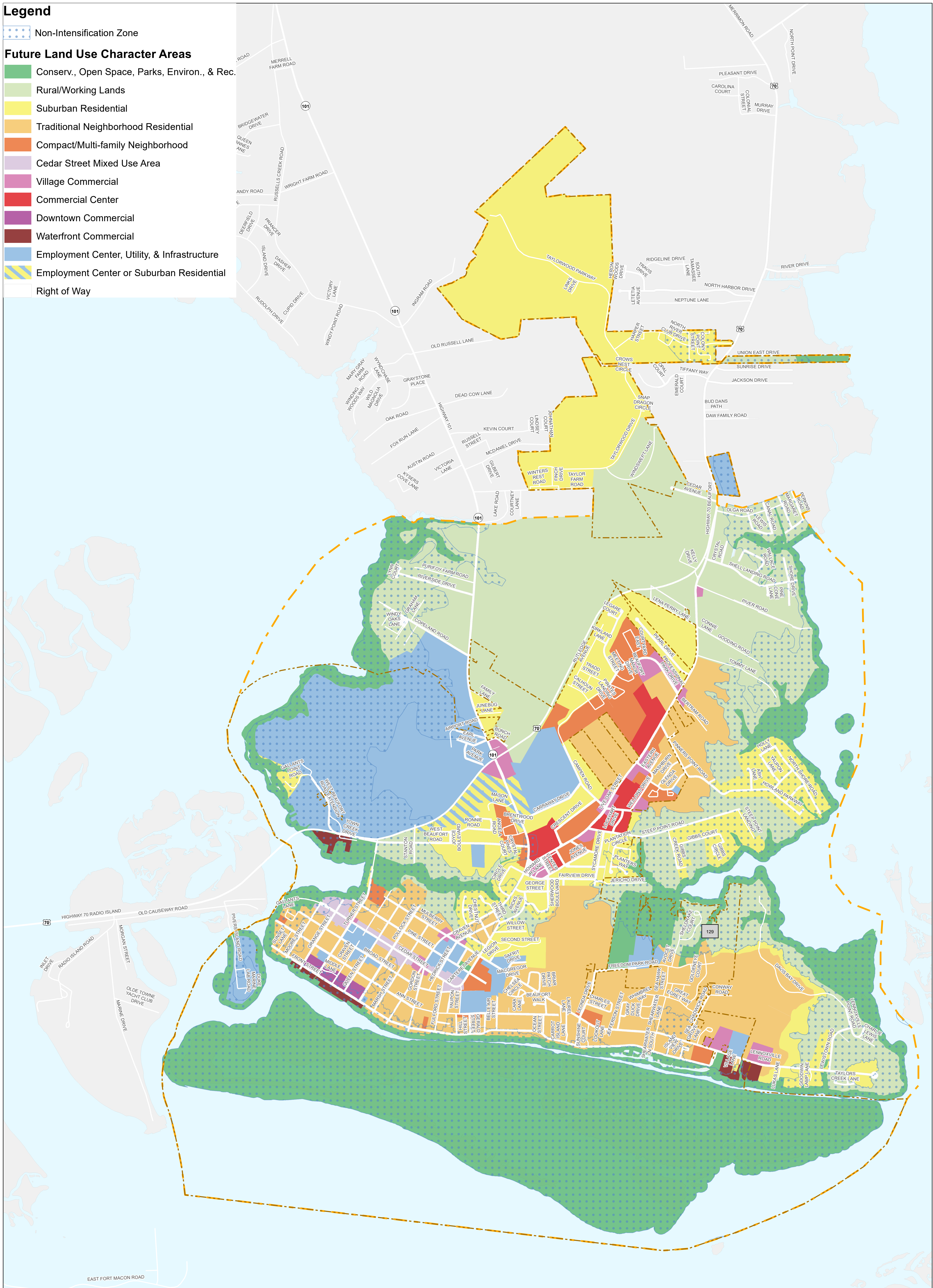
- B-1 (Dotted pattern)
- I-W (Light brown)
- R-20 (Light orange)
- R-8 (Yellow)
- R8-MH (Teal)
- RC-5 (Blue)



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**Legend**

-  Non-Intensification Zone
- Future Land Use Character Areas**
-  Conserv., Open Space, Parks, Environ., & Rec.
-  Rural/Working Lands
-  Suburban Residential
-  Traditional Neighborhood Residential
-  Compact/Multi-family Neighborhood
-  Cedar Street Mixed Use Area
-  Village Commercial
-  Commercial Center
-  Downtown Commercial
-  Waterfront Commercial
-  Employment Center, Utility, & Infrastructure
-  Employment Center or Suburban Residential
-  Right of Way



# Beaufort NC Comprehensive and CAMA Land Use Plan



DISCLAIMER: This map was created using the best available data, and is provided without warranty of any representation of accuracy or completeness. The information herein does not necessarily represent a legal survey. This data is dynamic and in a constant state of maintenance.

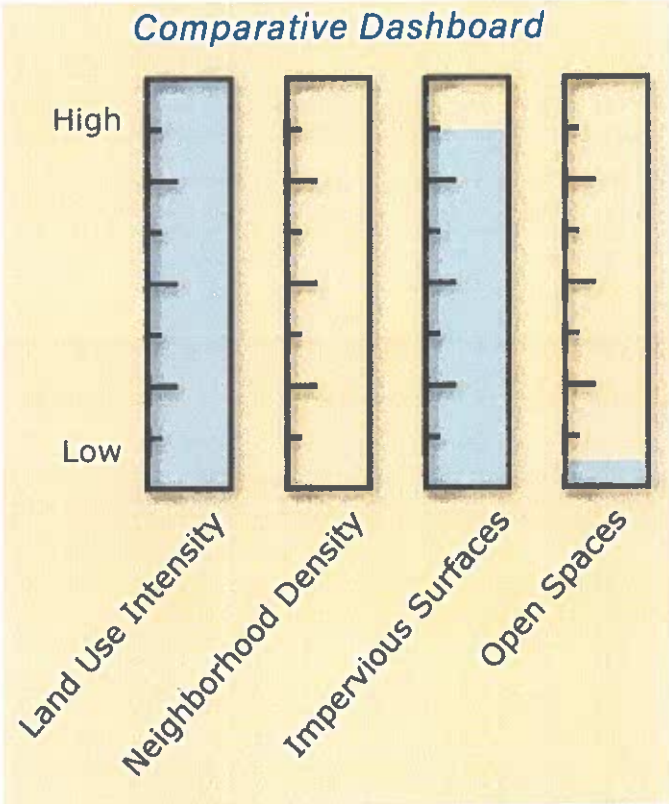
## Employment Center / Utility / Infrastructure

### General Description:

These employment-supporting land uses provide jobs and centers for economic growth. In many other Towns, these types of uses are heavily screened or separated from different uses, but in Beaufort they are typically pre-existing and/or are already closely located to neighboring structures. These areas should not be allowed to develop for lower intensity uses to infiltrate, since this type of land usually already has the unique combination of factors needed to support these higher intensity uses, and the value to the community of these larger employment-generating uses is significant.

### Streets and Circulation:

Because these uses have requirements that are often specific to the occupant, care should be taken at development to



### EXAMPLE USES:

#### Typical Uses:

Offices, manufacturing, fabrication, and industrial uses, lumber yards or high intensity contractor's offices, breweries and distilleries, transportation, logistics, and warehousing. Industrial-supportive commercial uses, such as wholesale operations. Larger institutional uses, such as hospitals or technical colleges involving industrial uses, but excluding non-intensive uses such as churches and primary and secondary schools.

#### If Context Appropriate:

- » Institutional operations (government maintenance buildings, etc.), provided they

do not detract from the overall commercial nature of an area.

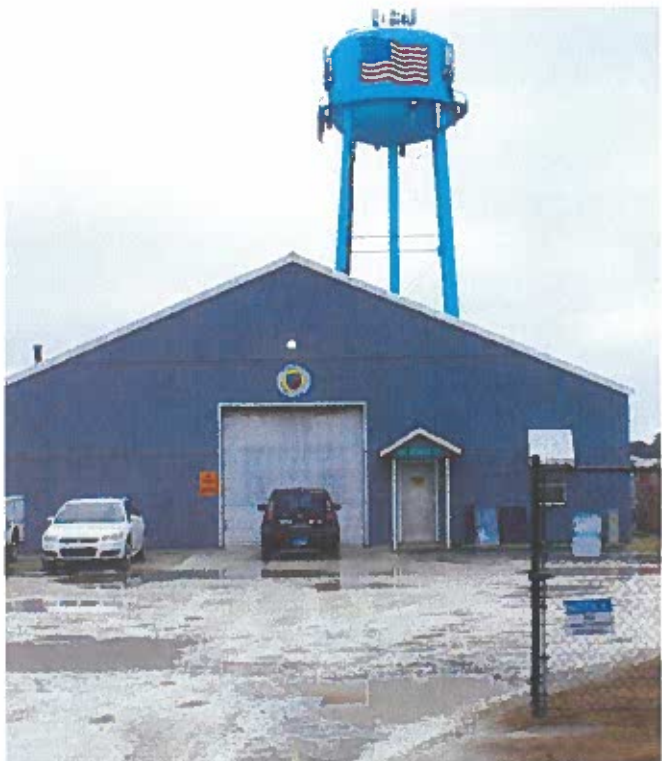
- » Some outside industrial operations may be permissible, depending on location and the extent of external impacts. Otherwise, indoor operations are preferable.
- » Lay-down yards and outdoor storage of heavy equipment or materials.
- » Storage of hazardous materials should only occur outside of areas susceptible to flooding. Best practices would exclude more than just areas in the 100-year floodplain to ensure the risk of environmental pollution is tightly managed.

## Employment Center / Utility/Infrastructure

maintain efficient traffic flow and cross access, while also respecting occupant needs. Automobiles and freight are prioritized over pedestrians, although pedestrian linkages may still be necessary in some locations. Streets are designed to accommodate larger vehicles and delivery trucks. Typically, blocks should not need to exceed 500' to 600', but in some locations (such as the old Atlantic Veneer campus) these areas have grown through the years with much larger block sizes.

### Other Concerns:

With the ever-present high demand for residential properties in coastal communities, it is difficult to argue against old industrial or manufacturing properties converting to residential neighborhoods. This is especially difficult if buildings are vacant and there is limited demand for manufacturing business space. However, it is important to realize that once these industrially-suited areas are lost they will likely never return. This may be tolerable and/or even appropriate, based on the specific situation, but it is a consideration to be discussed, especially given some community members' desire to diversify the employment base of the community away from a heavy reliance on tourism. If these properties are lost and demand for those uses still exists, it is likely new sites will be developed elsewhere, potentially not in Town limits.

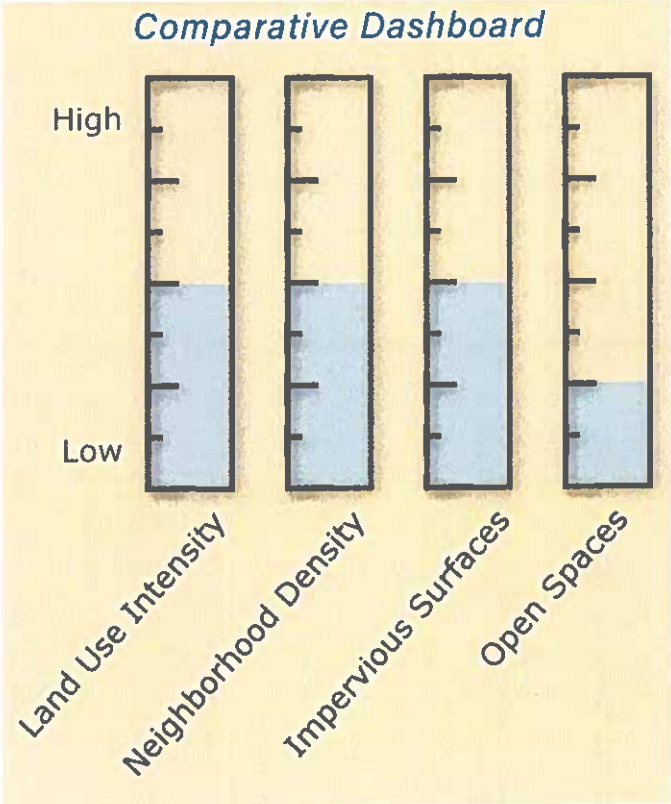


*Examples of Employment Center/Utility/Infrastructure*

# Suburban Residential

### General Description:

These neighborhoods typically have larger lots or shared open spaces and common areas with a lower overall residential density than in the Traditional Neighborhood. The neighborhoods are still walkable from house to house, but most households probably depend primarily on automobiles for daily trips. Off-street parking is typical of a suburban residential neighborhood and various configurations exist. Residential densities typically range from around 1-3 dwellings per acre, although some developments will exceed that either in localized areas (especially if there are shared open spaces, amenities, or common areas) or overall. In neighborhoods with larger lots, open space is generally on private lots rather than communal.



### Streets and Circulation:

These neighborhoods have medium levels of connectivity with low volume, low speed routes. Effort should be made to increase connectivity except in instances where it would excessively harm environmentally sensitive areas. Block lengths should not exceed 650' on a side unless absolutely unavoidable. Pedestrian facilities should be provided on at least one side of every street. Bicycles can share lanes on low volume streets, but on arterials dedicated (and preferably separated) facilities should be provided.

### EXAMPLE USES:

#### Typical Uses

Primarily single family detached residential, with an occasional mix of other highly compatible residential uses scattered throughout, including duplexes, accessory dwellings, and garage apartments. Sometimes, but more rarely, there may also be duplex neighborhoods.

#### Uses if Context Appropriate

- » Institutional uses (churches, schools, hospital, government, etc)
- » Accessory dwellings
- » House-scale multi-family residential, patio homes, or small townhome developments - very occasionally.

# Suburban Residential

**Other Concerns:**

Extending public facilities (water, sewer, etc.) to these areas may place an increased strain on maintenance budgets since the lower densities and lower taxable value per linear foot of public facilities may not cover the costs of maintenance. This land use type consumes land a greater rate and with fewer homes than the other residential future land use character areas.



*Examples of Suburban Residential.*



**TOWN OF BEAUFORT  
PLANNING BOARD**

**RESOLUTION ADVISING THAT PROPOSED AMENDMENT  
TO THE TOWN OF BEAUFORT ZONING MAP IS IN ACCORDANCE  
WITH ALL OFFICIALLY ADOPTED PLANS;  
IS REASONABLE; AND IS IN THE PUBLIC INTEREST.**

WHEREAS, the North Carolina General Assembly has given the Town of Beaufort (“Town”) the authority to adopt and amend zoning and development regulation ordinances, of which the zoning map is part, for the purpose of promoting the health, safety, morals, and general welfare of its citizens;

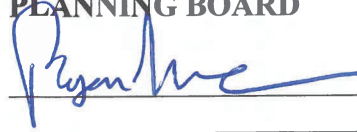
WHEREAS, N.C.G.S. §160D-604(d) requires the Town of Beaufort Planning Board shall advise and comment on whether the proposed action is consistent with the Town of Beaufort CAMA Core Land Use Plan that has been adopted and any other officially adopted plan that is applicable, and provide a written recommendation to the Board of Commissioners that addresses plan consistency and other matters as deemed appropriate by the Planning Board; and

WHEREAS, the Planning Board has in fact met to consider and evaluate the proposed zoning map amendment; and


NOW THEREFORE, BE IT HEREBY RESOLVED, that the Planning Board finds that the proposed amendment to the zoning map is in accordance with all officially adopted Town plans for the reasons stated in the Staff Report for Case 25-14 and therefore recommends adoption by the Board of Commissioners. The Planning Board finds that the proposed amendment reasonable and in the public interest because it allows the continuation of single-family residential use, and is in furtherance of the Town plans, ordinances and regulations.

This Resolution is effective upon its adoption this 17<sup>th</sup> day of November 2025.

**TOWN OF BEAUFORT  
PLANNING BOARD**

  
\_\_\_\_\_, Chairman

ATTEST:

  
\_\_\_\_\_, Secretary



Town of Beaufort  
701 Front St. • P.O. Box 390 • Beaufort, N.C. 28516  
252-728-2141 • 252-728-3982 fax  
www.beaufortnc.org

**APPLICATION FOR AN AMENDMENT TO THE  
BEAUFORT ZONING MAP**

**Instructions:**

Please complete the application below, include all the required attachments and the **\$300.00** for Rezoning request with no Land Use Plan Change or **\$400.00** for Rezoning Request with Land Use Plan Change and return to the Beaufort Town Hall, 701 Front Street or P.O. Box 390, Beaufort, N.C., 28516. Incomplete applications will not be processed and will be returned to the applicant. Please contact Planning and Inspections at 252-728-2142 if there are any questions.

**APPLICANT INFORMATION**

Applicant Name: Taft Development Group  
Applicant Address: 631 Dickinson Ave Greenville, NC 28534  
Phone Number: (252) 375-1434 Email: kevin@tfonc.com  
Property Owner Name: Ballou-Lewis Properties, LLC  
Address of Property Owner: P.O. Box 662, Greenville, NC  
Phone Number: (252) 531-9704 Email: lewisphil54@gmail.com

**PROPERTY INFORMATION**

Property Address: 265 & 275 HWY 101 Beaufort, NC  
15-Digit PIN: 730014447 1000007 005175144 10000730015517000000730615640027000 Lot/Block Number: N/A  
Size of Property (in square feet or acres): 19.67 Acres  
Current Zoning: R-20, R-8, R8-MH Requested Zoning: TCA  
Current Use of Property:  Residential  Vacant  Commercial  Other: \_\_\_\_\_

Thomas F Taft Jr  
Applicant Signature

10/20/25  
Date of Applicant's Signature

[Signature]  
Property Owner Signature (if different than applicant)

10/20/25  
Date of Owner's Signature

An application fee of \$300.00 for Rezoning request with no Land Use Plan Change or \$400.00 for Rezoning Request with Land Use Plan Change, either in cash, money order, or check made payable to the "Town of Beaufort," should accompany this application. Payments can be made in person on the day of submittal and at such time, a credit card can be used to make the payment. Credit card payments are subject to a 3% extra fee.

Please refer to the *Land Development Ordinance*, [Section 3](#) and all other pertinent sections for the information required to accompany this application.

**REQUIRED ATTACHMENTS FOR AN AMENDMENT TO THE  
BEAUFORT ZONING MAP**

**Please provide the following as attachments to the zoning map amendment form:**

1. A statement as to whether or not the proposed zoning amendment is consistent with the Beaufort Land Use Plan.
2. A statement as to how the zoning amendment will promote the public health, safety or general welfare of the Town of Beaufort.
3. Proof of ownership (For example: a copy of the deed or city tax statement).

If a property is owned by more than one individual or if multiple properties under different ownership are applying under one request, attach a statement and signatures indicating that all owners have given consent to request the zoning change.

4. An area map of property to scale which includes:
  - North Arrow;
  - All Property lines and accurate property line dimensions;
  - Adjacent streets and names;
  - Location of all easements;
  - Location of all structures;
  - Zoning classifications of all abutting properties.
5. Please submit one digital/electronic copy of any drawings or plans associated with the amendment. At least one paper copy of the drawings or plans should also be submitted.
6. A TYPED list all property owners (with addresses) within 100 feet of the boundary lines of all properties requested to be rezoned (notification of adjacent property owners by the Town is required by North Carolina law).

**THE COMPLETE APPLICATION WITH SUPPORTING  
DOCUMENTATION IS DUE TO TOWN STAFF AT LEAST 15 WORKING  
DAYS PRIOR TO A SCHEDULED PLANNING BOARD MEETING.**

The Town's website is [www.beaufortnc.org](http://www.beaufortnc.org).

**OFFICE USE ONLY**

Revised 08/2020

Received by: \_\_\_\_\_

Reviewed for Completeness By: \_\_\_\_\_

Date: \_\_\_\_\_

Date Deemed Complete and Accepted: \_\_\_\_\_

**Attachment**

**Taft-Ballou-Lewis Townhome Project Application for Amendment to the Beaufort Zoning Map.**

**1. Statement as to whether or not the proposed zoning amendment is consistent with the Beaufort Land Use Plan**

The proposed zoning amendment to rezone 19.67 acres for the development of up to 105-unit townhome community is consistent with the intent and goals of the Beaufort Land Use Plan and supports the town’s vision for balanced, context-sensitive residential growth. The property is currently designated as Suburban Residential, which typically supports lower residential densities (1–3 units per acre), primarily in single-family detached formats. However, the Plan explicitly allows for higher densities and alternative housing types, such as townhomes, on a context-appropriate basis, especially where developments include shared open space, amenities, and a cohesive neighborhood design. The proposed townhome development meets these expectations by offering a walkable, amenity-based community that maintains compatibility with the surrounding suburban fabric.

Importantly, the site is also located near areas designated as Compact/Multi-Family Neighborhood, where higher-density residential development, including townhomes, apartments, and other attached housing types, is not only encouraged but preferred. This geographic context strengthens the case for the proposed amendment by positioning the project as a logical transition between lower-density Suburban Residential areas and higher-density neighborhoods nearby. Additionally, the proposed density of the rezoning is approximately 5.32 units per acre, while the density is above the typical Suburban Residential range, the density is within the spirit of the Land Use Plan’s flexibility for increased density when supported by strong design elements, connectivity, and shared community amenities.

This project helps to address a critical housing need in Beaufort by providing diverse, attainable housing options within a thoughtfully designed neighborhood. In conclusion, the proposed zoning amendment is consistent with the overall goals of the Beaufort Land Use Plan, supports the development of context-sensitive housing, and aligns well with the nearby Compact/Multi-Family Neighborhood designation. The amendment represents a strategic and appropriate response to Beaufort’s evolving housing demands and land use vision.

**2. Statement as to how the zoning amendment will promote the public health, safety or general welfare of the Town of Beaufort**

The proposed development advances the public health, safety and general welfare of the Town of Beaufort by aligning with the Town’s Land Development Ordinance and Planning & Inspections objectives. By providing safe and accessible site design, adequate infrastructure, stormwater management, and multimodal connectivity, the project ensures compliance with the State Building Code and the Town’s land-use policies.

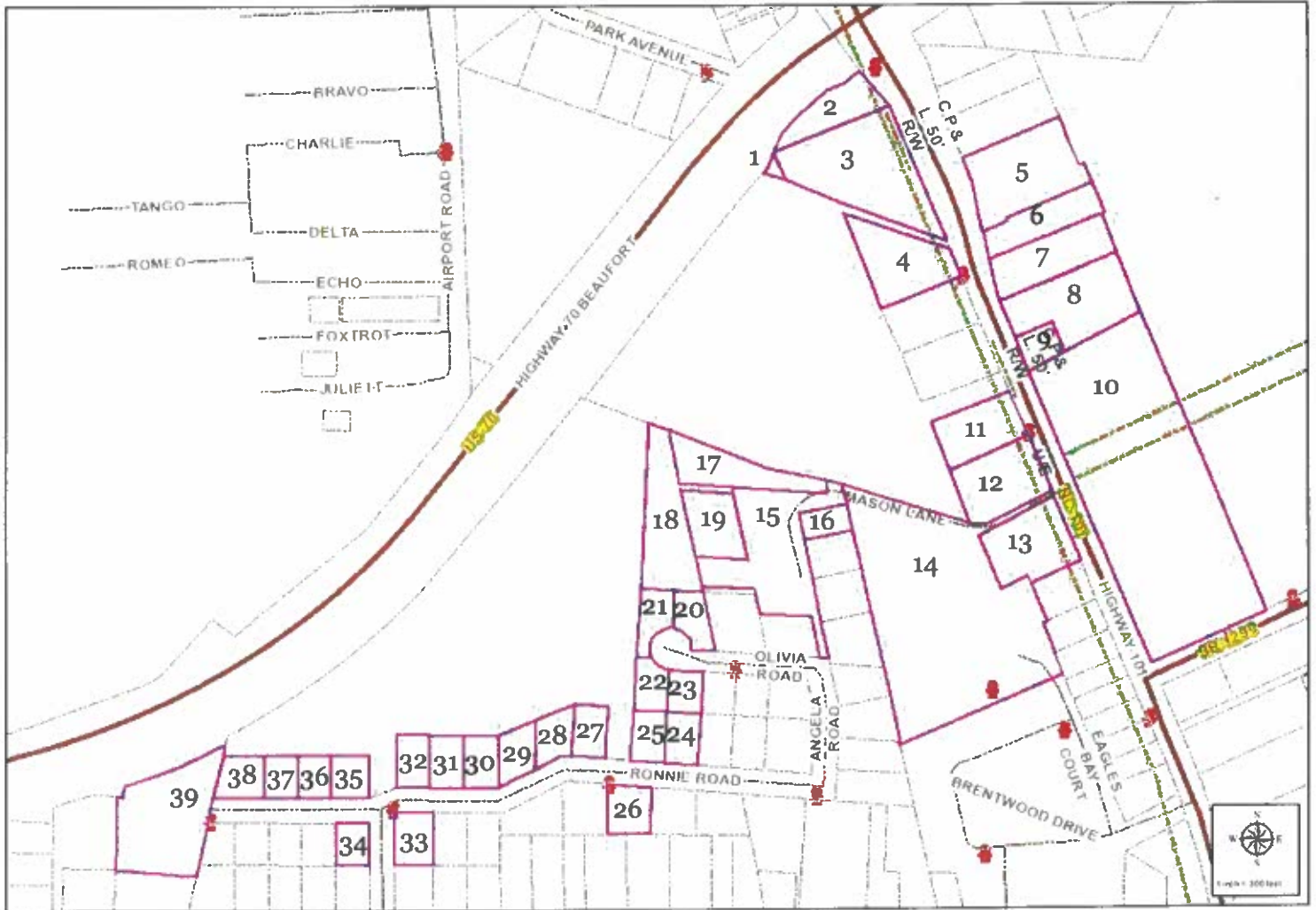
Specifically, the development supports public health by integrating sanitary and utility services in accordance with Town standards; supports public safety through emergency vehicle access, compliance with fire and building codes (units will be sprinklered for fire), and appropriate setback and flood-resilience measures; and promotes the general welfare by enhancing neighborhood character, protecting property values, encouraging compatible land uses and enabling responsible growth consistent with the Town’s Land Use Plan and design guidelines.

In sum, this proposal will strengthen Beaufort’s community vitality, infrastructure resilience and built-environment quality, thereby contributing to the long-term health, safety and welfare of current and future residents

The community will provide a portion of the units for work force housing with target residents such as health care providers, police, and fire fighters. The developer hopes this mix of tenants will further promote a sense of community promoting the welfare of the community.

The community will offer amenities like a dog park, pool, and pickle ball, sidewalks, and provide access for the Town if a trail network is completed in the future. Each of these elements will promote a healthy lifestyle environment. The community will also have site lighting throughout to ensure safety of the residents.

# Carteret County, N.C.



September 19, 2025

The information displayed by this website is prepared for the inventory of real property found within this jurisdiction and is compiled from recorded deeds, plats, and other public records and data. Users of the information are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this site. Carteret County assumes no legal responsibility for the information contained on this site. Carteret County does not guarantee that the data and map services will be available to users without interruption or error. Furthermore, Carteret County may modify or remove map services and access methods at will.

### Carteret County, N.C.



September 19, 2025

The information displayed by this website is prepared for the inventory of real property found within this jurisdiction and is compiled from recorded deeds, plats, and other public records and data. Users of the information are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this site. Carteret County assumes no legal responsibility for the information contained on this site. Carteret County does not guarantee that the data and map services will be available to users without interruption or error. Furthermore, Carteret County may modify or remove map services and access methods at will.

### 3. Proof Of Ownership

## Ballou-Lewis Properties, LLC Tax Bills for Rezoning Package

### LOT 1 - 9.45 Acre Tract

Parcel: 730614447386000

#### Tax Bill Information

##### Account Info

Account Number : 22673  
BALLOU LEWIS PROPERTIES LLC  
PO BOX 662  
GREENVILLE, NC 27835

##### Bill Info

Year-Bill Number : 2025-117584  
Parcel Number : 730614447386000  
PIN ID# :  
Escrow :  
Legal Description : ACREAGE SR 1126 ADJ AIRPORT

##### Taxable Values

Building Value : 0  
Outbuilding Value : 0  
Land Value : 398,772  
Parcel Value Total : 398,772  
Deferred Value : 0  
Taxable Value : 398,772

##### Balance Info

Current Balance : 2,226.75  
Original Levy : 2,226.75  
Personal Value : 0  
Total Valuation : 398,772  
Exemption : 0  
Net Taxable Valuation : 398,772  
Last Transaction Date :  
Last Payment Date :

#### Taxes/fees Owners

##### Taxes and Fees Billed By County

Description	Levied	Interest/Fees	Released	Discount	Collected	Balance
01 County	897.24	0.00	0.00	0.00	0.00	897.24
1159 Town of Beaufort	1,150.06	0.00	0.00	0.00	0.00	1,150.06
46 Beaufort Rescue	179.45	0.00	0.00	0.00	0.00	179.45
<b>Total</b>	<b>2,226.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,226.75</b>

page 1 of 1 records 1 - 3 of 3

### LOT 2 - 9.10 Acre Tract

Parcel: 730615546839000

### Tax Bill Information

#### Account Info

Account Number : 22697  
 BALLOU-LEWIS PROPERTIES LLC  
 PO BOX 662  
 GREENVILLE, NC 27835

#### Bill Info

Year-Bill Number : 2025-117656  
 Parcel Number : 730615546839000  
 PIN ID# :  
 Escrow :  
 Legal Description : ACREAGE HWY 101

#### Taxable Values

Building Value : 0  
 Outbuilding Value : 0  
 Land Value : 1,062,242  
 Parcel Value Total : 1,062,242  
 Deferred Value : 0  
 Taxable Value : 1,062,242

#### Balance Info

Current Balance : 5,931.56  
 Original Levy : 5,931.56  
 Personal Value : 0  
 Total Valuation : 1,062,242  
 Exemption : 0  
 Net Taxable Valuation : 1,062,242  
 Last Transaction Date :  
 Last Payment Date :

**Taxes/fees**   **Owners**

#### Taxes and Fees Billed By County

Description	Levied	Interest/Fees	Released	Discount	Collected	Balance
01 County	2,390.04	0.00	0.00	0.00	0.00	2,390.04
1159 Town of Beaufort	3,063.51	0.00	0.00	0.00	0.00	3,063.51
46 Beaufort Rescue	478.01	0.00	0.00	0.00	0.00	478.01
<b>Total</b>	<b>5,931.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,931.56</b>

page 1 of 1

records: 1 - 3 of 3

### LOT 3- .555 Acres Tract

Parcel: 730615549966000

### Tax Bill Information

Account Info

Account Number : 22697  
 BALLOU-LEWIS PROPERTIES LLC  
 PO BOX 662  
 GREENVILLE, NC 27835

Bill Info

Year-Bill Number : 2025-117657  
 Parcel Number : 730615549966000  
 PIN ID# :  
 Escrow :  
 Legal Description : LOT NC HWY 101 BEAUFORT

Taxable Values

Building Value : 233,814  
 Outbuilding Value : 1,324  
 Land Value : 103,194  
 Parcel Value Total : 338,332  
 Deferred Value : 0  
 Taxable Value : 338,332

Balance Info

Current Balance : 2,047.25  
 Original Levy : 2,047.25  
 Personal Value : 0  
 Total Valuation : 338,332  
 Exemption : 0  
 Net Taxable Valuation : 338,332  
 Last Transaction Date :  
 Last Payment Date :

Taxes/fees Owners

#### Taxes and Fees Billed By County

Description	Levied	Interest/Fees	Released	Discount	Collected	Balance
01 County	761.25	0.00	0.00	0.00	0.00	761.25 ▲
1159 Town of Beaufort	975.75	0.00	0.00	0.00	0.00	975.75
46 Beaufort Percus	152.25	0.00	0.00	0.00	0.00	152.25
61 Beaufort Storm Water Fee	60.00	0.00	0.00	0.00	0.00	60.00
60 Annual Availability Fee	98.00	0.00	0.00	0.00	0.00	98.00 ▼
<b>Total</b>	<b>2,047.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,047.25</b>

### LOT 4- .551 Acres Tract

Parcel: 730615640827000

### Tax Bill Information

#### Account Info

Account Number : 22697  
 BALLOU-LEWIS PROPERTIES LLC  
 PO BOX 662  
 GREENVILLE, NC 27835

#### Bill Info

Year Bill Number : 2025-117658  
 Parcel Number : 730615640827000  
 PIN ID# :  
 Escrow :  
 Legal Description : LOT NC HWY 101 BEAUFORT

#### Taxable Values

Building Value : 236,515  
 Outbuilding Value : 4,524  
 Land Value : 129,718  
 Parcel Value Total : 370,757  
 Deferred Value : 0  
 Taxable Value : 370,757

#### Balance Info

Current Balance : 2,228.30  
 Original Levy : 2,228.30  
 Personal Value : 0  
 Total Valuation : 370,757  
 Exemption : 0  
 Net Taxable Valuation : 370,757  
 Last Transaction Date :  
 Last Payment Date :

**Taxes/fees**   **Owners**

#### Taxes and Fees Billed By County

Description	Levied	Interest/Fees	Released	Discount	Collected	Balance
01 County	834.20	0.00	0.00	0.00	0.00	834.20
1159 Town of Beaufort	1,059.26	0.00	0.00	0.00	0.00	1,059.26
44 Beaufort Rescue	156.84	0.00	0.00	0.00	0.00	156.84
61 Beaufort Storm Water Fee	50.00	0.00	0.00	0.00	0.00	50.00
67 Beaufort Sewerage Fee	38.00	0.00	0.00	0.00	0.00	38.00
<b>Total</b>	<b>2,228.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,228.30</b>



FILE # 1771199

FOR REGISTRATION REGISTER OF DEEDS  
Karen S. Hardesty  
Carteret County, NC  
June 21, 2022 04:26 PM  
EMMA DEED 3 P  
FEB: \$26.00  
NC REVENUE STAMP: \$750.00  
FILE # 1771199

**NORTH CAROLINA GENERAL WARRANTY DEED**

Excise Tax: : \$750.00

Parcel Identifier No. 7306.15.64.0827000

Verified by \_\_\_\_\_ County on the \_\_\_ day of \_\_\_\_\_, 20

By: \_\_\_\_\_

Mail/Box to: Derek Taylor, Taylor and Taylor, PA

This instrument was prepared by: Derek Taylor, Taylor and Taylor, PA

Brief description for the Index: Lot on West side Hwy 101, Beaufort

THIS DEED made this 17<sup>th</sup> day of June, 2022, by and between

GRANTOR

Jean T. Laughton, widow  
275 Highway 101  
Beaufort, NC 28516

GRANTEE

Ballou-Lewis Properties, LLC,  
a NC Limited Liability company  
P. O. Box 662  
Greenville, NC 27835

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple interest in that certain lot or parcel of land situated in the Town of Beaufort, Carteret County, North Carolina and more particularly described as follows:

**Tract 1 and Tract 2 as described on attached Exhibit A**

The property herein conveyed includes the primary residence of the Grantor.

A map showing the above described property is recorded in Map Book \_\_\_\_\_, page \_\_\_\_\_.

The property hereinabove described was acquired by George Laughton, Jr. and wife, Jean T. Laughton by those instruments recorded in Book 166, page 443 and Book 280, page 496. George Laughton, Jr. died on 9-24-2020, see Carteret County Clerk of Court file # 20-E-726.

3

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

All easements, covenants, restrictions of record and 2022 ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Jean T. Laughton  
Jean T. Laughton

State of North Carolina

County of Carteret

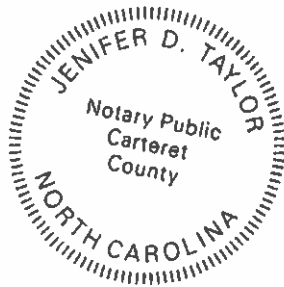
I, the undersigned Notary Public of the State, County or City aforesaid, certify that Jean T. Laughton personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)

Jenifer D. Taylor  
Jenifer D. Taylor, Notary Public  
(print name)



**EXHIBIT A**

State of North Carolina

Town of Beaufort

Carteret County

**Tract 1:**

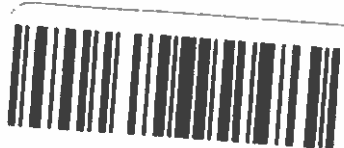
Being on the West side of U. S. Highway # 101, and being a portion of the George R. Laughton property and beginning at an iron stake located in the West line of said U. S. Highway # 101, which stake is situated at the Southeast corner of the Bonner Willis, Jr. property (now or formerly); running thence S 17° 30' E, 120 feet along the West line of said highway to another iron stake; running thence S 76° 00' W, 200 feet to an iron stake; running thence N 17° 30' W, 125 feet to an iron stake in the Bonner Willis, Jr. (now or formerly) South line, which stake is situated at the southwest corner of the Bonner Willis, Jr. (now or formerly) land; running thence N 76° 30' E, 200 feet along the Bonner Willis, Jr. (now or formerly) South line to the iron stake at the point of beginning. The above description taken from deed recorded in Book 166, page 443, Carteret County Registry.

**Excepting from Tract 1**, the above described property, all property conveyed in Deed Book 254, page 264 as described as follows:

Beginning at a stake in the west right of way line of N.C. Highway No. 101 said stake being the southeast corner of the lot of Bonner Willis, Jr. (now or formerly), said point being S 15° 30' E, 60.0 feet from the south line of a 20 foot road; thence with said road line S 15° 30' E, 11.5 feet to a stake in a fence line; thence S 77° 15' W, 200.0 feet to a stake at the side of a ditch, Bonner Willis, Jr. (now or formerly) southwest corner; thence N 74° 00' E, 200.0 feet to the point of beginning.

**Tract 2:**

Beginning at a stake in west right of way of line of N.C. Highway No. 101 said point being S 15° 30' E, 108.5 feet from iron post Mel Lawrence (now or formerly) southeast corner; thence continuing with the said right of way line of N.C. 101 S 15° 30' E, 12.0 feet to a stake; thence S 76° 05' W, 200.0 feet to a stake; thence N 72° 46' E, 200.0 feet to the point of beginning. The above description taken from deed recorded in Book 280, page 496, Carteret County Registry.



FILE # 1771200

FOR REGISTRATION REGISTER OF DEEDS  
Karen B. Hardesty  
Carteret County, NC  
June 21, 2022 04:31 PM  
EMMA DEED 8 P  
FEE: \$28.00  
NC REVENUE STAMP: \$2,000.00  
FILE # 1771200

**NORTH CAROLINA GENERAL WARRANTY DEED**

Excise Tax: : \$2,000.00

Parcel Identifier No. 7306.15.54.6839000 Verified by \_\_\_\_\_ County on the \_\_\_ day of \_\_\_\_\_, 20  
By: \_\_\_\_\_

Mail/Box to: Derek Taylor, Taylor and Taylor, PA

This instrument was prepared by: Derek Taylor, Taylor and Taylor, PA

Brief description for the Index: 9.13A on west side Hwy 101, Beaufort – Mamie Laughton Heirs

THIS DEED made this 17<sup>th</sup> day of June, 2022, by and between

**GRANTOR**

Jean T. Laughton, widow;  
John Raymond Laughton, and wife,  
Sue Floyd Laughton\*;  
Gilmore T. Spivey, Jr., widower and sole heir;  
Kimberly Paul Zimmerman  
(aka Mary Kimberly Paul Zimmerman) and  
husband, Thomas A. Zimmerman\*; and  
Jamison Fodrie Ipock and husband,  
William Jesse Ipock, III\*  
275 Highway 101  
Beaufort, NC 28516

**GRANTEE**

Ballou-Lewis Properties, LLC,  
a NC Limited Liability Company  
P. O. Box 662  
Greenville, NC 27835

\* Sue Floyd Laughton, Thomas A. Zimmerman and William Jesse Ipock, III join in this conveyance as to their marital rights only.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple interest in that certain lot or parcel of land situated in the Town of Beaufort, Carteret County, North Carolina and more particularly described as follows:

See attached Exhibit A

The property herein conveyed does not include the primary residence of the Grantor.

A map showing the above described property is recorded in Map Book \_\_\_\_\_, page \_\_\_\_\_.

8

The property hereinabove described was acquired by George Laughton, Sr. and wife, Mamie Estelle Laughton in Deed Book 81, page 570. George Laughton, Sr. died testate on 2-18-1984 (Carteret County Estate file # 84-E-63). Mamie Estelle Laughton died testate on 11-7-1992 (Carteret County Estate file 92-E-482), leaving the remainder of the original tract (now 9.13A) to her 6 children: George R. Laughton, Jr.; Anna Lou L. Haskins; Shelba L. Spivey; Faye L. Paul Cherry; John Raymond Laughton; and Milton G. Laughton. Anna Lou Haskins died testate on 12-5-2004 (Carteret County Estate file # 04-E-749). The Codicil for Anna Lou Haskins conveyed her interest to her daughter, Jamison Fodrie Ipock. Faye Paul Cherry died testate on 5-20-2007 (Carteret County Estate file # 12-E-35). Faye Paul Cherry's will conveyed her interest to her daughter, Mary Kimberly Paul Zimmerman. Shelba L. Spivey died testate on 8-9-2020. George Laughton, Jr. died testate on 9-24-2020 (Carteret County Estate file # 20-E-726).

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

**All easements, covenants, restrictions of record and 2022 ad valorem taxes.**

**[Signatures begin on next page]**

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Jean T. Laughton  
Jean T. Laughton

State of North Carolina

County of Carteret

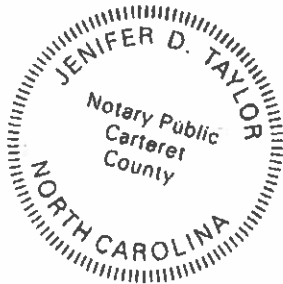
I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Jean T. Laughton** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

Jenifer D. Taylor  
Jenifer D. Taylor, Notary Public

(Affix Seal)



IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Gilmore T. Spivey, Jr.  
Gilmore T. Spivey, Jr.

State of North Carolina

County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Gilmore T. Spivey, Jr.** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)

Jennifer D. Taylor  
Jennifer D. Taylor, Notary Public



IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Kimberly Paul Zimmerman  
Kimberly Paul Zimmerman  
(aka Mary Kimberly Paul Zimmerman)

Thomas A. Zimmerman  
Thomas A. Zimmerman

State of Connecticut County of Fairfield

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Kimberly Paul Zimmerman (aka Mary Kimberly Paul Zimmerman)** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17 day of June, 2022.

My Commission Expires: Notary Public Connecticut  
(Affix Seal) My Commission Expires Mar 31, 2026



Jean Mahood  
Jean Mahood, Notary Public  
(print name)

State of Connecticut County of Fairfield

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Thomas A. Zimmermun** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17 day of June, 2022.

My Commission Expires: Notary Public Connecticut  
(Affix Seal) My Commission Expires Mar 31, 2026



Jean Mahood  
Jean Mahood, Notary Public  
(print name)

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

John Raymond Laughton  
John Raymond Laughton

Sue Floyd Laughton  
Sue Floyd Laughton

State of North Carolina

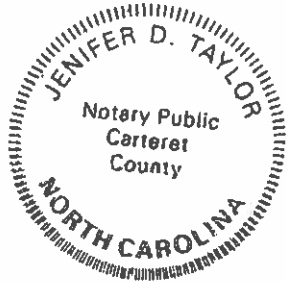
County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **John Raymond Laughton** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)



Jenifer D. Taylor  
Jenifer D. Taylor, Notary Public

State of North Carolina

County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Sue Floyd Laughton** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)



Jenifer D. Taylor  
Jenifer D. Taylor, Notary Public

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Jamison Fodrie Ipock  
Jamison Fodrie Ipock

William J. Ipock, III  
William J. Ipock, III

State of North Carolina

County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Jamison Fodrie Ipock** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

Jennifer D. Taylor  
Jennifer D. Taylor, Notary Public

(Affix Seal)

State of North Carolina

County of Carteret

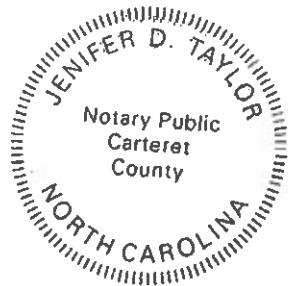
I, the undersigned Notary Public of the State, County or City aforesaid, certify that **William J. Ipock, III** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

Jennifer D. Taylor  
Jennifer D. Taylor, Notary Public

(Affix Seal)



**EXHIBIT A****State of North Carolina****Town of Beaufort****Carteret County**

Being Grantors' all right title and interest in that tract having Tax Parcel No. 7306.15.54.6893000 and being all the remaining property formerly owned by George R. Laughton, Sr. and Mamie T. Laughton. Being all the remaining property owned by the heirs of George R. Laughton, Sr. and wife, Mamie T. Laughton, as shown in that Deed recorded in Book 81, page 570, Carteret County Registry (less and excepting all tracts or parcels of land previously conveyed).

FOR REGISTRATION REGISTER OF DEEDS  
Karen B. Hardesty  
Carteret County, NC  
June 21, 2022 04:34 PM  
EMMA DEED 3 P  
FEE: \$26.00  
NC REVENUE STAMP: \$750.00  
FILE # 1771201



FILE # 1771201

**NORTH CAROLINA GENERAL WARRANTY DEED**

Excise Tax: : \$750.00

Parcel Identifier No. 7306.15.64.0827000

Verified by \_\_\_\_\_ County on the \_\_\_\_ day of \_\_\_\_\_, 20

By: \_\_\_\_\_

Mail/Box to: Derek Taylor, Taylor and Taylor, PA

This instrument was prepared by: Derek Taylor, Taylor and Taylor, PA

Brief description for the Index: Lot on West side Hwy 101, Beaufort

THIS DEED made this \_\_\_\_\_ day of June, 2022, by and between

**GRANTOR**

**John Raymond Laughton and wife,  
Sue Floyd Laughton  
265 Highway 101  
Beaufort, NC 28516**

**GRANTEE**

**Ballou-Lewis Properties, LLC,  
a NC Limited Liability company  
P. O. Box 662  
Greenville, NC 27835**

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple interest in that certain lot or parcel of land situated in the Town of Beaufort, Carteret County, North Carolina and more particularly described as follows:

**See attached Exhibit A**

The property herein conveyed includes the primary residence of the Grantor.

A map showing the above described property is recorded in Map Book \_\_\_\_\_, page \_\_\_\_\_.

The property hereinabove described was acquired by Grantor by that instrument recorded in Book 286, page 394.

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TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

All easements, covenants, restrictions of record and 2022 ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

John Raymond Laughton  
John Raymond Laughton

Sue Floyd Laughton  
Sue Floyd Laughton

State of North Carolina

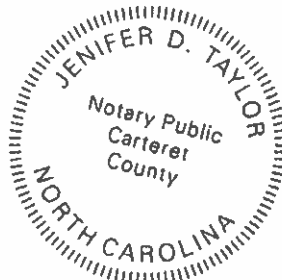
County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **John Raymond Laughton** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)



Jennifer D. Taylor  
Jennifer D. Taylor, Notary Public  
(print name)

State of North Carolina

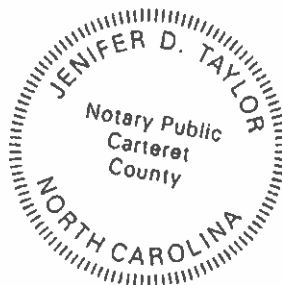
County of Carteret

I, the undersigned Notary Public of the State, County or City aforesaid, certify that **Sue Floyd Laughton** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 17<sup>th</sup> day of June, 2022.

My Commission Expires: 8-31-2023

(Affix Seal)



Jennifer D. Taylor  
Jennifer D. Taylor, Notary Public  
(print name)

**EXHIBIT A**

Lying and being in the Town of Beaufort, Carteret County, North Carolina and being on the West side of N.C. Highway # 101, and BEGINNING at an iron pipe set in the west right-of-way line of the said Highway at the southeast corner of the property of George R. Laughton, Jr. (now or formerly); running from said beginning corner S 76° 05' W, 200 feet from the George R. Laughton, Jr. (now or formerly) south line to an iron pipe set in a ditch; running thence S 15° 25' E, 120 feet along the said ditch to an iron pipe; running thence N 76° 05' E, 200 feet to an iron pipe set in the west right-of-way line of N.C. Highway # 101; running thence N 15° 25' W, 120 feet along the west right-of-way line of N.C. Highway # 101 to the iron pipe set at the point of beginning. The above description taken from deed recorded in Book 286, page 394, Carteret county Registry.



FILE # 1772403

FOR REGISTRATION REGISTER OF DEEDS  
Karen B. Hardesty  
Carteret County, NC  
July 6, 2022 11:58 AM  
IWW DEED 10 P  
FEE: \$28.00  
NC REVENUE STAMP: \$780.00  
FILE # 1772403

**NORTH CAROLINA GENERAL WARRANTY DEED**

Excise Tax:	\$780.00
Parcel ID:	7306 1444 73860 00
Mail/Box to:	Narron Wenzel, PA PO Box 1567, Smithfield, NC 27577
Prepared by:	Jason W. Wenzel (No Title Examination)
Brief description for the Index:	Acreage SR 1126 Adj Airport

THIS GENERAL WARRANTY DEED ("Deed") is made on the 27 day of June 2022, by and among:

GRANTOR	GRANTEE
Daniel Lee Heavner, Jr., and Tomoko Koyama Heavner (separated) Ernest Michael Heavner (Free Trader), Joseph Charles Heavner (Free Trader), Patrick Thomas Heavner (Free Trader) and Tina S. Hobbs and spouse, Joseph S. Hobbs c/o Tina S. Hobbs 616 Hancock Street Smithfield, North Carolina 27577	Ballou-Lewis Properties, LLC, a North Carolina limited liability company Post Office Box 662 Greenville, North Carolina 27835

FOR VALUABLE CONSIDERATION paid by Grantees, the receipt and legal sufficiency of which is acknowledged, Grantor by this Deed does hereby grant, bargain, sell and convey to Grantees, in fee simple, all that certain lot, parcel of land in Carteret County, North Carolina and more particularly described as follows (the "Property"):

Reference is made to Exhibit A, such exhibit attached hereto and incorporated herein by reference.

{N0335625.DOCX; 2}

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All or a portion of the Property  includes or  does not include the primary residence of a Grantor.

TO HAVE AND TO HOLD the Property and all privileges and appurtenances thereto belonging to Grantees in fee simple. Grantor covenants with Grantees that Grantor is seized of the Property in fee simple, Grantor has the right to convey the Property in fee simple, title to the Property is marketable and free and clear of all encumbrances, and Grantor shall warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

Ad valorem taxes for the current and subsequent years

IN WITNESS WHEREOF, Grantor has duly executed this North Carolina General Warranty Deed.

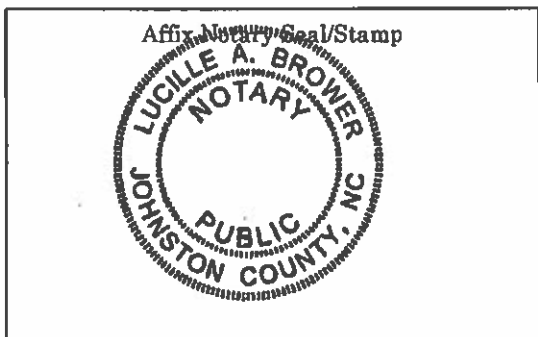
SIGNATURE PAGES FOLLOW

Daniel Lee Heavner, Jr.  
Daniel Lee Heavner, Jr. (Free Trader)

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I, Lucille A Brower, a Notary Public, in and for said County and State do certify that Daniel Lee Heavner, Jr., a Free Trader pursuant to Memorandum of Postnuptial Agreement of record in Book \_\_\_\_\_, page \_\_\_\_\_, \_\_\_\_\_ County Registry, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal/stamp, this 22 day of June, 2022.



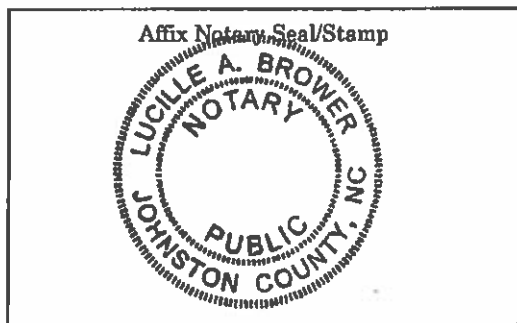
Lucille A Brower  
Notary Public (Official Signature)  
My commission expires: October 16, 2022

*Tomoko Koyama Heavner*  
Tomoko Koyama Heavner

STATE OF North Carolina, COUNTY OF Johnston

I, Lucille A Brower, a Notary Public, in and for said County and State do certify that Tomoko Koyama Heavner personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal/stamp, this 22 day of June, 2022.



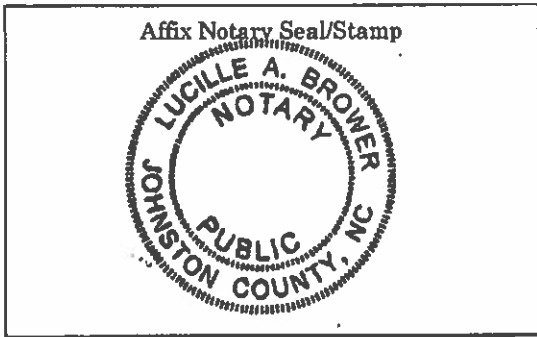
*Lucille A Brower*  
Notary Public (Official Signature)  
My commission expires: October 16, 2022

Ernest Michael Heavner  
Ernest Michael Heavner (Free Trader)

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I, Lucille A. Brower, a Notary Public, in and for said County and State do certify that Ernest Michael Heavner, a Free Trader pursuant to Memorandum of Postnuptial Agreement of record in Book 1747, page 352, Mark County Registry, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal/stamp, this 22<sup>nd</sup> day of June, 2022.



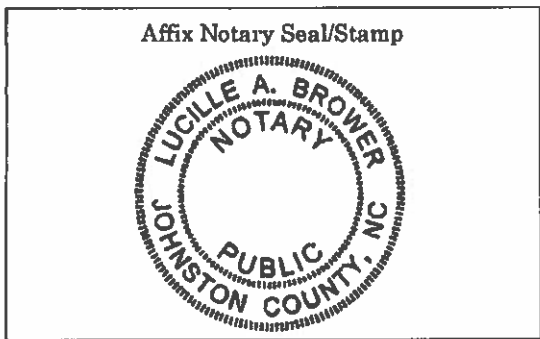
Lucille A Brower  
Notary Public (Official Signature)  
My commission expires: October 16, 2022

Joseph Charles Heavner  
Joseph Charles Heavner (Free Trader)

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I, Lucille A Brower, a Notary Public, in and for said County and State do certify that Joseph Charles Heavner, a Free Trader pursuant to Memorandum of Postnuptial Agreement of record in Book 1630, page 334, Center County Registry, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal/stamp, this 22 day of June, 2022.



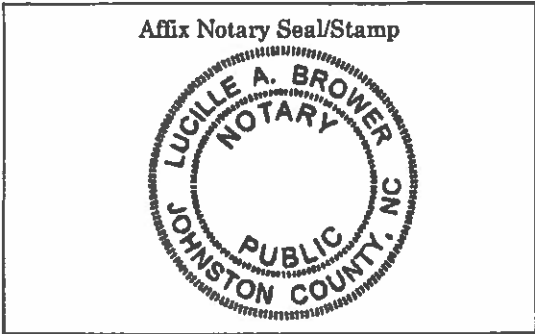
Lucille A Brower  
Notary Public (Official Signature)  
My commission expires: October 16, 2022

Patrick Thomas Heavner  
Patrick Thomas Heavner (Free Trader)

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I, Lucille A Brower, a Notary Public, in and for said County and State do certify that Patrick Thomas Heavner, a Free Trader pursuant to Memorandum of Postnuptial Agreement of record in Book 1539, page 251, Carter County Registry, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal/stamp, this 22 day of June, 2022.



Lucille A Brower  
Notary Public (Official Signature)  
My commission expires: October 16, 2022

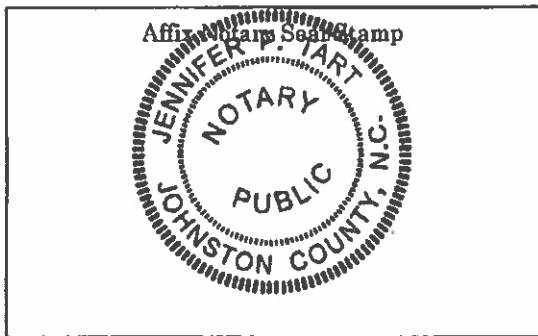
*Tina S. Hobbs*

Tina S. Hobbs

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I Jennifer P Tart, a Notary of the above state and county, certify that the following person personally appeared before me on the 24<sup>th</sup> day of June 2022 acknowledging to me that she signed the foregoing document, in the capacity represented and identified therein (if any): Tina S. Hobbs

Witness my hand and notarial seal/stamp, this 24<sup>th</sup> day of June, 2022.



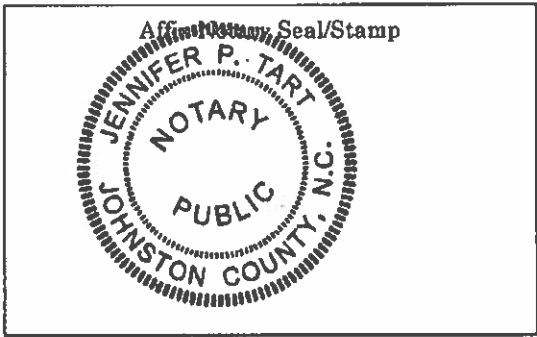
Jennifer P Tart  
Notary Public (Official Signature)  
My commission expires: 11/24/24

Joseph S. Hobbs  
Joseph S. Hobbs

STATE OF NORTH CAROLINA, COUNTY OF JOHNSTON

I Jennifer P. Tart, a Notary of the above state and county, certify that the following person personally appeared before me on the 24<sup>th</sup> day of June 2022 acknowledging to me that he signed the foregoing document, in the capacity represented and identified therein (if any): Joseph S. Hobbs.

Witness my hand and notarial seal/stamp, this 24<sup>th</sup> day of June, 2022.

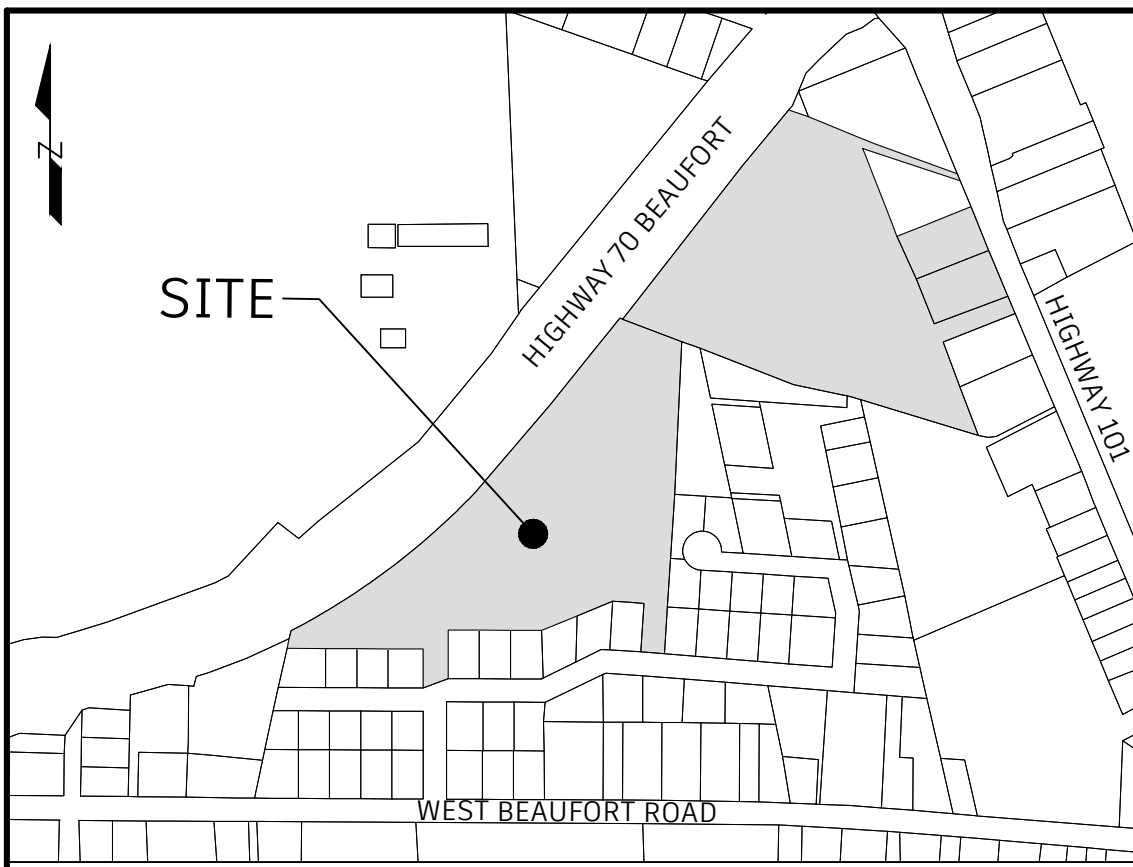


Jennifer P. Tart  
Notary Public (Official Signature)  
My commission expires: 6/24/24

**EXHIBIT A**

Lying and being in the Town of Beaufort, Carteret County, North Carolina, BEGINNING at a point located N 2° 06' 25" E, 360 feet from the intersection of the North right of way of West Beaufort Road and the East right of way of Joyce Boulevard, running thence from said point of beginning S 69° 29' 13" W, 65.0 feet to a point; running thence from said point N 2° 06' 25" E, 100 feet to a point; running thence from said point N 87° 53' 35" W, 354.37 feet to a point; running thence from said point N 14° 18' 25" E, 247.53 feet to a point; running thence from said point S 81° 40' 13" E, 121.48 feet to a point; running thence from said point N 13° 56' 06" E, 327.72 feet to a point; running thence from said point N 45° 15" E, 513.17 feet to a point; running thence from said point N 0° 10' E, 24.23 feet to a point; running thence from said point S 67° 35' 42" E, 458.91 feet to a point; running thence from said point S 5° 51' 25" W, 799.99 feet to a point; running thence from said point N 84° 08' 35" W, 60 feet to a point; running thence from said point N 5° 51' 25" E, 125 feet to a point; running thence from said point N 84° 08' 35" W, 80 feet to a point; running thence from said point S 70° 01' 05" W, 197.44 feet to a point; running thence from said point N 87° 53' 35" W, 240 feet to a point; running thence from said point S 2° 06' 25" W, 125 feet to the POINT OF BEGINNING. Containing 14.67 acres. The above description taken from deed of trust recorded in Book 536, page 168, Carteret County Registry.

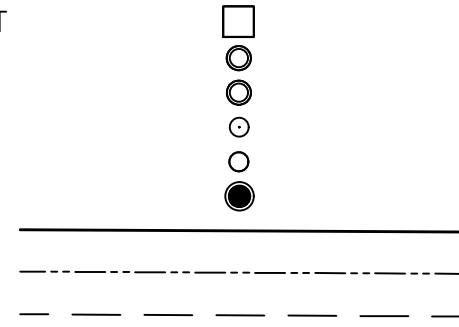
**Less and except** that land conveyed to the Beaufort-Morehead Airport Authority as describe in that deed recorded in Book 688, page 216 and to the Department of Transportation, an agency of the State of North Carolina as described in those deeds recorded in Book 1443, page 207; Book 1443, page 208; and Book 1588, page 44, all in the Carteret County Registry.



VICINITY MAP (N.T.S.)

LEGEND

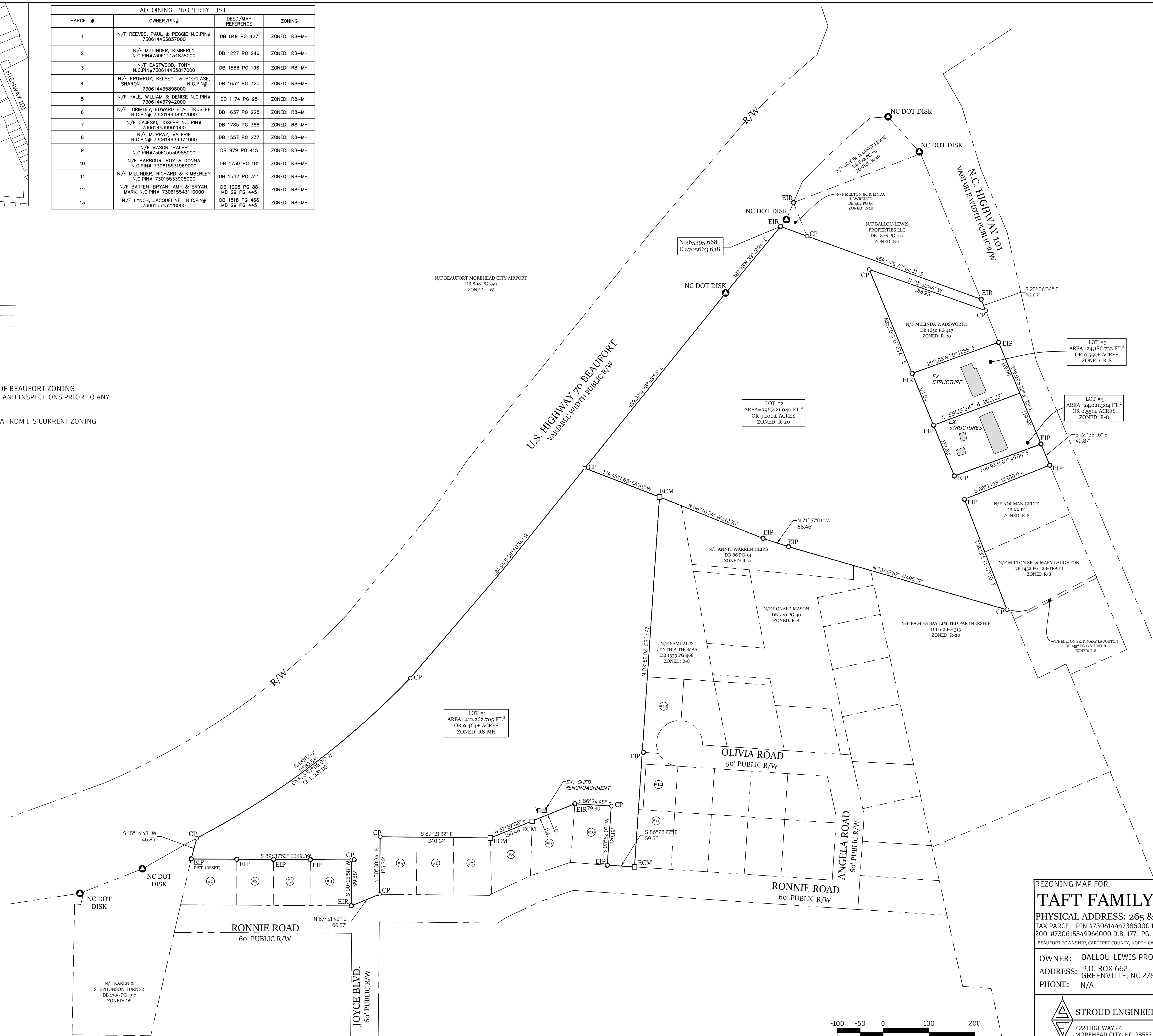
- ECM= EXISTING CONCRETE MONUMENT
- EIR= EXISTING IRON ROD
- EIP= EXISTING IRON PIPE
- EMN= EXISTING MAGNETIC NAIL
- CP= COMPUTED POINT
- SIR= SET IRON ROD
- BOUNDARY LINE
- RIGHT-OF-WAY LINE
- NON-SURVEYED LINE
- (PLATTED BY DEED)



NOTES:

1. THESE PARCELS ARE ZONED OS, R-20, & R-8 PER THE TOWN OF BEAUFORT ZONING ORDINANCES. SETBACKS SHOULD BE VERIFIED WITH PLANNING AND INSPECTIONS PRIOR TO ANY DEVELOPMENT.
2. THE PURPOSE OF THIS MAP IS TO REZONE THESE PARCELS TO TCA FROM ITS CURRENT ZONING DESIGNATION.

PARCEL #	OWNER/PIN#	DEED/MAP REFERENCE	ZONING
1	N/F REEVES, PAUL & PEGGIE N.C.PIN# 730614433837000	DB 849 PG 427	ZONED: R8-MH
2	N/F MILLINDER, KIMBERLY N.C.PIN#730614434838000	DB 1227 PG 246	ZONED: R8-MH
3	N/F EASTWOOD, TONY N.C.PIN#730614435817000	DB 1588 PG 196	ZONED: R8-MH
4	N/F KRUMROY, KELSEY & POLGLASE, SHARON N.C.PIN# 730614435898000	DB 1632 PG 320	ZONED: R8-MH
5	N/F YALE, WILLIAM & DENISE N.C.PIN# 730614437942000	DB 1174 PG 95	ZONED: R8-MH
6	N/F GRIMLEY, EDWARD ETAL TRUSTEE N.C.PIN# 730614438922000	DB 1637 PG 225	ZONED: R8-MH
7	N/F GALESKI, JOSEPH N.C.PIN# 730614439902000	DB 1785 PG 388	ZONED: R8-MH
8	N/F MURRAY, VALERIE N.C.PIN# 730614439974000	DB 1557 PG 237	ZONED: R8-MH
9	N/F MASON, RALPH N.C.PIN#730615530988000	DB 979 PG 415	ZONED: R8-MH
10	N/F BARBOUR, ROY & DONNA N.C.PIN# 730615531969000	DB 1730 PG 181	ZONED: R8-MH
11	N/F MILLINDER, RICHARD & KIMBERLEY N.C.PIN# 7301553398000	DB 1542 PG 314	ZONED: R8-MH
12	N/F BATTEN-BRYAN, AMY & BRYAN, MARK N.C.PIN# 730615543110000	DB 1225 PG 88 MB 29 PG 445	ZONED: R8-MH
13	N/F LYNCH, JACQUELINE N.C.PIN# 73061554328000	DB 1818 PG 466 MB 29 PG 445	ZONED: R8-MH



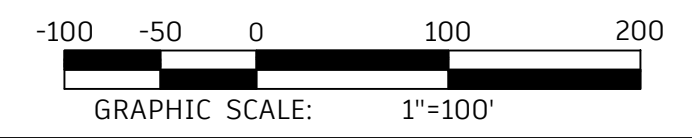
REVISIONS			
BY	NO.	DATE	DESCRIPTION

REZONING MAP FOR:  
**TAFT FAMILY VENTURES**  
 PHYSICAL ADDRESS: 265 & 275 HIGHWAY 101, BEAUFORT N.C.  
 TAX PARCEL: PIN #730614447386000 D.B. 1772 PG. 403; #730615546839000 D.B. 1771 PG. 200; #730615549966000 D.B. 1771 PG. 199; #730615640827000 D.B. 1771 PG. 201  
 BEAUFORT TOWNSHIP, CARTERET COUNTY, NORTH CAROLINA

OWNER: BALLOU-LEWIS PROPERTIES LLC. SURVEYED: JTM  
 ADDRESS: P.O. BOX 662 DRAWN: JTM  
 GREENVILLE, NC 27835  
 PHONE: N/A APPROVED: JTM

DATE: 10/28/2025  
 SCALE: 1"=100'  
 SHEET 1 OF 1

STROUD ENGINEERING, P.A.  
 422 HIGHWAY 24  
 MOREHEAD CITY, NC 28557  
 (252) 247-7479 LICENSE NO. C-0647





Town of Beaufort  
701 Front St. • P.O. Box 390 • Beaufort, N.C. 28516  
252-728-2141 • 252-728-3982 fax  
[www.beaufortnc.org](http://www.beaufortnc.org)

**Notification Certification**  
**Case #25-14 265 & 275 Hwy 101 & Property Between to Ronnie Road**  
**Rezoning Request form R8MH, R-20 & R-8 to TCA**

BALLOU LEWIS PROPERTIES LLC PO BOX 662 GREENVILLE, NC 27835	ROY BARBOUR JR 2140 LITTLE CREEK CHURCH RD CLAYTON, NC 27520
AMY MICHELLE BATTEN-BRYAN 593 TOMMYS RD GOLDSBORO, NC 27530	BEAUFORT MOREHEAD CITY AIRPORT AUTHORITY 180 AIRPORT ROAD BEAUFORT, NC 28516
BGG RENTAL PROPERTIES LLC C/O BILLY GLENN GILL 199 OLIVIA WAY SELMA, NC 27576	BOYLAN HEIGHTS LAND CO LLC C/O MATTHEW A TORRINGTON 10800 GARFIELD AVE CULVER CITY, CA 90230
JESSE TAYLOR CHAPLAIN SR 266 NC HIGHWAY 101 BEAUFORT, NC 28516	EAGLES BAY LIMITED PARTNERSHIP C/O FELLERS SCHEWE SCOTT PO BOX 450233 ATLANTA, GA 31145,
TONY B EASTWOOD 7040 GREAT SWAMP LOOP LUCAMA, NC 27851	JASON DOUGLAS EDWARDS 3995 LANGTREE DR HARRISBURG, NC 28075
BEN ADAMS FISH 210 OLD MECHANICAL CT GARNER, NC 27529	JOSEPH GAJESKI JR 205 RONNIE RD BEAUFORT, NC 28516
NORMAN ROBERT GELTZ 253 HWY 101 BEAUFORT, NC 28516	EDWARD GRIMLEY ETAL TRUSTEE 303 GEORGE ST BEAUFORT, NC 28516
PHYLLIS HARTSEL 2549 NORTH ROCKY RIVER RD LANCASTER, SC 29720	KELSEY LEE KRUMROY 107 RONNIE ROAD BEAUFORT, NC 28516
MILTON LAUGHTON SR ETUX MA L/T 113 WILD MAGNOLIA DRIVE BEAUFORT, NC 28516	MELTON LAWRENCE JR ETUX LINDA 155 PINNERS POINT RD BEAUFORT, NC 28516
JACQUELINE LYNCH 5111 SCHLEY RD HILLSBOROUGH, NC 27278	RALPH A MASON 531 BENNETT RD STONEVILLE, NC 27048
JOYCE MASON 300 MASON LANE BEAUFORT, NC 28516	KIMBERLY GRENE MILLINDER ETVIR 937 BRROKSIDR DR NW WILSON, NC 27893
VALERIE AMANDA MURRAY 207 RONNIE ROAD BEAUFORT, NC 28516	RICHARD B PARKER JR ETAL PO BOX 161 ATLANTIC BEACH, NC 28512
PAUL J & PEGGIE REEVES JR PO BOX 11175 DURHAM, NC 27703	DAISY AILEEN JONES RENNWALD 300 RONNIE RD BEAUFORT, NC 28516



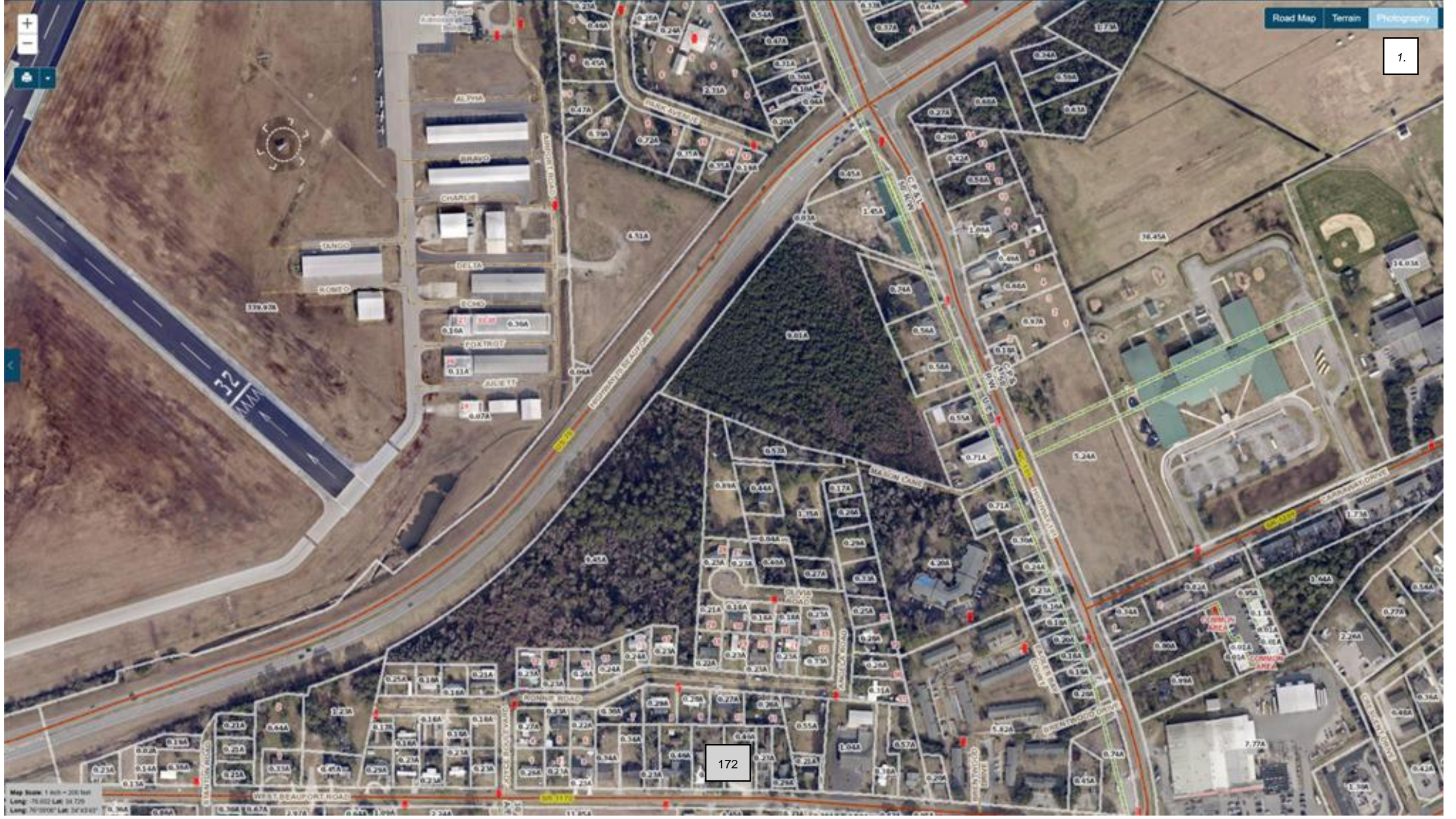
Town of Beaufort  
701 Front St. • P.O. Box 390 • Beaufort, N.C. 28516  
252-728-2141 • 252-728-3982 fax  
[www.beaufortnc.org](http://www.beaufortnc.org)

SAMUEL D THOMAS 250 MASON LN BEAUFORT, NC 28516	KAREN M TURNER 531 WEST BEAUFORT RD BEAUFORT, NC 28516
MELINDA SKYE WADSWORTH 279 HIGHWAY 101 BEAUFORT, NC 28516	ANNIE WARREN HEIRS 851 JORDAN RD AUTRYVILLE, NC 28318
WILLIAM W YALE ETUX DENISE L 201 RONNIE ROAD BEAUFORT, NC 28516	

I, *Kyle Garner*, Planning Director for the Town of Beaufort do hereby certify the above subject property owners, applicants, and adjacent property owners were each mailed a letter and vicinity map on December 31, 2025, regarding a request for a rezoning at 265 & 275 Hwy 101 & Property Between to Ronnie Road. Signs were posted on the subject property on December 31, 2025 regarding the same. The rezoning request will be heard at the January 12, 2026 Board of Commissioners meeting at the Train Depot, 614 Broad Street, Beaufort, NC, at 6:00 p.m.

*Kyle Garner*  
Signed

*December 31, 2025*  
Date



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**BEAUFORT BOARD OF COMMISSIONERS  
AN ORDINANCE TO REZONE  
625 WEST BEAUFORT ROAD FROM R-20 TO R-8  
ORDINANCE NO. 26-\_\_**

Owner: Ballou-Lewis Properties  
Location & PIN: 265 & 275 Hwy 101 (Pin # 730615549966000, 730615546839000, 730614447386000 & 730615640827000)  
Lot Size: 19.67 acres  
Existing District: R8MH, R-20 & R-8  
Requested District: TCA  
Meeting Date: January 12, 2026

**WHEREAS**, the applicant Taft Development Group has submitted a request to rezone 19.67 acres between HWY 101 & Ronnie Road from R8MH, R-20 & R-8 to TCA; and

**WHEREAS**, the Beaufort Planning Board has convened to consider and prepare a recommendation and consistency statement on the request at its meeting on November 17, 2025, at which time the Planning Board unanimously recommended approval of the request with conditions; and

**WHEREAS**, a notice of public hearing to be held during January 12, 2026, Beaufort Board of Commissioners regular meeting was published in the Carteret County News-Times on December 31, 2025, and January 7, 2026; and

**WHEREAS**, the Beaufort Board of Commissioners conducted a public hearing on January 12, 2026, at which time the applicant and/or applicant’s representative was given the opportunity to present arguments, and Town staff was given the opportunity to comment on the application; and

**WHEREAS**, the Town Board of Commissioners has made the following findings and conclusions:

- The proposed zoning of TCA is consistent with the Suburban Residential Future Land Use Classification in the Future Land Use Map of the Beaufort Comprehensive and CAMA Land Use Plan,
- The proposed zoning of TCA is reasonable and in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDAINED** by the Board of Commissioners on the basis of the foregoing findings and conclusions that the request to rezone 265 & 275 Hwy 101 (Pin # 730615549966000, 730615546839000, 730614447386000 & 730615640827000) is approved and the Town’s Zoning Map is amended accordingly.

---

Enacted on motion of Commissioner \_\_\_\_\_ and carried on a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ against.

This, the 12<sup>th</sup> day of January 2026

TOWN OF BEAUFORT

---

Elizabeth Lewis, Town Clerk

---

Sharon E. Harker, Mayor



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026**

---

**AGENDA CATEGORY:** Old Business  
**SUBJECT:** Godette Hotel: 400 Pollock Street

**SUMMARY:**

Town Attorney, Arey Grady, will provide an update on the latest correspondence regarding the Godette Hotel, 400 Pollock Street.

**SUBMITTED BY:**

Elizabeth Lewis, Assistant Town Manager/Town Clerk



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516 252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026**

---

**AGENDA CATEGORY:** New Business  
**SUBJECT:** Wastewater Allocation Reservation Application  
2621 HWY-70 and 100 Tiffany Way

**BRIEF SUMMARY:**

The applicant David Brent Smith is requesting that 360 gallons per day (gpd) total of sewer treatment capacity be reserved for two 3-bedroom single-family residences; one at 2621 HWY-70 and one at 100 Tiffany Way. The two lots are located outside of Town Limits which makes it a priority 4 category allocation request. The sewer reservation fee will be calculated at 20% of the total estimated sewer system development fees. If approved, the sewer allocation will be reserved for a period of 24 months, in which time the applicant will be required to submit engineered plans and design of the sewer systems serving each lot. The system development fees and sewer utilities rates will be charged at out-of-town rates which are twice in-town rates. The two lots are located adjacent to a Town of Beaufort force main, individual privately owned/operated pump stations for each lot would be required to serve the proposed homes.

**REQUESTED ACTION:**

Consider allocation reservation request of 360 gpd of sewer capacity for single family homes located at 2621 HWY-70 and 100 Tiffany Way.

**EXPECTED LENGTH OF PRESENTATION:**

10 minutes

**SUBMITTED BY:**

Sam Bell, PE, Town Engineer

**BUDGET AMENDMENT REQUIRED:**

No



**TOWN OF Beaufort**  
Public Services Department  
701 Front Street, Beaufort, NC 2816  
P.O. Box 390, Beaufort, NC 28516  
Phone: 252-728-2141

# WASTEWATER ALLOCATION REQUEST

The Town of Beaufort, in an effort to manage and maintain the sewer and water capacity for the Town, requires that this application be completed and submitted to the Town for consideration of a utility allocation. Review fee is due upon submittal of request.

**Wastewater Allocation Request Review Fee: \$50**

## SITE INFORMATION

Name of Project: \_\_\_\_\_ Acreage of Property: 2.04

County Tag Number: N/A NC PIN: \_\_\_\_\_

Address/Location: 100 Tiltang Way Beaufort  
2621 Hwy 70 Beaufort

Zoning District: Residential

Location Status:  Town Limits  Existing Out-of-Town Service Area  
 Out-of-Town Service Approval/Agreement

## APPLICANT INFORMATION

Applicant: David Brent Smith

Mailing Address: \_\_\_\_\_

Phone Number: 252-269-8226 Fax: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

## PROPERTY OWNER INFORMATION

Name: David Brent Smith

Mailing Address: 2502 Lenoxtville Rd Beaufort 28516

Phone Number: 252-269-8226 Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

## FOR OFFICE USE ONLY

Date Received: \_\_\_\_\_ File Number/Name: \_\_\_\_\_

# PROJECT INFORMATION

Use:  New  Expanded  Change      Use Type:  Residential  Commercial

Proposed Use(s): \_\_\_\_\_ Existing Use(s): \_\_\_\_\_

Developer Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

## ALLOCATION REQUEST (See instructions on page 3 regarding use of Professional Engineer)

The following supplemental information is required:

- Complete development proposal for Priority Levels 1, 2 or 3 allocation request
- Preliminary plan or sketch plan for Priority Level 4 allocation request meeting requirements for site plans as established on the Town's Building Permit Application or as described for sketch plans by the Town's Subdivision Ordinance
- If a phasing schedule is proposed, include as an attachment

Residential:

Gross Acreage: \_\_\_\_\_

Single Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units			
3 Bedroom Units	2	180	
>3 Bedroom Units			
<b>Total</b>		360	

Multi-Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units			
3 Bedroom Units			
>3 Bedroom Units			
<b>Total</b>		----	

Non-Residential: (Design Flow Guideline provided as Appendix A)\*

*\*If design flow deviates from the flow rates presented in Appendix A, provide supporting documentation/justification as an attachment in the form of 12 months of water bills demonstrating gallons per day utilized.*

Gross Acreage: \_\_\_\_\_

Use	Measurement Unit	# of Units	GPD per Unit	Total Requested GPD
<b>Total</b>			----	

TOTAL REQUESTED GALLONS PER DAY: 360

## APPLICANT AFFIDAVIT

*I/We, the undersigned, do hereby make application and petition to the Town of Beaufort to approve the subject Wastewater Allocation. I hereby certify that I have full legal right to request such action and that the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related material and all attachments become official records of the Planning Department of the Town of Beaufort, North Carolina, and will not be returned.*

David Smith  
Print Name

DAVID SMITH  
Signature of Applicant

12/1/25  
Date

## ENGINEER'S CERTIFICATION

*The allocation request data provided on page 2 of this form shall be provided by a Professional Engineer for all requests except single lot residential infill requests and commercial requests equal to or less than 360 gallons per day. The certification statement below shall be completed by the Professional Engineer providing the data.*

I, \_\_\_\_\_ hereby attest that the total requested allocation and the values used to derive the total are to the best of my knowledge, accurate and complete having been prepared in accordance with the instructions of this form while also adhering to applicable State laws, regulations, and rules, concerning the determination of design daily wastewater flows from facilities served by public wastewater collection and treatment systems.

\_\_\_\_\_  
Signed and Dated Professional Engineer Seal

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Email Address

**TOWN OF BEAUFORT OFFICE USE ONLY:**

Approved by:  Town Engineer  
 Board of Comissioners

Allocation approved: \_\_\_\_\_ gallons per day

Date of Approval: \_\_\_\_\_

Confirmation signature by:

\_\_\_\_\_  
Town Manager

## APPENDIX A: DESIGN FLOW RATES

The following table from the North Carolina Administrative Code 02T.0114 shall be used to determine the minimum allowable design daily flow of wastewater facilities. Alternatively, the Town in its sole and absolute discretion may calculate the customer's initial average daily wastewater flow based on data from the customer's operations (or from similarly situated customers) with a comparable sanitary sewer system, where such data are available and reasonably current.

Establishment Type	Daily Flow Rate
<b>Barber and Beauty Shops</b>	
Barber Shops	50 gal/chair
Beauty Shops	125 gal/booth or bowl
<b>Businesses, Offices and Factories</b>	
General business and office facilities	25 gal/employee/shift
Factories, excluding industrial waste	25 gal/employee/shift
Factories or businesses with showers or food preparation	35 gal/employee/shift
Warehouse	100 gal/loading bay
Warehouse – self storage (not including caretaker residence)	1 gal/unit
<b>Churches</b>	
Churches without kitchens, day care or camps	3 gal/seat
Churches with kitchen	5 gal/seat
Churches providing day care or camps	25 gal/person (child & employee)
<b>Fire, Rescue and Emergency Response</b>	
Fire or rescue stations without on-site staff	25 gal/person
Fire or rescue stations with on-site staff	50 gal/person/shift
<b>Food and Drink Facilities</b>	
Banquet, dining hall	30 gal/seat
Bars, cocktail lounges	20 gal/seat
Caterers	50 gal/100 sq. ft. floor space
Restaurant, full Service	40 gal/seat
Restaurant, single service articles	20 gal/seat
Restaurant, drive-in	50 gal/car space
Restaurant, carry out only	50 gal/100 sq. ft. floor space
Institutions, dining halls	5 gal/meal
Deli	40 gal/100 sq. ft. floor space
Bakery	10 gal/100 sq. ft. floor space
Meat department, butcher shop or fish market	75 gal/100 sq. ft. floor space
Specialty food stand or kiosk	50 gal/100 sq. ft. floor space
<b>Hotels and Motels</b>	
Hotels, motels and bed & breakfast facilities, without in-room cooking facilities	120 gal/room
Hotels and motels, with in-room cooking facilities	175 gal/room
Resort hotels	200 gal/room
Cottages, cabins	200 gal/unit
Self-service laundry facilities	500 gal/machine
<b>Medical, Dental and Veterinary Facilities</b>	
Medical or dental offices	250 gal/practitioner/shift
Veterinary offices (not including boarding)	250 gal/practitioner/shift
Veterinary hospitals, kennels, animal boarding facilities	20 gal/pen, cage, kennel or stall
Hospitals, medical	300 gal/bed
Hospitals, mental	150 gal/bed
Convalescent, nursing, rest homes without laundry facilities	60 gal/bed
Convalescent, nursing, rest homes with laundry facilities	120 gal/bed
Residential care facilities	60 gal/person
<b>Parks, Recreation, Camp Grounds, R-V Parks and other Outdoor Activity Facilities</b>	
Campgrounds with comfort station, without water or sewer hookups	75 gal/campsite

Establishment Type	Daily Flow Rate
Campgrounds with water and sewer hookups	100 gal/campsite
Campground dump station facility	50 gal/space
Construction, hunting or work camps with flush toilets	60 gal/person
Construction, hunting or work camps with chemical or portable toilets	40 gal/person
Parks with restroom facilities	250 gal/plumbing fixture
Summer camps without food preparation or laundry facilities	30 gal/person
Summer camps with food preparation and laundry facilities	60 gal/person
Swimming pools, bathhouses and spas	10 gal/person
Public access restrooms	325 gal/plumbing fixture
<b>Schools, Pre-school and Day Care</b>	
Day care and preschool facilities	25 gal/person (child & employee)
Schools with cafeteria, gym and showers	15 gal/student
Schools with cafeteria	12 gal/student
Schools without cafeteria, gym or showers	10 gal/student
Boarding schools	60 gal/person (student & employee)
<b>Service Stations and Car Wash Facilities</b>	
Service stations, gas stations	250 gal/plumbing fixture
Car wash facilities	1200 gal/bay
<b>Sports Centers</b>	
Bowling center	50 gal/lane
Fitness, exercise, karate or dance center	50 gal/100 sq. ft.
Tennis, racquet ball	50 gal/court
Gymnasium	50 gal/100 sq. ft.
Golf course with only minimal food service	250 gal/plumbing fixture
Country clubs	60 gal/member or patron
Mini golf, putt-putt	250 gal/plumbing fixture
Go-kart, motocross	250 gal/plumbing fixture
Batting cages, driving ranges	250 gal/plumbing fixture
Marinas without bathhouse	10 gal/slip
Marinas with bathhouse	30 gal/slip
Video game arcades, pool halls	250 gal/plumbing fixture
Stadiums, auditoriums, theaters, community centers	5 gal/seat
<b>Stores, Shopping Centers, Malls and Flea Markets</b>	
Auto, boat, recreational vehicle dealerships/showrooms with restrooms	125 gal/plumbing fixture
Convenience stores, with food preparation	60 gal/100 sq. ft.
Convenience stores, without food preparation	250 gal/plumbing fixture
Flea markets	30 gal/stall
Shopping centers and malls with food service	130 gal/1000 sq. ft.
Stores and shopping centers without food service	100 gal/1000 sq. ft.
<b>Transportation Terminals</b>	
Air, bus, train, ferry, port and dock	5 gal/passenger

Source: North Carolina Administrative Code 02T.0114, January 1, 2007

The North Carolina Division of Environmental Quality (NCDEQ) approved on August 8, 2022 the Town of Beaufort's request for an adjusted daily sewage flow rate (flow reduction) that would apply to all permitted but not yet tributary connections and all future connections from single-family, detached residential units within the Town of Beaufort service area. NCDEQ also approved on November 28, 2022 the Town's request that would apply to all permitted but not yet tributary multi-family residential units within the Town's service area. Accordingly, the in determining the volume from single-family, detached residential units and multi-family residential units, the flow rate shall be 60 gallons per day per bedroom. The minimum volume of sewage from each residential dwelling unit shall be 120 gallons per day and each additional bedroom above two bedrooms shall increase the volume by 60 gallons per day.

Each bedroom or any other room or addition that can function as a bedroom shall be considered a bedroom for design purposes.



**TOWN OF BEAUFORT**  
 701 FRONT ST.  
 PO BOX 390  
 BEAUFORT, NC 28516-0390

1.

<b>INVOICE #</b>
26-00327

INVOICE DATE: 12/12/25  
 DUE DATE:

ACCOUNT ID: JARVI005 PIN: 127131  
 JARVIS COX  
 821 FAIRWAY RD  
 AYDEN, NC 28557

QUANTITY/UNIT	SERVICE ID	DESCRIPTION	UNIT PRICE	AMOUNT
		WASTEWATER ALLOC 100 TIFFANY		
1.0000	APPFEE	Other Application Fees WASTEWATER ALLOC 100 TIFFANY	50.000000	50.00
			TOTAL DUE:	\$ 50.00

**RECEIVED**

DEC 12 2025

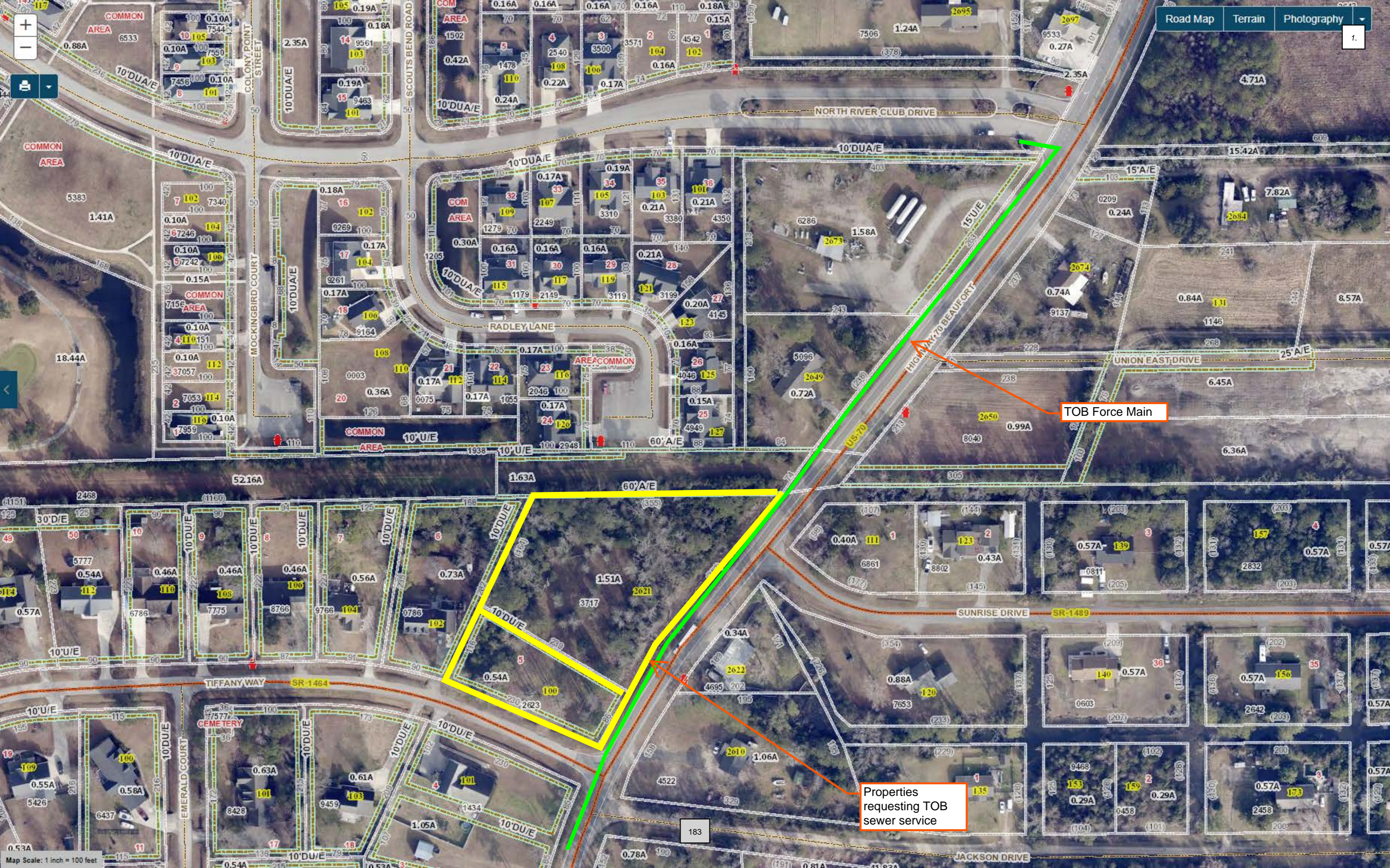
*PAYMENT COUPON - PLEASE DETACH AND RETURN THIS PORTION ALONG WITH YOUR PAYMENT*

TOWN OF BEAUFORT  
 701 FRONT ST.  
 PO BOX 390  
 BEAUFORT, NC 28516-0390

INVOICE #: 26-00327  
 DESCRIPTION: WASTEWATER ALLOC 100 TIFFANY  
 ACCOUNT ID: JARVI005 PIN: 127131  
 DUE DATE:  
 TOTAL DUE: \$ 50.00

JARVIS COX  
 821 FAIRWAY RD  
 AYDEN, NC 28557





TOB Force Main

Properties requesting TOB sewer service



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM- Monday, January 12, 2026  
614 Broad Street, Beaufort NC**

**AGENDA CATEGORY:** New Business  
**SUBJECT:** Approval to Fund a Temporary Position in Public Utilities

**REQUESTED ACTION:** Authorize Funding for Temporary Position in Public Utilities

The Town of Beaufort Public Utilities Department respectfully requests approval of \$30,000.00 to continue funding a temporary position that has been supporting critical departmental operations associated with the ongoing USDA-funded project. The request is to fund the position through June 30, 2026.

This temporary position has provided substantial operational support by assisting with:

- Replacement of water meters
- Repair of water leaks
- Completion of routine and backlog work orders

The additional staffing support has significantly reduced the workload of the Public Utilities Supervisor, resulting in a measurable reduction in overtime hours and allowing supervisory staff to focus on oversight, compliance, and project coordination related to the USDA initiative.

Beyond the operational benefits, this individual has proven to be a valuable asset to the department, demonstrating:

- Strong work ethic and reliability
- A high level of enthusiasm and willingness to assist where needed
- Consistent productivity and attention to detail

The continued use of this temporary position will help ensure the successful completion of the USDA project while maintaining service levels for routine public utility operations. The funding request represents a cost-effective solution that supports project timelines, reduces overtime expenditures, and improves overall departmental efficiency.

**SUBMITTED BY:** Barbara Cooper, Human Resources Manager

**BUDGET AMENDMENT REQUIRED:** \$30,000.00



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, January 12, 2026**

---

**AGENDA CATEGORY:** New Business

**SUBJECT:** George Aswad's Request for a New Commercial Slip

**SUMMARY:**

In addition to Mr. George Aswad's existing commercial vessels, he has requested that slip space be made available for a 50-foot charter fishing vessel for the 2026 calendar year.

Staff is seeking direction from the Board regarding whether to accommodate this additional vessel within the marina, as well as guidance on potential slip locations and the applicable dockage fees.

**SUBMITTED BY:**

Matt Zapp, Town Manager