

HYDE COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2018

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 June 30, 2018

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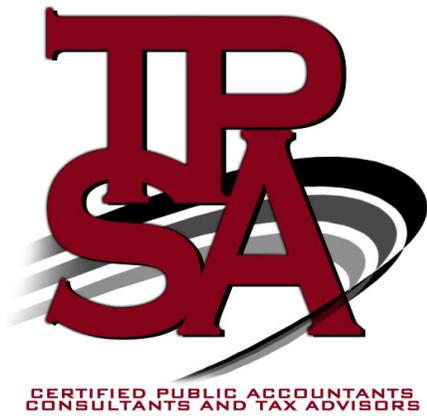
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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Hyde County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise Hyde County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Hyde County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hyde County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Hyde County ABC Board were not audited in accordance with Governmental Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information Hyde County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Fund Schedule of County Contributions, and the Schedule of Changes in the Net OPEB Liability and Related Ratios, respectively, be presented to supplement the basic financial statements. Such information, 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 and other auditors 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 any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Hyde County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial 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 March 14, 2019 on our consideration of Hyde County 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 the report is 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 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 Hyde County's internal control over financial reporting and compliance.

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

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

Whiteville, NC

March 14, 2019

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

As management of Hyde County, we offer readers of Hyde County's financial statements this narrative overview and analysis of the financial activities of Hyde County for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

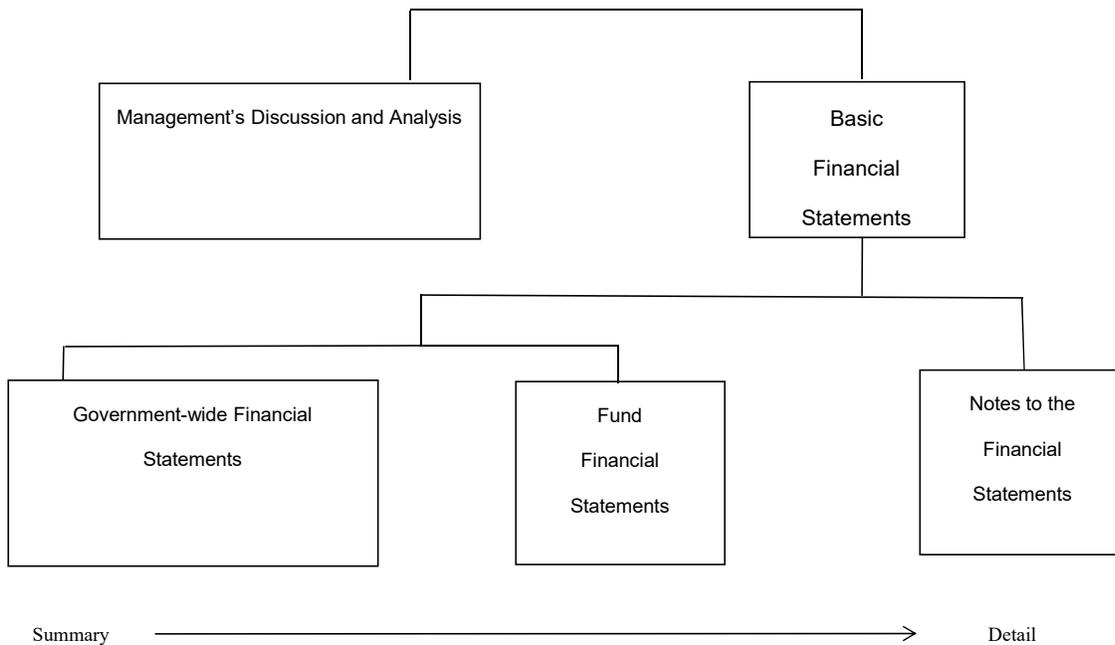
Financial Highlights

- The assets and deferred outflows of resources of Hyde County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$36,507,011. (Net Position)
- The government's total net position decreased by \$1,323,525, due to decreases in net position in both the governmental and the business-type activities.
- As of the close of the current fiscal year, Hyde County's governmental funds reported combined ending fund balances of \$8,578,334, a decrease of \$406,765 in comparison with the prior year. Approximately 45.99 percent of this total amount, or \$3,944,768 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,261,009, or 32.24 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Hyde County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Hyde County.

**Required Components of Annual Financial Report
Figure 1**



**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statement.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gage the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Hyde County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Hyde County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Hyde County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Hyde County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Hyde County has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Hyde County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Hyde County has eight fiduciary funds, all of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Hyde County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$36,507,011 as of June 30, 2018. The County's net position decreased by \$1,323,525 for the fiscal year ended June 30, 2018. One of the largest portions, 78.53%, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Hyde County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hyde County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Hyde County's net position, \$3,945,910 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,892,164 is unrestricted.

**Government-wide Financial Analysis
Hyde County's Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 11,397,110	\$ 11,197,672	\$ 1,289,753	\$ 1,692,531	\$ 12,686,863	\$ 12,890,203
Capital assets	23,622,423	24,179,025	10,596,693	10,973,257	34,219,116	35,152,282
Total assets	<u>35,019,533</u>	<u>35,376,697</u>	<u>11,886,446</u>	<u>12,665,788</u>	<u>46,905,979</u>	<u>48,042,485</u>
Total deferred outflows of resources	819,070	1,298,636	95,866	154,560	914,936	1,453,196
Long-term liabilities outstanding	6,960,450	7,214,307	2,892,205	2,993,115	9,852,655	10,207,422
Other liabilities	999,452	412,043	209,337	229,466	1,208,789	641,509
Total liabilities	<u>7,959,902</u>	<u>7,626,350</u>	<u>3,101,542</u>	<u>3,222,581</u>	<u>11,061,444</u>	<u>10,848,931</u>
Total deferred inflows of resources	241,095	207,401	11,365	6,080	252,460	213,481
Net position:						
Net investment in capital assets	20,688,158	21,096,820	7,980,779	8,222,225	28,668,937	29,319,045
Restricted	3,894,076	3,516,048	51,834	44,241	3,945,910	3,560,289
Unrestricted	3,055,372	4,228,714	836,792	1,325,221	3,892,164	5,553,935
Total net position	<u>\$ 27,637,606</u>	<u>\$ 28,841,582</u>	<u>\$ 8,869,405</u>	<u>\$ 9,591,687</u>	<u>\$ 36,507,011</u>	<u>\$ 38,433,269</u>

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

- The County's property taxes collection percentage of 93.60% is lower than the State-wide average of 97.25%, and is lower than the prior year rate of 95.73%.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

Hyde County Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 505,980	\$ 832,734	\$ 1,647,356	\$ 1,674,431	\$ 2,153,336	\$ 2,507,165
Operating grants and contributions	3,063,285	2,337,800	-	-	3,063,285	2,337,800
Capital grants and contributions	161,153	639,258	-	-	161,153	639,258
General revenues:						
Property taxes	7,057,622	7,331,642	-	-	7,057,622	7,331,642
Other taxes	2,123,852	2,286,344	-	-	2,123,852	2,286,344
Investment Earnings	70,222	85,940	2,646	8,684	72,868	94,624
Other	296,061	220,829	-	-	296,061	220,829
Total revenues	13,278,175	13,734,547	1,650,002	1,683,115	14,928,177	15,417,662
Expenses:						
General government	2,351,892	2,600,277	-	-	2,351,892	2,600,277
Public safety	4,213,367	3,764,755	-	-	4,213,367	3,764,755
Transportation	141,522	132,173	-	-	141,522	132,173
Economic and physical development	1,401,315	1,196,899	-	-	1,401,315	1,196,899
Human services	2,663,915	2,746,278	-	-	2,663,915	2,746,278
Cultural and recreation	120,159	114,394	-	-	120,159	114,394
Environmental Protection	1,379,640	1,265,929	-	-	1,379,640	1,265,929
Education	2,015,949	1,934,874	-	-	2,015,949	1,934,874
Interest on long-term debt	107,069	128,911	-	-	107,069	128,911
Water and sewer	-	-	1,856,874	1,757,221	1,856,874	1,757,221
Transfers	(281,571)	-	281,571	-	-	-
Total expenses	14,113,257	13,884,490	2,138,445	1,757,221	16,251,702	15,641,711
Increase (decrease) in net position	(835,082)	(149,943)	(488,443)	(74,106)	(1,323,525)	(224,049)
Net position, beginning	28,841,582	28,950,973	9,591,687	9,665,793	38,433,269	38,616,766
Restatement	(368,894)	40,542	(81,656)	-	(450,550)	40,542
Net position, beginning, restated	28,472,688	28,991,525	9,357,848	9,665,793	37,830,536	38,657,318
net position, ending	\$ 27,637,606	\$ 28,841,582	\$ 8,869,405	\$ 9,591,687	\$ 36,507,011	\$ 38,433,269

Governmental activities. Governmental activities decreased the County's net position by \$835,082. Key elements of this decrease are substantial increases of expenses in the Economic and Physical Development, Public Safety, Environmental Protection and Education functions.

Business-type activities. Business-type activities decreased the County's net position by \$488,443. Key elements of this decrease are expenditures continue to exceed water revenues, and for the current year, the revenues decreased and the expenditures increased.

Financial Analysis of the County's Funds

As noted earlier, Hyde County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Hyde County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Hyde County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Hyde County. At the end of the current fiscal year, Hyde County's fund balance available in the General Fund was \$4,261,009 while total fund balance reached \$5,809,800. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 32.24 percent of total General Fund expenditures, while total fund balance represents 43.96 percent of that same amount.

At June 30, 2018, the governmental funds of Hyde County reported a combined fund balance of \$8,578,334, a 4.53 percent decrease under last year. The primary reason for this decrease was expenses continuing to exceed revenues in the governmental activities.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund were made to increase revenues because the County did not expect to receive certain funds that later became available. Expenditures were held in check to comply with the County's budgetary requirements.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

Proprietary Funds. Hyde County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position for the Water and Sewer Fund at the end of the fiscal year amounted to \$836,792.1. The total change in net position for the Water and Sewer Fund was (\$488,433).

Capital Asset and Debt Administration

Capital assets. Hyde County's capital assets for its governmental and business – type activities as of June 30, 2018, totals \$34,219,116 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- * Purchase of Vehicles and Equipment.

**Hyde County's Capital Assets
(net of depreciation)
Figure 4**

Additional information on the County's capital assets can be found in Note III.A. of the Basic Financial Statements.

Long-Term Debt

**Hyde County's Outstanding Debt
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ -	\$ -	\$ 1,299,914	\$ 1,416,032	\$ 1,299,914	\$ 1,416,032
Revenue Bonds	-	-	1,316,000	1,335,000	1,316,000	1,335,000
Installment Purchase	2,934,265	3,082,205	-	-	2,934,265	3,082,205
Capital leases	163,269	28,173	-	-	163,269	28,173
Compensated Absences	324,703	322,836	57,132	52,776	381,835	375,612
Net Pension Liability (LGRS)	988,489	1,450,936	118,194	173,499	1,106,683	1,624,435
Total Pension Liability (LEOSSA)	130,553	108,057	-	-	130,553	108,057
OPEB Liability	817,735	816,589	100,965	100,824	918,700	917,413
Qualified School Construction Bonds	1,601,436	1,801,615	-	-	1,601,436	1,801,615
	<u>\$ 6,960,450</u>	<u>\$ 7,610,411</u>	<u>\$ 2,892,205</u>	<u>\$ 3,078,131</u>	<u>\$ 9,852,655</u>	<u>\$ 10,688,542</u>

Hyde County's total debt decreased by \$835,887 (7.82%) during the past fiscal year, primarily due to principal payments on existing general obligation bonds of \$147,940 and \$116,118, in the governmental activities and business-type activities, respectively. Additionally, there were repayments on qualified school construction bonds in the amount of \$200,180. New capital leases were issued for \$188,903, and capital lease payments were made in the amount of \$53,807. Various other repayments were made to revenue bond debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Hyde County is \$75,264,690.

Additional information regarding Hyde County's long-term debt can be found in notes to the financial statements under Section B.

Economic Factors and Next Year's Budgets and Rates

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

Tourism is a major economic contributor to Hyde County especially on Ocracoke Island, which was named America's #1 beach in 2007.

Ecotourism, including hunting, fishing, and other more massive wildlife activities, are major economic factors for Hyde County.

Agriculture, governmental, hospitality (tourism), and seafood are the largest employers in Hyde County.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Corrinne Gibbs, Finance Officer, Hyde County, Swan Quarter, North Carolina 27885.

BASIC
FINANCIAL STATEMENTS

Hyde County, North Carolina
Statement of Net Position
June 30, 2018

	Primary Government			Component Units		Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Hyde County ABC Board	Ocracoke TDA	
ASSETS						
Cash and cash equivalents	\$ 8,187,974	\$ 953,242	\$ 9,141,216	\$ 185,410	\$ 52,492	\$ 9,379,118
Receivables, net:						
Property Taxes	559,520	-	559,520	-	-	559,520
Accounts	456,221	150,009	606,230	-	-	606,230
Other	1,512,943	-	1,512,943	-	-	1,512,943
Interest	17,631	-	17,631	-	-	17,631
Due from other governments	322,947	-	322,947	-	-	322,947
Internal balances	-	-	-	-	-	-
Inventories	-	-	-	84,811	-	84,811
Prepaid items	-	-	-	2,681	-	2,681
Restricted cash and cash equivalents	331,604	186,502	518,106	-	-	518,106
Net pension asset - ROD	8,270	-	8,270	-	-	8,270
Capital assets:						
Land, improvements, and construction in progress	3,419,951	57,839	3,477,790	-	-	3,477,790
Other capital assets, net of depreciation	20,202,472	10,538,854	30,741,326	3,184	-	30,744,510
Total capital assets	23,622,423	10,596,693	34,219,116	3,184	-	34,222,300
Total assets	35,019,533	11,886,446	46,905,979	276,086	52,492	47,234,557
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	476,430	93,774	570,204	7,886	-	578,090
OPEB dererrals	16,942	2,092	19,034	-	-	19,034
LEOSSA deferrals	11,805	-	11,805	-	-	11,805
Contributions to pension plan in current year	313,893	-	313,893	-	-	313,893
Total deferred outflows of resources	819,070	95,866	914,936	7,886	-	922,822
LIABILITIES						
Accounts payable and accrued expenses	923,594	48,852	972,446	116,195	84,418	1,173,059
Liabilities to be paid from restricted assets	-	134,668	134,668	-	-	134,668
Accrued interest payable	75,858	25,817	101,675	-	-	101,675
Long-term liabilities:						
Compensated absences	324,703	57,132	381,835	-	-	381,835
Net pension liability - LGRS	988,489	118,194	1,106,683	5,805	-	1,112,488
Net pension liability - LEOSSA	130,553	-	130,553	-	-	130,553
Net OPEB liability	817,735	100,965	918,700	-	-	918,700
Due within one year	403,247	139,284	542,531	-	-	542,531
Due in more than one year	4,295,723	2,476,630	6,772,353	-	-	6,772,353
Total long-term liabilities	6,960,450	2,892,205	9,852,655	5,805	-	9,858,460
Total liabilities	7,959,902	3,101,542	11,061,444	122,000	84,418	11,267,862
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	40,741	-	40,741	-	-	40,741
Other Deferred Inflows	97,268	-	97,268	382	-	97,650
Pension deferrals	45,915	5,440	51,355	-	-	51,355
LEOSSA dererrals	9,181	-	9,181	-	-	9,181
OBEB deferrals	47,990	5,925	53,915	-	-	53,915
Total Deferred Inflows of Resources	241,095	11,365	252,460	382	-	252,842
NET POSITION						
Net investment in capital assets	20,688,158	7,980,779	28,668,937	3,184	-	28,672,121
Restricted for:						
Stabilization by State Statute	2,433,323	-	2,433,323	-	-	2,433,323
Debt Service	208,848	-	208,848	-	-	208,848
Register of deeds	46,219	-	46,219	-	-	46,219
Economic and physical development	1,011,212	-	1,011,212	-	-	1,011,212
Other purposes	194,474	51,834	246,308	23,312	-	269,620
Unrestricted (deficit)	3,055,372	836,792	3,892,164	135,094	(31,926)	3,995,332
Total net position	\$ 27,637,606	\$ 8,869,405	\$ 36,507,011	\$ 161,590	\$ (31,926)	\$ 36,636,675

**Hyde County
Balance Sheet
Governmental Funds
June 30, 2018**

	<u>Major General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 6,441,923	\$ 1,746,051	\$ 8,187,974
Restricted Cash	331,604	-	331,604
Receivables, net:	-		
Property Taxes	558,977	543	559,520
Accounts	406,415	49,806	456,221
Other	42,453	1,470,490	1,512,943
Due from other governments	322,947	-	322,947
Due from other funds	180,305	9,854	190,159
Total assets	<u>\$ 8,284,624</u>	<u>\$ 3,276,744</u>	<u>\$ 11,561,368</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 596,232	\$ 327,362	\$ 923,594
Due to other funds	9,854	180,305	190,159
Total liabilities	<u>606,086</u>	<u>507,667</u>	<u>1,113,753</u>
DEFERRED INFLOW OF RESOURCES			
Prepaid taxes	40,741		40,741
Property taxes receivable	558,977	543	559,520
Other deferred income	1,269,020	-	1,269,020
Total Deferred Inflows of Resources	<u>1,868,738</u>	<u>543</u>	<u>1,869,281</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	952,120	1,481,203	2,433,323
Debt Service	208,848	-	208,848
Other Purposes	-	194,474	194,474
Register of Deeds	46,219	-	46,219
Economic and physical development	-	1,011,212	1,011,212
Committed:			
Public Safety	-	260,255	260,255
Environmental Protection	228,532	-	228,532
Tax Revaluation	103,072	-	103,072
Cultural and Recreation	-	14,692	14,692
Assigned:			
Subsequent year's expenditures	10,000	122,846	132,846
Unassigned	4,261,009	(316,241)	3,944,768
Total fund balances	<u>5,809,800</u>	<u>2,768,534</u>	<u>8,578,334</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,284,624</u>	<u>\$ 3,276,744</u>	<u>\$ 11,561,368</u>

**Hyde County
Balance Sheet
Governmental Funds
June 30, 2018**

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

Total Fund Balance - Governmental Funds		\$ 8,578,334
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,385,650	
Less accumulated depreciation	<u>(10,763,227)</u>	
Net capital assets		23,622,423
Net pension asset (Register of Deeds)		8,270
Deferred outflows of resources:		
Contributions to the pension plan in the current fiscal year		
LGERS		310,069
ROD		3,824
OPEB		16,942
LEOSSA		11,805
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		-
Contributions and pension administrative costs for OPEB are deferred outflows of resources on the Statement of Net Position		
Pension related deferrals		
LGERS		474,190
ROD		2,240
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements		17,631
Deferred inflows of resources reported in the government-wide statements but not in the fund statements		
Deferred inflows of resources for taxes receivable		559,520
Deferred inflows of resources for other items		1,171,752
Pension deferrals		
LGERS		(45,492)
ROD		(423)
LEOSSA		(9,181)
OPEB		(47,990)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:		
Compensated absences	(324,703)	
OPEB liability	(817,735)	
Total pension liability - LEOSSA	(130,553)	
Net pension liability - LGERS	(988,489)	
Bonds, leasing, and installment financing	(4,698,970)	
Accrued interest payable	<u>(75,858)</u>	<u>(7,036,308)</u>
Net position of governmental activities		<u>\$ 27,637,606</u>

Hyde County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	<u>Major</u>	<u>Non-Major</u>	
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 7,015,200	\$ 61,443	\$ 7,076,643
Local option sales taxes	1,426,754	-	1,426,754
Other taxes and licenses	137,506	456,763	594,269
Unrestricted intergovernmental	135,148	-	135,148
Restricted intergovernmental	2,746,822	528,597	3,275,419
Permits and fees	102,829	-	102,829
Sales and services	308,075	83,971	392,046
Investment earnings	29,311	40,911	70,222
Miscellaneous	113,022	18,704	131,726
Total revenues	<u>12,014,667</u>	<u>1,190,389</u>	<u>13,205,056</u>
EXPENDITURES			
Current:			
General government	2,057,873	115,632	2,173,505
Public safety	4,062,121	30,675	4,092,796
Transportation	90,459	-	90,459
Environmental protection	1,143,902	254,549	1,398,451
Economic and physical development	640,285	395,791	1,036,076
Human services	2,593,052	-	2,593,052
Cultural and recreational	51,000	68,315	119,315
Education	1,954,961	-	1,954,961
Debt Service:			
Principal retirement	401,926	-	401,926
Interest and fees	110,557	-	110,557
Capital outlay	-	153,519	153,519
Total expenditures	<u>13,106,136</u>	<u>1,018,481</u>	<u>14,124,617</u>
Excess (deficiency) of revenues over expenditures	<u>(1,091,469)</u>	<u>171,908</u>	<u>(919,561)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	39,409	354,340	393,749
Transfers to other funds	(111,178)	(1,000)	(112,178)
Loan proceeds	188,903	-	188,903
Sale of assets	42,322	-	42,322
Total other financing sources (uses)	<u>159,456</u>	<u>353,340</u>	<u>512,796</u>
Net change in fund balance	<u>(932,013)</u>	<u>525,248</u>	<u>(406,765)</u>
Fund balances, beginning as previously reported	6,741,813	2,243,286	8,985,099
Fund balances, ending	<u>\$ 5,809,800</u>	<u>\$ 2,768,534</u>	<u>\$ 8,578,334</u>

Hyde County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2018

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$ (406,765)
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	413,654
Depreciation Expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(969,524)
Gain (Loss) on Disposal of assets during the year.	(732)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
LGERS	310,069
ROD	3,824
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	16,942
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	-
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position.	(188,903)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	401,926
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	3,488
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(1,867)
Pension expense	
LGERS	(349,468)
ROD	(4,008)
LEOSSA	(17,814)
OPEB plan expense	(76,343)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at year end	(6,343)
Increase (Decrease) in accrued interest receivable at year end	(12,678)
Increase (Decrease) in other deferred inflows of resources - at end of year	49,460
	<u>49,460</u>
Change in net position of governmental activities	<u>\$ (835,082)</u>

Hyde County
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 6,805,446	\$ 6,805,446	\$ 7,015,200	\$ 209,754
Local option sales tax	1,714,300	1,764,300	1,426,754	(337,546)
Other taxes and licenses	113,622	117,872	137,506	19,634
Unrestricted intergovernmental	127,000	127,000	135,148	8,148
Restricted intergovernmental	2,380,606	5,528,830	2,746,822	(2,782,008)
Permits and fees	147,385	69,655	102,829	33,174
Sales and services	564,900	629,369	308,075	(321,294)
Investment earnings	12,000	12,000	28,774	16,774
Miscellaneous	70,360	19,968	113,022	93,054
Total revenues	<u>11,935,619</u>	<u>15,074,440</u>	<u>12,014,130</u>	<u>(3,060,310)</u>
Expenditures:				
Current:				
General government	2,402,691	2,191,834	1,945,178	246,656
Public safety	3,587,694	4,898,786	4,062,121	836,665
Transportation	93,000	93,000	90,459	2,541
Environmental Protection	965,000	1,145,000	1,143,902	1,098
Economic and physical development	460,038	2,082,209	640,285	1,441,924
Human services	3,233,001	3,313,767	2,593,052	720,715
Cultural and recreational	52,000	52,000	51,000	1,000
Education	1,947,377	1,984,177	1,954,961	29,216
Debt Service	272,898	481,746	512,483	(30,737)
Total expenditures	<u>13,013,699</u>	<u>16,242,519</u>	<u>12,993,441</u>	<u>3,249,078</u>
Revenues over (under) expenditures	<u>(1,078,080)</u>	<u>(1,168,079)</u>	<u>(979,311)</u>	<u>188,768</u>
Other financing sources (uses):				
Transfers from other funds	1,258,636	-	34,409	34,409
Transfers to other funds	(180,556)	(105,557)	(111,178)	(5,621)
Loan Proceeds	-	-	188,903	188,903
Special Appropriation - Ocracoke Occupancy	-	-	-	-
Sale and lease of assets	-	15,000	42,322	27,322
Contingency	-	-	-	-
Fund Balance Appropriated	-	1,258,636	-	(1,258,636)
Total other financing sources (uses)	<u>1,078,080</u>	<u>1,168,079</u>	<u>154,456</u>	<u>(1,013,623)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(824,855)</u>	<u>\$ (824,855)</u>
Fund balance, beginning of year			6,303,051	
Prior period adjustment			-	
Fund balance, restated			<u>6,303,051</u>	
Fund balance, end of year			<u>\$ 5,478,196</u>	
Reconciliation to Fund Balance				
A legally budgeted Capital Reserve Fund and Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings - Capital Reserve Fund			\$ 537	
Investment Earnings - Revaluation Fund			-	
Transfer from general fund			5,000	
Contract Services - Capital Reserve Fund			(112,695)	
Contract Services - Revaluation Fund			-	
Beginning Balance - Capital Reserve Fund			340,690	
Beginning Balance - Revaluation Fund			<u>98,072</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 5,809,800</u>	

Hyde County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2018

		<u>Water and Sewer Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	953,242
Accounts receivable, net		150,009
Grant receivable		-
Restricted cash and cash equivalents		<u>186,502</u>
Total current assets		<u>1,289,753</u>
Noncurrent assets:		
Net pension asset		-
Capital assets:		
Land and Construction in Progress		57,839
Other capital assets, net of depreciation		<u>10,538,854</u>
Total capital assets		<u>10,596,693</u>
Total noncurrent assets		<u>10,596,693</u>
Total assets	\$	<u><u>11,886,446</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	\$	93,774
OPEB deferrals		<u>2,092</u>
Total deferred outflows of resources		<u>95,866</u>
LIABILITIES		
Current liabilities:		
Accounts Payable		48,852
Accrued interest payable		25,817
General obligation bonds payable		<u>139,284</u>
Total current liabilities		<u>213,953</u>
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Customer Deposits		134,668
Compensated absences		57,132
Net pension liability		118,194
OPEB liability		100,965
General obligation bonds payable		<u>2,476,630</u>
Total noncurrent liabilities		<u>2,887,589</u>
Total liabilities		<u>3,101,542</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals		5,440
OPEB deferrals		<u>5,925</u>
Total deferred inflows of resources		<u>11,365</u>
NET POSITION		
Net investment in capital assets		7,980,779
Restricted:		
Debt Service		51,834
Unrestricted		<u>836,792</u>
Total net position	\$	<u><u>8,869,405</u></u>

Hyde County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Water and Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 1,546,639
Meter Installations	9,000
Other operating revenues	91,717
Total operating revenues	1,647,356
OPERATING EXPENSES	
Water and Sewer Operations	1,346,134
Depreciation	416,452
Total operating expenses	1,762,586
Operating income (loss)	(115,230)
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	2,646
Transfers in (out)	(281,571)
Interest Expense	(94,288)
Total nonoperating revenues (expenses)	(373,213)
Change in net position	(488,443)
Total net position, beginning	9,591,687
Restatement	(81,656)
Prior period adjustment	(152,183)
Total net position, restated	9,357,848
Total net position, ending	\$ 8,869,405

Hyde County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 1,592,505
Cash paid for goods and services	(634,889)
Cash paid to employees for services	(684,803)
Customer deposits received, net	(28,083)
Other operating revenue	91,717
Net cash provided by operating activities	336,447
Cash flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(39,888)
Principal paid on bond maturities and equipment contracts	(135,118)
Interest paid on bond maturities and equipment contracts	(96,245)
Transfers in (out)	(281,571)
Net cash used by capital and related financing activities	(552,822)
Cash flows from Investing Activities:	
Interest on investments	2,646
Net increase (decrease) in cash and cash equivalents	(213,729)
Cash and cash equivalents, beginning	1,353,473
Cash and cash equivalents, ending	\$ 1,139,744
Reconciliation of operating income to net cash provided by Operating Activities	
Operating income (loss)	\$ (115,230)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	416,452
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	36,866
Deferred outflows of resources for pensions	60,786
Deferred outflows of resources - OPEB	(2,092)
Increase (decrease) in:	
Accounts payable and accrued liabilities	9,911
Customer deposits	(28,083)
Net pension liability	(55,305)
Net OPEB liability	3,501
Deferred inflows of resources for pensions	(640)
Deferred inflows of resources - OPEB	5,925
Compensated absences	4,356
Total adjustments	451,677
Net cash provided by (used in) operating activities	\$ 336,447

Hyde County
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Total Agency Funds
Assets	
Cash and cash equivalents	\$ 46,711
Taxes Receivable	18,050
Total assets	64,761
 Liabilities and Net Position	
Liabilities:	
Miscellaneous Liabilities and Accounts Payable	63,548
Deferred Revenues	1,213
Total liabilities	64,761
 Net position:	
Assets held in trust	\$ -

Hyde County
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

I. Summary Of Significant Accounting Policies

The accounting policies of Hyde County, North Carolina (the County) and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The Hyde County ABC Board (the *Board*) and the Ocracoke Tourism Development Authority (the *Authority*), which have a June 30 year-end, are presented as if they are a separate proprietary fund of the County (discrete presentation).

Component Unit: Hyde County ABC Board

Reporting Method: Discrete

Criteria for inclusion: The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.

Separate Financial Statements: County of Hyde ABC Board, 20121 US Hwy 264, Swan Quarter, NC 27855.

Component Unit: Ocracoke Tourism Development Authority

Reporting Method: Discrete

Criteria for inclusion: The members of the Authority Board's governing board are appointed by the County. The Authority is fiscally dependent on the County due to the County providing the costs and services of the administrative and finance functions of the Authority.

Separate Financial Statements: Ocracoke Tourism Development Authority, 30 Oyster Creek Road, Swan Quarter, NC 27855.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Additionally, the County has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplementary information. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund as well.

The County reports the following major enterprise funds:

Water and Sewer Fund. This fund is used to account for the operations of the water and sewer system within the County.

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Ocracoke Special Mosquito Control Fund, which accounts for tax revenue assessed for mosquito control on Ocracoke Island; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Hyde County Board of Education and the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Engelhard Municipal Sewer District, which accounts for the collection of sewer payments on behalf of Engelhard Municipal Sewer District.

Non-major Funds. The County maintains twenty-three legally budgeted funds. The Ocracoke Occupancy Tax Fund, Hurricane Irene Fund, Hydeland Home Health Fund, West Quarter Fund, Mainland Occupancy Tax Fund, 4-H Fund, E-911 Fund, Hyde County Senior Center Fund, Revolving Loan Fund, CAPS/Personal Care Chore Health Fund, CDBG Program Repayment Fund, Swan Quarter Water Shed District Fund, Homemaker Fund, CDBG Disaster Recovery Fund, PDM Program Fund, Hurricane Matthew Fund, 2015 FMA Program Fund, 2016 FMA Program Fund, Hurricane Irene HMGP Fund, and 2016 FMA Program 002 Fund are reported as non-major special revenue funds. The Airport Grant Fund is reported as a capital project fund. The Capital Reserve Fund and Revaluation Fund is consolidated in the General Fund in accordance with GASB Statement No. 54.

C. Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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. 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.

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, the Revaluation Fund, the Capital Reserve Fund, Ocracoke Occupancy Tax Fund, Hydeland Home Health Fund, West Quarter District Fund, Mainland Occupancy Tax Fund, 4-H Fund, E-911 Fund, Hyde County Senior Center Fund, Revolving Loan Fund, CAPS/Personal Care Chore Health Fund, Swan Quarter Water Shed District Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the following Capital Project Funds: Airport Grant Fund and the following Enterprise Capital Project Funds, Mattamuskeet Lodge Sewer Project Fund, which are consolidated with the enterprise operating funds for reporting purposes. Project ordinances are adopted for the following Special Revenue Funds: CDBG Program Repayment Fund, PDM Program Fund, the Hurricane Irene Fund, the Hurricane Matthew Fund, the 2015 FMA Program Fund, the 2016 FMA Program Fund, the CDBG Disaster Recovery Fund, the Hurricane Irene HMGP Fund, and the 2016 FMA Program 002 Fund.

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 object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. 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 Inflows and Outflows, and Fund Equity

1. Deposits and Investments

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

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

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Hyde County ABC Board consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the Qualified School Construction Bonds are classified as restricted assets within the Qualified School Construction Bond Fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. In addition, the County has a Capital Reserve Fund that is consolidated with the General Fund and that cash balance is shown as restricted as well.

Governmental Activities			
General Fund	Tax Revaluation	\$	103,072
General Fund	Capital Reserve		228,532
Total Governmental Activities		\$	<u>331,604</u>
Business-Type Activities			
Water and Sewer Fund	Customer Deposits	\$	134,668
Water and Sewer Fund	Restricted per USDA		51,834
Total Business-Type Activities		\$	<u>186,502</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first in, first out), which approximates market. The cost of inventory carried in the ABC Board is recorded as an expense as it is consumed or sold.

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.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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. Minimum capitalization costs are \$5,000.

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

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	50
Improvements	10-20
Furniture and Equipment	10
Vehicles and Motorized Equipment	3-5
Computer Equipment	3

Capital assets of the ABC Board are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Vehicle	5
Equipment	3-10

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as revenue until then.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The vacation policies of the ABC Board provide for the accumulation of up to twenty days earned vacation leave with such leave being fully vested when earned. For the ABC Board only, accumulated earned vacation leave terminates at June 30 of each year. For the County's government-wide and proprietary funds, an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policy of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has no obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

a. 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 represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

b. 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:

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Other Purposes - portion of fund balance, restricted by external sources for other purposes.

Restricted for Debt Service - portion of fund balance that is restricted for future debt service expenditures by the United States Department of Agriculture.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for public safety expenditures.

Restricted for Cultural and Recreation - portion of fund balance restricted for cultural and recreation expenditures.

Restricted for Economic and Physical Development - portion of fund balance restricted for economic and physical development.

Restricted for Education - portion of fund balance restricted for school construction expenditures (QSCB).

Committed Fund Balance - portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Hyde County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by governing body.

Assigned Fund Balance - portion of fund balance that the Hyde County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorized the manager to modify the appropriations by resource or appropriation within funds up to \$10,000.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Hyde County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balances first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

12. Defined Benefit Pension and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' retirement System (LERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. The net adjustment of \$19,059,272 consists of several elements as follows:

Capital Assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 34,385,650
Less accumulated depreciation	(10,763,227)
Net Capital Assets	<u>23,622,423</u>
Accrued interest receivable	17,631
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,731,272
Deferred outflows related to pensions	476,430
Net pension asset	8,270
Contributions to the pension plan in the current fiscal year	342,640
Benefit payments and pension administration costs for LEOSSA	-
Pension related deferrals	(103,086)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(4,698,970)
Accrued interest payable	(75,858)
Compensated absences	(324,703)
Net Pension Liability - LERS	(988,489)
Net Pension Liability - LEOSSA	(130,553)
Other Postemployment Benefits	<u>(817,735)</u>
Total Adjustment	<u>\$ 19,059,272</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$428,317) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 413,654
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(969,524)
Gain (Loss) on disposal of assets during the year	(732)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	401,926
New debt issued during the year	(188,903)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	313,893
Contributions and administrative costs for OPEB for the current fiscal year are not included on the Statement of Activities	16,942
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated Absences	(1,867)
Other Postemployment Benefits	(76,343)
Increase in Net Pension Obligation	-
County's portion of collective pension expense	(371,290)
Accrued interest expense	3,488
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at end of year	(6,343)
Increase (Decrease) in accrued interest receivable - at end of year	(12,678)
Increase (Decrease) in deferred inflows of resources - at year end	<u>49,460</u>
Total Adjustment	<u>\$ (428,317)</u>

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2018, the County's Hyde County Senior Center fund has a deficit fund balance of \$2,811. The County's Hurricane Matthew Fund has a deficit fund balance of \$40,965. The County's 2015 FMA Program Fund has a deficit balance of \$11,892. The County's 2016 FMA Program Fund has a deficit balance of \$25,165. The County's CDBG Disaster Recovery Fund has a deficit balance of \$5,058. The County's Hurricane Irene HMGP Fund has a deficit balance of \$12,286. The County's 2016 FMA Program 002 Fund has a deficit balance of \$11,652. Management and the Board will more closely review fund balances to ensure compliance in future years.

B. Budget Violation

In accordance with section 159-8(a), each local government shall operate under an annual balanced budget ordinance. Estimated revenues and appropriations were not budgeted for two non-major funds, the Revolving Loan Fund and the PDM Program Fund. Management and the Board will more closely review fund budgets to ensure compliance in future years.

General Fund actual departmental expenditures exceeded the departmental budgeted amounts for Sheriff, Drainage, Health Administration, Transportation, and Debt Service. Additionally, the West Quarter District Fund actual expenditures exceeded the budgeted expenditures.

III. Detail Notes On All Funds

A. Assets

1. Deposits

All of the County's, the ABC Board's, and the Ocracoke TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, ABC Board's, or TDA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the ABC Board, and the TDA these deposits are considered to be held by their agents in their entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, the TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the ABC Board, or the TDA under the Pooling Method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2018 the County's deposits had a carrying amount of \$9,778,080 and a bank balance of \$10,196,104. Of the carrying amount \$314 was cash on hand. Of the bank balance, \$250,000 was covered by FDIC; the remaining \$9,946,104 was covered by collateral and held under the Pooling Method.

At June 30, 2018, the carrying amount of deposits for Hyde County ABC Board was \$184,860 and the bank balance was \$178,333. All of the bank balance was covered by federal depository insurance.

At June 30, 2018, the carrying amount of deposits for Ocracoke TDA was \$52,492 and the bank balance was \$52,492. All of the bank balance was covered by federal depository insurance.

2. Investments

As of June 30, 2018, the County's investments consisted of \$114,983 in the North Carolina Capital Management Trust Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2018, the ABC Board had no investments.

At June 30, 2018, the Ocracoke TDA had no investments.

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

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

Year Levied	Tax	Interest	Total
2015	853,793	76,841	930,634
2016	856,612	49,255	905,867
2017	876,774	50,415	927,189
2018	1,400,669	80,538	1,481,207
	<u>\$ 3,987,848</u>	<u>\$ 257,049</u>	<u>\$ 4,244,897</u>

4. Receivables

Receivables at the government-wide level at June 30, 2018, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental activities:					
General	\$ 406,415	\$ 975,351	\$ 322,947	\$ 42,453	\$ 1,747,166
Other Governmental	49,806	543	-	1,470,490	1,520,839
Total receivables	456,221	975,894	322,947	1,512,943	3,268,005
Allow. for doubtful accounts	-	(416,374)	-	-	(416,374)
Total governmental activities	\$ 456,221	\$ 559,520	\$ 322,947	\$ 1,512,943	\$ 2,851,631
Business-type activities:					
Water & Sewer	\$ 316,549	\$ -	\$ -	\$ -	\$ 316,549
Total receivables	316,549	-	-	-	316,549
Allow. for doubtful accounts	(166,540)	-	-	-	(166,540)
Total business-type activities	\$ 150,009	\$ -	\$ -	\$ -	\$ 150,009

Due from other governments that is owed to the County consists of the following at June 30, 2018:

Governmental Activities:	
Local Option Sales Tax	\$ 265,157
Department of Revenue	57,790
Total	<u>\$ 322,947</u>

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,295,075	\$ -	\$ -	\$ 2,295,075
Construction in Progress	971,357	153,519	-	1,124,876
Total capital assets not depreciated	3,266,432	153,519	-	3,419,951
Capital assets being depreciated:				
Buildings	18,864,785	-	-	18,864,785
Computer Equipment	298,643	-	-	298,643
Equipment	964,688	14,296	-	978,984
Vehicles	1,558,911	245,839	(137,738)	1,667,012
Infrastructure	9,156,275	-	-	9,156,275
Total capital assets being depreciated	30,843,302	260,135	(137,738)	30,965,699
Less accumulated depreciation for:				
Buildings	4,042,444	376,263	-	4,418,707
Computer Equipment	284,281	11,955	-	296,236
Equipment	791,315	56,135	-	847,450
Vehicles	1,272,747	134,447	(137,006)	1,270,188
Infrastructure	3,539,922	390,724	-	3,930,646
Total accumulated depreciation	9,930,709	969,524	(137,006)	10,763,227
Total capital assets being depreciated, net	20,912,593	(709,389)	(732)	20,202,472
Governmental activities capital assets, net	\$ 24,179,025	\$ (555,870)	\$ (732)	\$ 23,622,423

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

Governmental Activities:	
General government	\$ 171,692
Public safety	246,206
Transportation	51,063
Human Services	58,018
Environmental Protection	13,823
Education	60,988
Economic and Physical Development	367,734
Total depreciation expense	<u>\$ 969,524</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Water and Sewer Fund:				
Capital assets not being depreciated:				
Land	\$ 57,839	\$ -	\$ -	\$ 57,839
Construction in Progress	-	-	-	-
Total capital assets not depreciated	<u>57,839</u>	<u>-</u>	<u>-</u>	<u>57,839</u>
Capital assets being depreciated:				
Infrastructure	17,967,168	-	-	17,967,168
Computer Equipment	14,917	-	-	14,917
Equipment	299,101	-	-	299,101
Vehicles	243,217	40,478	(28,000)	255,695
Total capital assets being depreciated	<u>18,524,403</u>	<u>40,478</u>	<u>(28,000)</u>	<u>18,536,881</u>
Less accumulated depreciation for:				
Infrastructure	7,126,043	386,161	-	7,512,204
Computer Equipment	14,867	50	-	14,917
Equipment	265,762	10,190	-	275,952
Vehicles	202,313	20,051	(27,410)	194,954
Total accumulated depreciation	<u>7,608,985</u>	<u>416,452</u>	<u>(27,410)</u>	<u>7,998,027</u>
Total capital assets being depreciated, net	<u>10,915,418</u>	<u>(375,974)</u>	<u>(590)</u>	<u>10,538,854</u>
Water and Sewer capital assets, net	<u>\$ 10,973,257</u>	<u>\$ (375,974)</u>	<u>\$ (590)</u>	<u>\$ 10,596,693</u>

Construction Commitments

The government has active construction projects as of June 30, 2018. The projects include the HMGP - Hurricane Isabel Elevation Project, the Mattamuskeet Lodge Sewer Project, CDBG - Supplemental Assistance, the Airport Grant Project Fund, the FMA 2015 Fund, the FMA 2016 Fund, the CDBG Disaster Recovery Fund, the Hurricane Irene HMGP Fund, and the FMA 2106 002 Fund. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
HMGP - Hurricane Isabel Elevation Project	\$ 1,772,502	\$ 1,207,266
Mattamuskeet Lodge Sewer Project	482,198	3,517,802
CDBG - Supplemental Assistance	615,000	25,036
Airport Grant Fund	153,518	6,481
FMA 2015	13,892	213,045
FMA 2016	25,165	112,837
CDBG Disaster Recovery	5,058	494,943
Hurricane Irene HMGP	12,286	1,215,994
FMA 2016 002	11,652	263,994
Total	<u>\$ 3,091,271</u>	<u>\$ 7,057,398</u>

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2018, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Equipment	3 - 10 Years	\$ 33,472	\$ 30,288	\$ 3,184
Vehicle	5 yrs	17,986	17,986	-
		<u>\$ 51,458</u>	<u>\$ 48,274</u>	<u>\$ 3,184</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	\$ 596,232	\$ 327,362	\$ 923,594
Other Governmental	75,858	-	75,858
Total governmental activities	<u>\$ 672,090</u>	<u>\$ 327,362</u>	<u>\$ 999,452</u>
Business-type activities:			
Water and Sewer Fund	\$ 74,669	-	\$ 74,669
Total business-type activities	<u>\$ 74,669</u>	<u>\$ -</u>	<u>\$ 74,669</u>

2. Pension Plan Obligations and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County 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. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement 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. Plan members are eligible to retire with full 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. Plan members are eligible to retire with partial 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). Survivor benefits are available to eligible beneficiaries of 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 members 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 or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full 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 partial retirement benefits at age 50 with 15 years of creditable service as an officer. 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 years 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 or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.60% 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 County were \$347,144 for the year ended June 30, 2018.

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 with at least five years of service include 4% interest. 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.

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

At June 30, 2018, the County reported a liability of \$1,106,683 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County'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, 2017, the County's proportion was 0.0765%, which was a decrease of 0.004100% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$392,475. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,755	\$ 31,327
Changes of assumptions	158,050	-
Net difference between projected and actual earnings on pension plan investments	268,704	-
Changes in proportion and differences between County contributions and proportionate share of contributions	40,380	19,605
County contributions subsequent to the measurement date	347,144	-
Total	<u>\$ 878,033</u>	<u>\$ 50,932</u>

\$347,144 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2019	\$ 76,534
2020	331,021
2021	159,776
2022	(87,373)
2023	-
Thereafter	-
	<u>\$ 479,958</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, 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. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA 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 return 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Protection	6%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including L.GERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these 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 benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 3,322,286	\$ 1,106,683	\$ (742,647)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Hyde County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable services 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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable services. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016 the Separation Allowance membership consisted of:

Retirees receiving benefits	\$ -
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>14</u>
Total	<u><u>\$ 14</u></u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits 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 following criteria which are outlined in GASB Statements 73.

Actuarial Assumptions

Inflation	3.0 percent
Salary Increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2016.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

Contributions. The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The County paid \$0.00 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, 2018, the County reported a total pension liability of \$130,553. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For year ended June 30, 2018, the County recognized pension expense of \$17,814.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,997
Changes of assumptions	11,805	2,184
County benefit payments and plan administrative expenses made subsequent to the measurement date	-	-
Total	<u>\$ 11,805</u>	<u>\$ 9,181</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 1,775
2020	1,775
2021	1,775
2022	1,775
2023	1,775
Thereafter	306
Total	<u>\$ 9,181</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 143,562	\$ 130,553	\$ 118,598

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

	<u>2018</u>
Beginning balance	\$ 108,057
Service Cost	12,591
Interest on the total pension liability	4,171
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	(8,345)
Changes of assumptions or other inputs	14,079
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 130,553</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.86 percent at June 30, 2016 to 3.16 percent at June 30, 2017.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, 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. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The County currently contributes five percent on behalf of all law enforcement employees. Also, the law enforcement officers may make voluntary contributions to the plan.

Contributions for the year ended June 30, 2018 were \$35,528, which consisted of \$30,579 from the County and \$4,949 from the employees.

d. Firemen's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of Hyde County, to the Firemen's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen's and Rescue Squad workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State CAFR includes financial statements and required supplementary information for the Firemen's and Rescue Squad Workers' Pension Fund. 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.

e. Register of Deeds' Supplemental Pension Fund

Plan Description. also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,824 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$8,270 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County'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 RODSPF employers, actuarially determined. At June 30, 2017, the County's proportion was 0.0442%, which was a decrease of 0.002418% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$4,008. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142	\$ 27
Changes of assumptions	1,395	-
Net difference between projected and actual earnings on pension plan investments	703	-
Changes in proportion and differences between County Contributions and proportionate	-	396
County contributions subsequent to the measurement date	3,824	-
Total	<u>\$ 6,064</u>	<u>\$ 423</u>

\$3,824 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2019	\$	1,031
2020		527
2021		80
2022		179
2023		-
Thereafter		-
Total	\$	<u>1,817</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, 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. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA 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 return 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 adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these 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 benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (6,500)	\$ (8,270)	\$ (9,758)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 1,106,683	\$ (8,270)	\$ 130,553	\$ 1,228,966
Proportion of the Net Pension Liability (Asset)	0.07244%	-0.04845%	n/a	
Total Pension Liability	-	-	\$ 130,553	\$ 130,553
Pension Expense	\$ 392,475	\$ 4,008	\$ 17,814	\$ 414,297

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 63,755	\$ 142	\$ -	\$ 63,897
Changes of assumptions	158,050	1,395	11,805	171,250
Net difference between projected and actual earnings on pension plan investments	268,704	703	-	269,407
Changes in proportion and differences between County contributions and proportionate share of contributions	40,380	-	-	40,380
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	347,144	3,824	-	350,968
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 31,327	\$ 27	\$ 6,997	\$ 38,351
Changes of assumptions	-	-	2,184	2,184
Changes in proportion and differences between County contributions and proportionate share of contributions	19,605	396	-	20,001

g. Other Post Employment Benefits

Plan Description. According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least 20 years of creditable service with the County. The County pays a portion of the health care benefits. The portion paid by the County is based on a graduated scale based on the number of years the employee was with the retirement system. The County pays 30% for 20 years, 60% for 25 years and 100% for 30 years. The benefit is discounted when the retiree is eligible for Medicare. Currently, five retirees are eligible for post-retirement health benefits. The County obtains health care coverage through private insurers.

Membership of the Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	2018
Retirees and dependents receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	0
Active Plan members	109
Total	<u>113</u>

Total OPEB Liability

The County's total OPEB liability of \$918,700 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability was measured in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Discount rate	3.56%
Healthcare cost trend rate	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

Changes in the Total OPEB Liability

Balance at July 1, 2017	Total OPEB Liability
	\$ -
Changes for the year	
Service cost	63,506
Interest	27,223
Changes of benefit terms	-
Difference between expected and actual experience	(9,976)
Changes in assumptions or other inputs	(53,250)
Benefit payments	<u>(26,216)</u>
Net changes	<u>1,287</u>
Balance at June 30, 2018	<u><u>\$ 1,287</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generation mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) and 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease	Discount Rate (3.56%)	1% Increase
Total OPEB Liability	\$ 1,018,216	\$ 918,700	\$ 830,614

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare cost trend rate	1% Increase
Total OPEB Liability	\$ 813,305	\$ 918,700	\$ 1,046,652

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$85,772. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,507
Changes of assumptions	-	45,408
Benefit payments and administrative costs made subsequent to the measurement date	19,034	-
Total	<u>\$ 19,034</u>	<u>\$ 53,915</u>

\$19,034 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	(9,311)
2019	\$	(9,311)
2020	\$	(9,311)
2021	\$	(9,311)
2022	\$	(9,311)
Thereafter	\$	(7,360)

h. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension-difference between expected and actual experience		
LGERS	\$ 63,755	\$ 31,327
Register of Deeds	142	27
LEOSSA	-	6,997
OPEB	-	8,507
Changes of assumptions		
LGERS	158,050	-
Register of Deeds	1,395	-
LEOSSA	11,805	2,184
OPEB	-	45,408
Pension - difference between projected and actual investment earnings		
LGERS	268,704	-
Register of Deeds	703	-
Pension - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	40,380	19,605
Register of Deeds	-	396
Contributions to pension plan in 2017-2018 fiscal year		
LGERS	347,144	-
Register of Deeds	3,824	-
LEOSSA	-	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	19,034	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
QZAB Bond (General)	-	97,268
Prepaid taxes not yet earned (General)	-	40,741
Taxes receivable, net (General), less penalties	-	558,977
Taxes receivable, net(Special Revenue)	-	543
Accounts Receivable - Patient fees (General)	-	406,415
Accounts Receivable - Patient fees (Special Revenue)	-	49,806
Other Deferrals - Various Grants (General)	-	715,531
Other Deferrals - Various Grants (Special Revenue)	-	-
Total	\$ 914,936	\$ 1,983,732

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$1 million per occurrence with a limit of \$3 million per year, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the 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 County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance for various amounts over coverage per structure.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and Tax Collector are each individually bonded for \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond of \$2,000,000.

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

Hyde County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have no exceeded the coverage in any of the past three years.

In accordance with G. S. 18B-700(i), each ABC Board member and the finance officer is bonded in the amount of \$50,000, secured by a corporate surety. In accordance with the G.S. 18B-803(b) and (c) the ABC Board store managers are bonded for \$20,000. All other ABC Board employees that have access to funds are bonds under a blanket bond for \$20,000.

5. Long-Term Obligations

a. Capital Leases

The County has entered into agreement(s) to lease certain land, buildings, and equipment. These agreement(s) are in substance lease-purchases (capital leases) for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Titles pass to the County at the end of the lease terms.

Capital lease agreement(s) at June 30, 2018 are comprised of the following:

Serviced by the General Fund:

Lease of a 3 2017 Dodge Chargers and a 2018 Ram 1500 truck for the Sheriff's Department, entered into on January 12, 2018 in the amount of \$112,397, payable in 4 annual installments of \$30,736 including interest at a rate of 6.33% through January 12, 2021.	\$ 81,661
Lease of a 2017 Ford F-150 truck for the Health Department, entered into on August 28, 2017 in the amount of \$34,159, payable in 60 monthly installments of \$649 including interest at a rate of 5.45% through July 28, 2022.	28,442
Lease of a Chevy Silverado truck for the Drainage Department, entered into on July 31, 2017 in the amount of \$21,173, payable in 39 monthly installments of \$543 including interest at a rate of 0.00% through Oct, 2020.	15,506
Lease of a Chevy Silverado truck for the Soil and Water Conservation Department, entered into on July 31, 2017 in the amount of \$21,173, payable in 39 monthly installments of \$543 including interest at a rate of 0.00% through Oct, 2020.	15,506
Lease of a Ford F-150 truck for the Emergency Services Department, entered into on July 2, 2017 in the amount of \$35,050, payable in 60 monthly installments of \$673 including interest at a rate of 5.95% through June 2, 2021.	22,154
Total Serviced by the General Fund	<u>\$ 163,269</u>

Future minimum lease payments of June 30, 2018 were as follows:

Year Ending June 30	Principal	Interest
2019	\$ 51,277	\$ 7,691
2020	53,677	5,290
2021	50,144	2,741
2022	7,526	259
2023	645	3
Total	<u>\$ 163,269</u>	<u>\$ 15,984</u>

At June 30, 2018, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Vehicle	<u>\$ 223,952</u>	<u>\$ 38,147</u>	<u>\$ 185,805</u>

b. Installment Purchases

Serviced by the General Fund:

\$992,500 Note payable to Bank of America for school renovations -- Qualified Zone Academy Bond (QZAB); due in annual installments of \$55,965 through November 2017; interest at 0.00%.

\$ 264,961

\$3,530,000 loan with USDA executed on November 26, 2006, for the construction of the new courthouse building in the amount of \$3,530,000. The combined repayments of the two notes require 30 annual payments of principal and interest of \$208,847. The interest rates are 4.125% and 4.375%.

2,669,304

Total Serviced by the General Fund

\$ 2,934,265

For Hyde County, the future installment purchase payments as of June 30, 2018, including \$1,267,429 of interest, are:

Year Ending June 30	Principal	Interest
2019	\$ 151,791	\$ 113,022
2020	153,780	109,010
2021	157,872	104,831
2022	162,134	100,476
2023	151,712	95,938
2024-2028	626,453	404,689
2029-2033	768,931	259,084
2034-2038	761,592	80,379
Total	<u>\$ 2,934,265</u>	<u>\$ 1,267,429</u>

c. General Obligation Indebtedness

Hyde County issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water Fund, are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

\$1,853,400 Water Refunding, Series 2012 bonds, due in annual installments of \$106,746 to \$134,516 in principal through December 1, 2027; interest at 2.79 percent.

\$ 1,299,914

The County's general obligation bonds payable at June 30, 2018 are comprised of the following individual issue:

Year Ending June 30	Principal	Interest
2019	\$ 119,284	\$ 36,268
2020	122,867	32,940
2021	126,355	29,512
2022	129,244	25,986
2023	132,541	22,380
2024-2028	669,623	56,136
Total	<u>\$ 1,299,914</u>	<u>\$ 203,222</u>

At June 30, 2018, Hyde County had a legal debt margin of approximately \$75,264,690. The County has no authorized but unissued bonds at June 30, 2018.

d. Revenue Bonds

\$1,420,000 Water and Sewer Bonds, series 2011, due in annual installments of \$16,000 to \$74,000 in principal through June 2050, interest at 4.25%.

\$ 1,316,000

The County is in compliance with the covenants as to rates, fees, rentals, and charges in Section 5.02 of the Bond Order, authorizing the issuance for the Water and Sewer Revenue Bonds, Series 2011. Section 5.02 of the Bond Order requires the debt service coverage ratio to be no less than 100% of the debt service requirement excluding revenue bonds plus 110% of the revenue bonds debt service requirement.

Operating Revenues	\$ 1,647,356
Operating Expenses*	<u>1,346,134</u>
Operating Income	301,222
Nonoperating Revenues (Expenses)	<u>(34,904)</u>
Income available for debt service	266,318

Debt service, principal and interest paid (Revenue bond only)	\$	75,930	
Debt service, principal and interest paid (debt excluding revenue bonds)	\$		155,552
Debt Service Ratio		350.74%	171.21%
Requirement Percentage		110.00%	100.00%

*Per rate covenants, this does not include depreciation expense of \$416,452

**Does not include revenue bond interest paid of \$56,738

The future payments of the revenue bonds are as follows:

<u>Year Ending June</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 20,000	\$ 55,930
2020	21,000	55,080
2021	22,000	54,188
2022	23,000	53,253
2023	24,000	52,275
2024-2028	135,000	245,225
2029-2033	165,000	214,158
2034-2038	203,000	175,993
2039-2043	250,000	128,988
2044-2048	309,000	71,060
2049-2050	144,000	9,263
	<u>\$ 1,316,000</u>	<u>\$ 1,115,413</u>

e. Qualified School Construction Bonds

The County has issued a bond in order to finance school construction.

\$3,002,692 Qualified School Construction Bond issued on October 18, 2010; due in annual installments of \$200,179 in principal plus interest at .93 percent through October 2025.

\$ 1,601,436

<u>Year Ending June</u>	<u>Governmental-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 200,179	\$ 14,893
2020	200,179	13,032
2021	200,179	11,170
2022	200,179	9,308
2023	200,179	7,447
2024-2026	600,541	11,170
	<u>\$ 1,601,436</u>	<u>\$ 67,020</u>

f. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	<u>Beginning</u>			<u>Ending</u>	<u>Amount</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental activities:					
Installment Purchase	\$ 3,082,205	\$ -	\$ 147,940	\$ 2,934,265	\$ 151,791
Qualified School Construction Bonds	1,801,615	-	200,179	1,601,436	200,179
Capital Leases	28,173	188,903	53,807	163,269	51,277
Compensated absences	322,836	25,272	23,405	324,703	-
Net pension liability (LGRS)	1,450,936	-	462,447	988,489	-
Total pension liability (LEOSSA)	108,057	30,841	8,345	130,553	-
Net OPEB liability	816,589	80,758	79,612	817,735	-
Total	<u>\$ 7,610,411</u>	<u>\$ 325,774</u>	<u>\$ 975,735</u>	<u>\$ 6,960,450</u>	<u>\$ 403,247</u>
Business-type activities:					
General obligation debt	\$ 1,416,032	\$ -	\$ 116,118	\$ 1,299,914	\$ 119,284
Revenue bonds debt	1,335,000	-	19,000	1,316,000	20,000
Compensated absences	52,776	4,356	-	57,132	-
Net pension liability (LGRS)	173,499	-	55,305	118,194	-
Net OPEB liability	100,824	9,970	9,829	100,965	-
Total	<u>\$ 3,078,131</u>	<u>\$ 14,326</u>	<u>\$ 200,252</u>	<u>\$ 2,892,205</u>	<u>\$ 139,284</u>

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis assuming that employees are taking leave time as it is earned.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018, consist of the following:	
From the CDBG Repayment Program Fund to the General Fund to close out the fund	\$ 1,000
From the Mattamuskeet Sewer Lodge Project Fund to the PDM Program Fund to close out the fund.	248,162
From the Water Fund to the General Fund to assist with current year expenditures.	33,409
From the General Fund to the Hurricane Irene Fund to close out the fund.	581
From the General Fund to the Hyde County Senior Center Fund to provide resources	105,557
From the General Fund to the CAPS/Personal Care Chore Health Fund to close out the fund.	36
From the General Fund to the Homemaker Fund to close out the fund.	3
Total	<u>\$ 388,748</u>

* Amounts have been shown on the fund statements as advances from the General Fund and consolidated in the internal balances on the Government-wide statements.

Balances due to/from other funds at June 30, 2018, consist of the following:

From the Airport Grant Fund to the General Fund for payment of expenditures	\$ 15,038
From the PDM Program Fund to the General Fund for the payment of expenditures	58,249
From the Hurricane Matthew Fund to the General Fund for the payment of expenditures	40,965
From the 2015 FMA Program Fund to the General Fund for the payment of expenditures	11,892
From the 2016 FMA Program Fund to the General Fund for the payment of expenditures	25,165
From the CDBG Disaster Recovery Fund to the General Fund for the payment of expenditures	5,058
From the Hurricane Irene HMGP Fund to the General Fund for the payment of expenditures	12,286
From the 2016 FMA Program 002 Fund to the General Fund for the payment of expenditures	11,652
From the General Fund to the PDM Program Fund for the payment of expenditures	9,854
Total	<u>\$ 190,159</u>

D. Fund Balance

Hyde County has a revenue spending policy that provides for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to spent from restricted fund balance first, followed in order by committed fund balance assigned fund balance and lastly unassigned fund balance.

Total fund balance - General Fund	\$ 5,809,800
Less:	
Stabilization by State Statute	952,120
Debt Service	208,848
Other Purposes	-
Register of Deeds	46,219
Tax Revaluation	103,072
Environmental Protection	228,532
Appropriated Fund Balance in 2018 budget	10,000
Remaining fund balance	<u>\$ 4,261,009</u>

IV. Jointly Governed Organization

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$4,878 to the Council during the fiscal year ended June 30, 2018. The County was the sub recipient of a grant for \$39,223 from the Division of Aging of the North Carolina Department of Aging and Adult Services that was passed through the Council.

V. Benefit Payments Issued by the State

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

	Federal	State
Medicaid	\$ 4,901,437	\$ 2,667,523
State Children's Insurance Program	92,399	19
WIC	30,466	-
Food and Nutrition Services	1,092,649	-
Family Preservation	123	-
TANF Payments & Penalties	20,215	-
SAA/SAD HB 1030	-	2,159
SC/SA Domiciliary Care	-	41,295
Total	<u>\$ 6,137,289</u>	<u>\$ 2,710,996</u>

VI. Summary Disclosure of Significant Contingencies

A. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to 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.

B. Employment Security Benefits

Hyde County has elected to pay direct costs of employment security benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees.

VII. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2018, the County reported these local option sales taxes within the General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

VIII. Economic Dependence

The County receives a substantial amount of revenue each year from the Hyde County Prison. For the year ended June 30, 2018, revenue from the Hyde County Prison represented 40% of the total Water and Sewer Fund revenues.

IX. Date of Management Evaluation

Management has evaluated subsequent events through March 14, 2019, the date on which the financial statements were available to be issued.

X. Changes in Accounting Principals / Restatements / Prior Period Adjustment

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for governmental activities decreased \$368,894 and \$81,656 for the business-type activities.

In the fiscal year ending June 30, 2018, the County made a prior period adjustment to write off an uncollectible receivable from prior periods in the Mattamuskeet Lodge Sewer Project Fund. As a result, net position decreased \$152,183 for the business-type activities.

Required Supplemental Financial Data

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

Schedule of County's Proportionate Share of Net Pension Asset (LGERS)

Schedule of County Contributions (LGERS)

Schedule of County's Proportionate Share of Net Pension Asset (ROD)

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEOSSA)

Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEOSSA)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Hyde County
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last 5 Fiscal Years*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.07244%	0.07654%	0.07425%	0.07055%	0.07180%
County's proportion of the net pension liability (asset) (\$)	\$1,106,683	\$ 1,624,435	\$ 333,230	\$ (416,066)	\$ 865,466
County's covered payroll	\$4,945,928	\$ 4,658,555	\$ 4,766,419	\$ 3,992,844	\$ 3,992,844
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.38%	34.87%	6.99%	-10.42%	21.68%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

* 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.

**Hyde County
Schedule of County Contributions
Local Government Employees' Retirement System
Last 5 Fiscal Years**

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 347,144	\$ 344,227	\$ 319,087	\$ 338,226	\$ 319,589
Contributions in relation to the contractually required contribution	347,144	344,227	319,087	338,226	319,589
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,515,135	\$ 4,645,928	\$ 4,658,555	\$ 4,766,419	\$ 3,992,844
Contributions as a percentage of covered-employee payroll	7.69%	7.41%	6.85%	7.10%	8.00%

Hyde County
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last 5 Fiscal Years*

	2018	2017	2016	2015	2014
County's proportionate share of the net pension liability (%)	0.0442%	0.0467%	0.0464%	0.0398%	0.0403%
County's proportionate share of the net pension liability (\$)	\$ (8,270)	\$ (8,722)	\$ (10,764)	\$ (9,019)	\$ (9,330)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

Hyde County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last 5 Fiscal Years*

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,824	\$ 3,689	\$ 3,421	\$ 3,492	\$ 3,492
Contributions in relation to contractually required contribution	3,824	3,689	3,421	3,492	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -

* Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2024.

Hyde County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2018*

	2018	2017
Beginning Balance	\$ 108,057	\$ 94,161
Service Cost	12,591	13,572
Interest on the total pension liability	4,171	3,362
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(8,345)	-
Changes of assumptions or other inputs	14,079	(3,038)
Benefit payments	-	-
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 130,553</u>	<u>\$ 108,057</u>

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

Hyde County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2018

	2018	2017
Total pension liability	\$ 130,553	\$ 108,057
Covered payroll	643,429	660,554
Total pension liability as a percentage of covered payroll	20.29%	16.36%

Notes to the schedules:

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

Hyde County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 63,506
Interest	27,223
Changes of benefit terms	-
Differences between expected and actual experience	(9,976)
Changes of assumptions	(53,250)
Benefit payments	(26,216)
Net change in total OPEB liability	1,287
Total OPEB Liability, beginning	917,413
Total OPEB Liability, ending	\$ 918,700
Covered payroll	\$ 4,266,460
Total OPEB liability as a percentage of covered payroll	21.53%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%

Combining and Individual Fund Statements and Schedules

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 6,724,896	\$ 6,921,037	\$ 196,141
Interest	80,550	94,163	13,613
Total	<u>6,805,446</u>	<u>7,015,200</u>	<u>209,754</u>
Local option sales tax:			
Article 39 and 44	663,500	678,707	15,207
Article 40 one - half of one percent	387,800	402,111	14,311
Article 42 one - half of one percent	353,000	345,936	(7,064)
Medicaid Hold Harmless Payment	360,000	-	(360,000)
Total	<u>1,764,300</u>	<u>1,426,754</u>	<u>(337,546)</u>
Other taxes & licenses:			
Real estate stamp excise tax	66,000	64,493	(1,507)
Scrap tire disposal tax	5,000	7,706	2,706
White goods disposal tax	-	3,599	3,599
Solid waste disposal tax	4,250	4,784	534
Local occupancy tax	39,372	53,232	13,860
Franchise Tax - cable tv	3,100	3,063	(37)
Beer and wine licenses	150	629	479
Total	<u>117,872</u>	<u>137,506</u>	<u>19,634</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes-outside sources	117,000	110,802	(6,198)
Beer and wine tax	10,000	24,346	14,346
Total	<u>127,000</u>	<u>135,148</u>	<u>8,148</u>
Restricted intergovernmental:			
State Grants	849,286	710,686	(138,600)
Social Service Grants - federal and state	1,397,441	976,054	(421,387)
Other grants	3,266,303	1,046,835	(2,219,468)
Court facility fees	12,500	11,105	(1,395)
ABC Bottles taxes	3,300	2,142	(1,158)
Total	<u>5,528,830</u>	<u>2,746,822</u>	<u>(2,782,008)</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Permits and fees:			
Building Permits	12,000	25,237	13,237
Concealed handgun permits	3,000	4,240	1,240
Inspection Fees	20,085	33,204	13,119
Register of Deeds	20,500	21,947	1,447
Election filing fees	100	2,685	2,585
Sheriff Fees	10,500	11,891	1,391
Private well fees	2,470	2,940	470
Code Enforcement Penalties	1,000	685	(315)
Total	<u>69,655</u>	<u>102,829</u>	<u>33,174</u>
Sales and services:			
Rents, Concessions, and Fees	122,869	81,651	(41,218)
Jail Fees	1,500	4,336	2,836
Household Garbage Collection	5,000	12,883	7,883
Ambulance and Rescue Squad Fees	470,000	186,293	(283,707)
Airport Gas Sales	30,000	22,912	(7,088)
Total	<u>629,369</u>	<u>308,075</u>	<u>(321,294)</u>
Investment earnings:	<u>12,000</u>	<u>28,774</u>	<u>16,774</u>
Miscellaneous:			
Insurance Claims	-	41,762	41,762
Donations	2,000	-	(2,000)
Other Revenues	17,968	71,260	53,292
Total	<u>19,968</u>	<u>113,022</u>	<u>93,054</u>
Total revenues	<u>15,074,440</u>	<u>12,014,130</u>	<u>(3,060,310)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	24,365	24,364	1
Other operating expenditures	3,800	3,204	596
Total	<u>28,165</u>	<u>27,568</u>	<u>597</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Administration:			
Salaries and employee benefits	247,248	254,088	(6,840)
Other operating expenditures	499,685	346,529	153,156
Capital outlay	122,695	112,695	10,000
Total	<u>869,628</u>	<u>713,312</u>	<u>156,316</u>
IT:			
Salaries and employee benefits	59,980	62,568	(2,588)
Other operating expenditures	16,380	3,930	12,450
Capital outlay	-	-	-
Total	<u>76,360</u>	<u>66,498</u>	<u>9,862</u>
Elections:			
Salaries and employee benefits	43,660	37,356	6,304
Other operating expenditures	35,099	29,427	5,672
Total	<u>78,759</u>	<u>66,783</u>	<u>11,976</u>
Finance:			
Salaries and employee benefits	133,204	133,355	(151)
Other operating expenditures	41,145	26,134	15,011
Total	<u>174,349</u>	<u>159,489</u>	<u>14,860</u>
Human Resources:			
Salaries and employee benefits	57,389	57,528	(139)
Other operating expenditures	13,600	9,817	3,783
Total	<u>70,989</u>	<u>67,345</u>	<u>3,644</u>
Taxes:			
Salaries and employee benefits	138,605	138,829	(224)
Other operating expenditures	57,300	51,390	5,910
Total	<u>195,905</u>	<u>190,219</u>	<u>5,686</u>
Legal:			
Contracted Services	75,500	55,259	20,241
Total	<u>75,500</u>	<u>55,259</u>	<u>20,241</u>
Register of Deeds:			
Salaries and employee benefits	106,224	106,527	(303)
Other operating expenditures	79,175	75,586	3,589
Total	<u>185,399</u>	<u>182,113</u>	<u>3,286</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Public Buildings:			
Salaries and employee benefits	135,060	129,333	5,727
Other operating Expenditures	289,220	276,154	13,066
Total	<u>424,280</u>	<u>405,487</u>	<u>18,793</u>
Court Facilities:			
Other operating expenditures	12,500	11,105	1,395
Total	<u>12,500</u>	<u>11,105</u>	<u>1,395</u>
Total General Government	<u>2,191,834</u>	<u>1,945,178</u>	<u>246,656</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	976,252	948,123	28,129
Other operating expenditures	281,506	274,251	7,255
Capital outlay	31,000	112,397	(81,397)
Total	<u>1,288,758</u>	<u>1,334,771</u>	<u>(46,013)</u>
ABC Rehabilitation:			
Other operating expenditures	3,300	2,155	1,145
Total	<u>3,300</u>	<u>2,155</u>	<u>1,145</u>
Dare:			
Salaries and employee benefits	-	-	-
Other operating expenditures	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Jail:			
Other operating expenditures	155,250	139,678	15,572
Total	<u>155,250</u>	<u>139,678</u>	<u>15,572</u>
Emergency Management:			
Salaries and employee benefits	82,736	86,453	(3,717)
Other operating expenditures	107,600	93,022	14,578
Capital outlay - DTH-RECC	1,266,887	451,070	815,817
Capital outlay	-	-	-
Total	<u>1,457,223</u>	<u>630,545</u>	<u>826,678</u>
Fire:			
Contracted Services	215,445	207,708	7,737

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Inspections:			
Salaries and employee benefits	107,122	107,440	(318)
Other operating expenditures	46,375	39,360	7,015
Total	153,497	146,800	6,697
Rescue:			
Salaries and employee benefits	1,133,913	1,110,228	23,685
Other operating expenditures	483,900	484,186	(286)
Total	1,617,813	1,594,414	23,399
Medical Examiner:			
Other operating expenditures	7,500	6,050	1,450
Total	7,500	6,050	1,450
Total Public Safety	4,898,786	4,062,121	836,665
Environmental Protection:			
Solid Waste:			
Salaries and employee benefits	304,060	295,491	8,569
Other operating expenditures	764,940	756,641	8,299
Capital outlay	1,000	488	512
Total	1,070,000	1,052,620	17,380
Drainage:			
Salaries and employee benefits	59,539	58,401	1,138
Other operating expenditures	3,000	3,341	(341)
Capital outlay	12,461	29,540	(17,079)
Total	75,000	91,282	(16,282)
Total Environmental Protection	1,145,000	1,143,902	1,098
Transportation:			
Airport:			
Other operating expenditures	93,000	90,459	2,541
Total Transportation	93,000	90,459	2,541
Economic and Physical Development:			
Planning:			
Salaries and employee benefits	62,030	67,042	(5,012)
Other operating expenditures	66,417	41,267	25,150
Total	128,447	108,309	20,138

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Agricultural Extension:			
Salaries and employee benefits	120,377	128,966	(8,589)
Other operating expenditures	34,013	24,306	9,707
Total	<u>154,390</u>	<u>153,272</u>	<u>1,118</u>
Swan Quarter Dike Project:			
Capital Outlay	80,000	-	80,000
Juvenile Crime Prevention:			
Salaries and employee benefits	11,081	10,500	581
Other operating expenditures	43,833	42,720	1,113
Total	<u>54,914</u>	<u>53,220</u>	<u>1,694</u>
Soil and Water Conservation:			
Salaries and employee benefits	105,648	92,301	13,347
Other operating expenditures	1,558,810	233,183	1,325,627
Total	<u>1,664,458</u>	<u>325,484</u>	<u>1,338,974</u>
Total Economic and Physical Development			
	<u>2,082,209</u>	<u>640,285</u>	<u>1,441,924</u>
Human Services:			
Health:			
Administration:			
Salaries and employee benefits	171,531	170,118	1,413
Other operating expenditures	134,795	130,206	4,589
Capital Outlay	30,375	57,704	(27,329)
Total	<u>336,701</u>	<u>358,028</u>	<u>(21,327)</u>
Public Management Entity:			
Salaries and employee benefits	4,783	4,717	66
Other operating expenditures	4,448	3,621	827
Total	<u>9,231</u>	<u>8,338</u>	<u>893</u>
Communicable Diseases:			
Salaries and employee benefits	16,247	13,638	2,609
Other operating expenditures	6,819	4,593	2,226
Total	<u>23,066</u>	<u>18,231</u>	<u>4,835</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Immunization:			
Salaries and employee benefits	4,120	3,494	626
Other operating expenditures	2,360	1,593	767
Total	<u>6,480</u>	<u>5,087</u>	<u>1,393</u>
Medical Assistance:			
Salaries and Employee Benefits	7,994	7,955	39
Other operating expenditures	8,302	931	7,371
Total	<u>16,296</u>	<u>8,886</u>	<u>7,410</u>
Health Promotions-Risk Reduction:			
Salaries and Employee Benefits	23,503	23,166	337
Other Operating Expenditures	13,766	8,835	4,931
Total	<u>37,269</u>	<u>32,001</u>	<u>5,268</u>
Child Health-State:			
Salaries and Employee Benefits	62,964	61,917	1,047
Other operating expenditures	12,699	11,603	1,096
Total	<u>75,663</u>	<u>73,520</u>	<u>2,143</u>
Maternal Health-State:			
Salaries and Employee Benefits	52,160	51,166	994
Other operating expenditures	4,405	2,601	1,804
Total	<u>56,565</u>	<u>53,767</u>	<u>2,798</u>
Breast and Cervical Cancer:			
Salaries and Employee Benefits	3,681	3,072	609
Other operating expenditures	11,310	11,229	81
Total	<u>14,991</u>	<u>14,301</u>	<u>690</u>
Food and Lodging:			
Salaries and Employee Benefits	41,581	41,583	(2)
Other operating expenditures	5,273	3,617	1,656
Capital Outlay	-	-	-
Total	<u>46,854</u>	<u>45,200</u>	<u>1,654</u>
Women, Infants and children:			
Salaries and Employee Benefits	23,518	23,380	138
Other operating expenditures	3,339	1,935	1,404
Total	<u>26,857</u>	<u>25,315</u>	<u>1,542</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Pregnancy Care Management:			
Salaries and Employee Benefits	11,924	12,085	(161)
Other operating expenditures	3,500	2,998	502
Total	<u>15,424</u>	<u>15,083</u>	<u>341</u>
Environmental Health:			
Salaries and Employee Benefits	28,833	28,771	62
Other operating expenditures	29,399	28,493	906
Total	<u>58,232</u>	<u>57,264</u>	<u>968</u>
Adult Health:			
Salaries and Employee Benefits	89,894	86,513	3,381
Other operating expenditures	36,497	28,796	7,701
Capital Outlay	-	-	-
Total	<u>126,391</u>	<u>115,309</u>	<u>11,082</u>
Family Planning - State:			
Salaries and Employee Benefits	93,877	90,238	3,639
Other operating expenditures	30,775	11,980	18,795
Total	<u>124,652</u>	<u>102,218</u>	<u>22,434</u>
Child Service Coordinator - State:			
Salaries and Employee Benefits	12,556	12,689	(133)
Other operating expenditures	1,485	324	1,161
Total	<u>14,041</u>	<u>13,013</u>	<u>1,028</u>
Kate B. Reynolds Grant:			
Salaries and Employee Benefits	11,752	11,583	169
Other operating expenditures	10,632	8,595	2,037
Total	<u>22,384</u>	<u>20,178</u>	<u>2,206</u>
KBR Interpreter:			
Salaries and employee benefits	49,237	49,528	(291)
Other operating expenditures	13,682	2,134	11,548
Capital outlay	3,000	-	3,000
Total	<u>65,919</u>	<u>51,662</u>	<u>14,257</u>
Community Transformation:			
Salaries and Employee Benefits	-	-	-
Other operating expenditures	-	0	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Mental Health:			
Other operating expenditures	10,915	10,914	1
Total	<u>10,915</u>	<u>10,914</u>	<u>1</u>
Social Services:			
Medical Assistance Program:			
Salaries and Employee Benefits	780,851	705,016	75,835
Other operating expenditures	324,913	196,851	128,062
Total	<u>1,105,764</u>	<u>901,867</u>	<u>203,897</u>
SBA Home Loans/Grants:			
Transportation	4,777	4,498	279
In-Home Chore	39,569	30,995	8,574
Total	<u>44,346</u>	<u>35,493</u>	<u>8,853</u>
CAPS - Medicaid:			
Salaries and Employee Benefits	25,788	15,500	10,288
Other operating expenditures	28,500	7,914	20,586
Total	<u>54,288</u>	<u>23,414</u>	<u>30,874</u>
Public Assistance:			
Special Assistance	50,000	44,214	5,786
Medical Assistance	2,500	-	2,500
Total	<u>52,500</u>	<u>44,214</u>	<u>8,286</u>
Day Care:			
Salaries and Employee Benefits	55,129	57,469	(2,340)
Other operating expenditures	218,020	3,902	214,118
Total	<u>273,149</u>	<u>61,371</u>	<u>211,778</u>
Mattamuskeet Opportunities:			
Salaries and Employee Benefits	96,261	75,041	21,220
Other operating expenditures	56,070	41,043	15,027
Total	<u>152,331</u>	<u>116,084</u>	<u>36,247</u>
Project Direct Legacy for Men:			
Other operating expenditures	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Family Connects:			
Salaries and Employee Benefits	12,209	-	12,209
Other operating expenditures	600	-	600
Total	<u>12,809</u>	<u>-</u>	<u>12,809</u>
Peer Counselor:			
Other operating expenditures	8,008	4,617	3,391
Total	<u>8,008</u>	<u>4,617</u>	<u>3,391</u>
Drug Overdose Prevention:			
Salaries and Employee Benefits	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Vidant Health Promotion:			
Salaries and Employee Benefits	3,706	3,833	(127)
Other operating expenditures	12,463	2,918	9,545
Total	<u>16,169</u>	<u>6,751</u>	<u>9,418</u>
NCDPH EBOLA:			
Salaries and Employee Benefits	-	-	-
Other operating expenditures	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
PH Famers Market:			
Other operating expenditures	2,997	1,996	1,001
Total	<u>2,997</u>	<u>1,996</u>	<u>1,001</u>
Services:			
SSBG In-Home Chore	24,543	14,128	10,415
SSBG Blind	2,089	-	2,089
SSBG Transportation	400	30	370
SSBG Legal Services	15,000	1,856	13,144
Crisis Intervention	30,007	28,012	1,995
Medicaid transportation	65,000	62,295	2,705
State Foster Care	33,480	9,271	24,209
IV-A adoption assistance	2,731	-	2,731
IV-B adoption assistance	-	-	-
IV-E Foster Care	38,710	15,056	23,654
General assistance	3,000	932	2,068
Personal Care equipment	1,000	-	1,000
200% of poverty	5,000	1,000	4,000
AFDC emergency assistance	5,000	798	4,202

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Hyde County Transit	40,000	15,375	24,625
LIEAP	33,507	41,200	(7,693)
Other operating expenditures	21,900	12,010	9,890
Total	<u>321,367</u>	<u>201,963</u>	<u>119,404</u>
Bioterrorism:			
Salaries and Employee Benefits	11,093	9,497	1,596
Other operating expenditures	20,210	21,375	(1,165)
Total	<u>31,303</u>	<u>30,872</u>	<u>431</u>
Elderly Nutrition:			
Other operating expenditures	51,423	39,223	12,200
Total	<u>51,423</u>	<u>39,223</u>	<u>12,200</u>
Transportation:			
Elderly and Disabled	81,285	90,130	(8,845)
Work first transportation	5,505	-	5,505
Total	<u>86,790</u>	<u>90,130</u>	<u>(3,340)</u>
Veteran's Services:			
Salaries and Employee Benefits	8,758	3,891	4,867
Other operating expenditures	1,400	714	686
Total	<u>10,158</u>	<u>4,605</u>	<u>5,553</u>
Private Well Services:			
Salaries and Employee Benefits	1,784	1,631	153
Other operating expenditures	650	506	144
Total	<u>2,434</u>	<u>2,137</u>	<u>297</u>
Total Human Services	<u>3,313,767</u>	<u>2,593,052</u>	<u>720,715</u>
Cultural and Recreation:			
Cultural Contributions	52,000	51,000	1,000
Total	<u>52,000</u>	<u>51,000</u>	<u>1,000</u>
Education:			
Public schools - current	1,627,037	1,627,037	-
Public schools - capital outlay	357,140	327,924	29,216
Total	<u>1,984,177</u>	<u>1,954,961</u>	<u>29,216</u>

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Debt service:			
Installment debt principal	48,335	91,975	(43,640)
QSCB bond principal	216,934	200,179	16,755
QZAB bond principal	55,964	55,965	(1)
Interest and Fees	160,513	164,364	(3,851)
Total debt service	<u>481,746</u>	<u>512,483</u>	<u>(30,737)</u>
Total expenditures	<u>16,242,519</u>	<u>12,993,441</u>	<u>3,249,078</u>
Revenue over (under) expenditures	<u>(1,168,079)</u>	<u>(979,311)</u>	<u>188,768</u>
Other financing sources (uses):			
Transfers from other funds:			
Special Revenue Funds	-	1,000	1,000
Water Sewer Fund	-	33,409	33,409
Transfers to other funds:			
Special Revenue Funds	(105,557)	(111,178)	(5,621)
Loan Proceeds	-	188,903	188,903
Sale and Lease of Assets	15,000	42,322	27,322
Contingency	-	-	-
Total other financing sources (uses)	<u>(90,557)</u>	<u>154,456</u>	<u>245,013</u>
Appropriated Fund Balance	<u>1,258,636</u>	<u>-</u>	<u>(1,258,636)</u>
Net change in fund balance	<u>\$ -</u>	<u>(824,855)</u>	<u>\$ (824,855)</u>
Fund balance, beginning		6,303,051	
Prior period adjustment			
Fund balance, restated		<u>6,303,051</u>	
Fund balance, ending		<u>\$ 5,478,196</u>	

**Hyde County
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 500	\$ -	\$ (500)
Total Revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:			
Contract Services	5,500	-	5,500
Total Expenditures	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Other financing sources (uses):			
Transfer from (to) General Fund	5,000	5,000	-
Appropriated Fund Balance	-	-	-
Total Other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>5,000</u>	<u>\$ 5,000</u>
Fund balance, beginning		<u>98,072</u>	
Fund balance, ending		<u>\$ 103,072</u>	

**Hyde County
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 5,000	\$ 537	\$ (4,463)
Total Revenues	<u>5,000</u>	<u>537</u>	<u>(4,463)</u>
Expenditures:			
Contract Services	5,000	112,695	(107,695)
Total Expenditures	<u>5,000</u>	<u>112,695</u>	<u>(107,695)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(112,158)</u>	<u>(112,158)</u>
Other financing sources (uses):			
Transfer to General Fund	(112,695)	-	112,695
Appropriated Fund Balance	112,695	-	(112,695)
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(112,158)</u>	<u>\$ (112,158)</u>
Fund balance, beginning		<u>340,690</u>	
Fund balance, ending		<u>\$ 228,532</u>	

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds.

Hyde County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,746,051	\$ -	\$ 1,746,051
Accounts receivable, net	15,192	34,614	49,806
Taxes receivable, net	543	-	543
Other Receivables	1,470,490	-	1,470,490
Due from other funds	9,854	-	9,854
Due from other governments	-	-	-
Total assets	<u>\$ 3,242,130</u>	<u>\$ 34,614</u>	<u>\$ 3,276,744</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 323,107	\$ 4,255	\$ 327,362
Due to other funds	165,267	15,038	180,305
Total liabilities	<u>488,374</u>	<u>19,293.00</u>	<u>507,667</u>
Deferred inflows of resources:			
Taxes receivable	543	-	543
Total deferred inflows of resources	<u>543</u>	<u>-</u>	<u>543</u>
Fund Balances:			
Restricted:			
Reserved by State Statute	1,481,203	-	1,481,203
Economic and physical development	1,011,212	-	1,011,212
Cultural and Recreation	-	-	-
Other Purposes	194,474	-	194,474
Committed:			
Public Safety	260,255	-	260,255
Human Services	93	-	93
Cultural and Recreation	14,692	-	14,692
Assigned:			
Subsequent years' expenditures	106,846	16,000	122,846
Unassigned	(315,562)	(679)	(316,241)
Total fund balances	<u>2,753,213</u>	<u>15,321</u>	<u>2,768,534</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,242,130</u>	<u>\$ 34,614</u>	<u>\$ 3,276,744</u>

Hyde County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
June 30, 2018

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 61,443	\$ -	\$ 61,443
Other taxes and licenses	456,763	-	456,763
Restricted intergovernmental	378,968	149,629	528,597
Sales and Services	83,971	-	83,971
Investment earnings	40,911	-	40,911
Miscellaneous	2,704	16,000	18,704
Total revenues	<u>1,024,760</u>	<u>165,629</u>	<u>1,190,389</u>
Expenditures:			
Current:			
General government	115,632	-	115,632
Public safety	30,675	-	30,675
Economic and physical development	395,791	-	395,791
Human Services	-	-	-
Environmental Protection	254,549	-	254,549
Cultural and Recreation	68,315	-	68,315
Education	-	-	-
Capital Outlay	-	153,519	153,519
Total expenditures	<u>864,962</u>	<u>153,519</u>	<u>1,018,481</u>
Excess (deficiency) of revenues over expenditures	<u>159,798</u>	<u>12,110</u>	<u>171,908</u>
Other financing sources (uses):			
Transfers from other funds	354,340	-	354,340
Transfers to other funds	(1,000)	-	(1,000)
Insurance Recovery	-	-	-
Contributions	-	-	-
Total other financing sources (uses)	<u>353,340</u>	<u>-</u>	<u>353,340</u>
Net change in fund balances	513,138	12,110	525,248
Fund balances, beginning	<u>2,240,075</u>	<u>3,211</u>	<u>2,243,286</u>
Fund balances, ending	<u>\$ 2,753,213</u>	<u>\$ 15,321</u>	<u>\$ 2,768,534</u>

**Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2018**

	Special Revenue Funds							
	Ocracoke Occupancy Tax Fund	Hurricane Irene Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center
Assets:								
Cash and cash equivalents	\$ 813,405	\$ -	\$ 1,237	\$ 92,069	\$ 7,007	\$ 19,540	\$ 260,255	\$ 141
Accounts receivable, net	14,333	-	-	-	-	-	-	618
Taxes Receivable, net	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 827,738</u>	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 92,069</u>	<u>\$ 7,007</u>	<u>\$ 19,540</u>	<u>\$ 260,255</u>	<u>\$ 759</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,144	\$ 7,035	\$ -	\$ 4,848	\$ -	\$ 3,570
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,144</u>	<u>7,035</u>	<u>-</u>	<u>4,848</u>	<u>-</u>	<u>3,570</u>
Deferred inflows of resources:								
Taxes receivable	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Restricted:								
Reserved by State Statute	-	-	-	-	-	-	-	618
Economic and physical development	827,738	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	85,034	7,007	-	-	-
Committed:								
Public Safety	-	-	-	-	-	-	260,255	-
Human Services	-	-	93	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	14,692	-	-
Assigned:								
Subsequent year's expenditures	-	-	-	-	-	-	-	106,846
Unassigned	-	-	-	-	-	-	-	(110,275)
Total fund balances	<u>827,738</u>	<u>-</u>	<u>93</u>	<u>85,034</u>	<u>7,007</u>	<u>14,692</u>	<u>260,255</u>	<u>(2,811)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 827,738</u>	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 92,069</u>	<u>\$ 7,007</u>	<u>\$ 19,540</u>	<u>\$ 260,255</u>	<u>\$ 759</u>

**Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2018**

	Special Revenue Funds						
	Revolving Loan	CAPS/Personal Care Chore Health	CDBG Repayment Program	Swan Quarter Water Shed District	Homemaker Fund	PDM Program Fund	Hurricane Matthew Fund
Assets:							
Cash and cash equivalents	\$ 208,241	\$ -	\$ -	\$ 102,433	\$ -	\$ 241,723	\$ -
Accounts receivable, net	241	-	-	-	-	-	-
Taxes Receivable, net	-	-	-	543	-	-	-
Other Receivables	1,470,490	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	9,854	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ 1,678,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,976</u>	<u>\$ -</u>	<u>\$ 251,577</u>	<u>\$ -</u>
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 306,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	58,249	40,965
Total liabilities	<u>306,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,249</u>	<u>40,965</u>
Deferred inflows of resources:							
Taxes receivable	-	-	-	543	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>543</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Restricted:							
Reserved by State Statute	1,470,731	-	-	-	-	9,854	-
Economic and physical development	-	-	-	-	-	183,474	-
Environmental Protection	-	-	-	-	-	-	-
Other Purposes	-	-	-	102,433	-	-	-
Committed:							
Public Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-
Assigned:							
Subsequent year's expenditures	-	-	-	-	-	-	-
Unassigned	(98,269)	-	-	-	-	-	(40,965)
Total fund balances	<u>1,372,462</u>	<u>-</u>	<u>-</u>	<u>102,433</u>	<u>-</u>	<u>193,328</u>	<u>(40,965)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,678,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,976</u>	<u>\$ -</u>	<u>\$ 251,577</u>	<u>\$ -</u>

**Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2018**

	Special Revenue Funds					Total Non- major Special Revenue Funds
	2015 FMA Program	2016 FMA Program	CDBG Disaster Recovery	Hurricane Irene HMGP	2016 FMA Program 002	
Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,746,051
Accounts receivable, net	-			-	-	15,192
Taxes Receivable, net				-	-	543
Other Receivables				-	-	1,470,490
Due from other funds				-	-	9,854
Due from other governments				-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,242,130
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,107
Due to other funds	11,892	25,165	5,058	12,286	11,652	165,267
Total liabilities	11,892	25,165	5,058	12,286	11,652	488,374
Deferred inflows of resources:						
Taxes receivable	-	-	-	-	-	543
Total deferred inflows of resources	-	-	-	-	-	543
Fund Balances:						
Restricted:						
Reserved by State Statute	-	-	-	-	-	1,481,203
Economic and physical development	-	-	-	-	-	1,011,212
Environmental Protection						-
Other Purposes	-	-	-	-	-	194,474
Committed:						
Public Safety	-	-	-	-	-	260,255
Human Services						93
Cultural and Recreation	-	-	-	-	-	14,692
Assigned:						
Subsequent year's expenditures	-	-	-	-	-	106,846
Unassigned	(11,892)	(25,165)	(5,058)	(12,286)	(11,652)	(315,562)
Total fund balances	(11,892)	(25,165)	(5,058)	(12,286)	(11,652)	2,753,213
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,242,130

Hyde County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	Ocracoke Occupancy Tax Fund	Hurricane Irene Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 34,137	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	449,863	-	-	-	6,900	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-	11,524
Sales and Services	-	-	93	-	-	27,405	55,958	515
Investment earnings	2,788	-	-	57	-	-	400	-
Miscellaneous	-	-	-	-	-	-	-	2,704
Total revenues	<u>452,651</u>	<u>-</u>	<u>93</u>	<u>34,194</u>	<u>6,900</u>	<u>27,405</u>	<u>56,358</u>	<u>14,743</u>
Expenditures:								
Current:								
General government	-	-	-	34,465	-	-	-	81,167
Public safety	-	-	-	-	-	-	30,675	-
Economic and physical development	364,185	-	-	-	26,576	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	27,644	-	40,671
Total expenditures	<u>364,185</u>	<u>-</u>	<u>-</u>	<u>34,465</u>	<u>26,576</u>	<u>27,644</u>	<u>30,675</u>	<u>121,838</u>
Excess (deficiency) of revenues over expenditures	<u>88,466</u>	<u>-</u>	<u>93</u>	<u>(271)</u>	<u>(19,676)</u>	<u>(239)</u>	<u>25,683</u>	<u>(107,095)</u>
Other financing sources (uses):								
Transfers from other funds	-	581	-	-	-	-	-	105,557
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,557</u>
Net change in fund balances	<u>88,466</u>	<u>581</u>	<u>93</u>	<u>(271)</u>	<u>(19,676)</u>	<u>(239)</u>	<u>25,683</u>	<u>(1,538)</u>
Fund balances, beginning	739,272	(581)	-	85,305	26,683	14,931	234,572	(1,273)
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning as restated	<u>739,272</u>	<u>(581)</u>	<u>-</u>	<u>85,305</u>	<u>26,683</u>	<u>14,931</u>	<u>234,572</u>	<u>(1,273)</u>
Fund balances, ending	<u>\$ 827,738</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 85,034</u>	<u>\$ 7,007</u>	<u>\$ 14,692</u>	<u>\$ 260,255</u>	<u>\$ (2,811)</u>

Hyde County
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	Revolving Loan	CAPS/Personal Care Chore Health	CDBG Repayment Program	Swan Quarter Water Shed District	Homemaker Fund	PDM Program Fund	Hurricane Matthew Fund
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 27,306	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-	-
Restricted intergovernmental	180,725	-	-	-	-	-	186,719
Sales and Services	-	-	-	-	-	-	-
Investment earnings	37,666	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>218,391</u>	<u>-</u>	<u>-</u>	<u>27,306</u>	<u>-</u>	<u>-</u>	<u>186,719</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Economic and physical development	(28)	-	-	-	-	-	-
Environmental Protection	-	-	-	13,099	-	-	189,895
Cultural and Recreation	-	-	-	-	-	-	-
Total expenditures	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>13,099</u>	<u>-</u>	<u>-</u>	<u>189,895</u>
Excess (deficiency) of revenues over expenditures	<u>218,419</u>	<u>-</u>	<u>-</u>	<u>14,207</u>	<u>-</u>	<u>-</u>	<u>(3,176)</u>
Other financing sources (uses):							
Transfers from other funds	-	36	-	-	3	248,163	-
Transfers to other funds	-	-	(1,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>36</u>	<u>(1,000)</u>	<u>-</u>	<u>3</u>	<u>248,163</u>	<u>-</u>
Net change in fund balances	<u>218,419</u>	<u>36</u>	<u>(1,000)</u>	<u>14,207</u>	<u>3</u>	<u>248,163</u>	<u>(3,176)</u>
Fund balances, beginning	1,154,043	(36)	1,000	88,226	(3)	(54,835)	(37,789)
Prior period adjustment	-	-	-	-	-	-	-
Fund balances, beginning as restated	<u>1,154,043</u>	<u>(36)</u>	<u>1,000</u>	<u>88,226</u>	<u>(3)</u>	<u>(54,835)</u>	<u>(37,789)</u>
Fund balances, ending	<u>\$ 1,372,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,433</u>	<u>\$ -</u>	<u>\$ 193,328</u>	<u>\$ (40,965)</u>

Hyde County
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	2015 FMA Program	2016 FMA Program	CDBG Disaster Recovery	Hurricane Irene HMGP	2016 FMA Program 002	Total Non-major Special Revenue Funds
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,443
Other taxes and licenses	-	-	-	-	-	456,763
Restricted intergovernmental	-	-	-	-	-	378,968
Sales and Services	-	-	-	-	-	83,971
Investment earnings	-	-	-	-	-	40,911
Miscellaneous	-	-	-	-	-	2,704
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,024,760</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	115,632
Public safety	-	-	-	-	-	30,675
Economic and physical development	-	-	5,058	-	-	395,791
Environmental Protection	2,452	25,165	-	12,286	11,652	254,549
Cultural and Recreation	-	-	-	-	-	68,315
Total expenditures	<u>2,452</u>	<u>25,165</u>	<u>5,058</u>	<u>12,286</u>	<u>11,652</u>	<u>864,962</u>
Excess (deficiency) of revenues over expenditures	<u>(2,452)</u>	<u>(25,165)</u>	<u>(5,058)</u>	<u>(12,286)</u>	<u>(11,652)</u>	<u>159,798</u>
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	354,340
Transfers to other funds	-	-	-	-	-	(1,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,340</u>
Net change in fund balances	<u>(2,452)</u>	<u>(25,165)</u>	<u>(5,058)</u>	<u>(12,286)</u>	<u>(11,652)</u>	<u>513,138</u>
Fund balances, beginning	(9,440)	-	-	-	-	2,240,075
Prior period adjustment	-	-	-	-	-	-
Fund balances, beginning as restated	<u>(9,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,240,075</u>
Fund balances, ending	<u>\$ (11,892)</u>	<u>\$ (25,165)</u>	<u>\$ (5,058)</u>	<u>\$ (12,286)</u>	<u>\$ (11,652)</u>	<u>\$ 2,753,213</u>

Hyde County, North Carolina
Ocracoke Occupancy Tax Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Taxes and Licenses:			
Occupancy tax	\$ 418,416	\$ 449,863	\$ 31,447
Investment Earnings	3,500	2,788	(712)
Sales and Services:			-
Rent Income	-	-	-
Miscellaneous:			-
Donations	-	-	-
Total revenues	<u>421,916</u>	<u>452,651</u>	<u>30,735</u>
Expenditures			
Economic and Physical Development:	<u>421,916</u>	<u>364,185</u>	<u>57,731</u>
Total expenditures	<u>421,916</u>	<u>364,185</u>	<u>57,731</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>88,466</u>	<u>88,466</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>88,466</u>	<u>\$ 88,466</u>
Fund balance, beginning		<u>739,272</u>	
Fund balance, ending		<u>\$ 827,738</u>	

Hyde County
Hurricane Irene Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Project		
Revenues:						
FEMA Grant	\$ -	\$ 2,063,698	\$ -	\$ -	\$ 2,063,698	\$ 2,063,698
NC Emergency Management	-	734,143	-	-	734,143	734,143
Total revenues	-	2,797,841	-	-	2,797,841	2,797,841
Expenditures:						
Environmental Protection	-	3,827,372	-	-	3,827,372	(3,827,372)
Total expenditures	-	3,827,372	-	-	3,827,372	(3,827,372)
Revenues Over (Under) Expenditures	-	(1,029,531)	-	-	(1,029,531)	(1,029,531)
Other Financing Sources (Uses)						
Transfer from other funds	-	2,979,517	581	-	2,980,098	2,980,098
Transfer to other funds	-	(2,221,511)	-	-	(2,221,511)	(2,221,511)
Insurance Recovery	-	292,788	-	-	292,788	292,788
Total Other Financing Sources (Uses)	-	1,050,794	581	-	1,051,375	1,051,375
Net change in fund balance	\$ -	\$ 21,263	581	\$ -	\$ 21,844	\$ 21,844
Fund balance, beginning			(581)			
Fund balance, ending			\$ -			

Hyde County
Hydeland Home Health Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	\$ -	\$ 93	\$ 93
Investment Earnings	-	-	-
Total revenues	<u>-</u>	<u>93</u>	<u>93</u>
Expenditures			
Salaries and Benefits	-	-	-
Other Expenses	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures)	<u>-</u>	<u>93</u>	<u>93</u>
Other Financing Sources (Uses)			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>93</u>	<u><u>\$ 93</u></u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u><u>\$ 93</u></u>	

Hyde County
West Quarter District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 33,940	\$ 34,137	\$ 197
Investment Earnings	150	57	(93)
Total revenues	<u>34,090</u>	<u>34,194</u>	<u>104</u>
Expenditures:			
General Government	34,090	34,465	(375)
Total expenditures	<u>34,090</u>	<u>34,465</u>	<u>(375)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(271)</u>	<u>(271)</u>
Other financing sources (uses):			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(271)</u>	<u>\$ (271)</u>
Fund balance, beginning		85,305	
Beginning of year, total		<u>\$ 85,034</u>	

Hyde County
Mainland Occupancy Tax Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and licenses:			
Occupancy taxes	\$ 28,000	\$ 6,900	\$ (21,100)
Total revenues	<u>28,000</u>	<u>6,900</u>	<u>(21,100)</u>
Expenditures:			
Economic and Physical Development	28,000	26,576	1,424
Total expenditures	<u>28,000</u>	<u>26,576</u>	<u>1,424</u>
Revenues over (under) expenditures	<u>-</u>	<u>(19,676)</u>	<u>(19,676)</u>
Net change in fund balance	<u>\$ -</u>	<u>(19,676)</u>	<u>\$ (19,676)</u>
Fund balance, beginning		26,683	
Beginning of year, total		<u>\$ 7,007</u>	

**Hyde County
4-H Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	\$ 28,780	\$ 27,405	\$ (1,375)
Total revenues	<u>28,780</u>	<u>27,405</u>	<u>(1,375)</u>
Expenditures:			
Cultural and Recreation	28,780	27,644	1,136
Total expenditures	<u>28,780</u>	<u>27,644</u>	<u>1,136</u>
Revenues over (under) expenditures	<u>-</u>	<u>(239)</u>	<u>(239)</u>
Other financing sources (uses):			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(239)</u>	<u>\$ (239)</u>
Fund balance, beginning		14,931	
Beginning of year, total		<u>\$ 14,692</u>	

Hyde County
E-911 Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
E-911 and wireless charges	\$ 96,912	\$ 55,958	\$ (40,954)
Investment Earnings	1,000	400	(600)
Total revenues	<u>97,912</u>	<u>56,358</u>	<u>(41,554)</u>
Expenditures:			
Public Safety	102,000	30,675	71,325
Total expenditures	<u>102,000</u>	<u>30,675</u>	<u>71,325</u>
Revenues over (under) expenditures	<u>(4,088)</u>	<u>25,683</u>	<u>29,771</u>
Other financing sources (uses):			
Debt service - principal	-	-	-
Debt service - interest	-	-	-
Transfer from (to) General Fund	(25,593)	-	25,593
Fund Balance Appropriated	29,681	-	(29,681)
Total other financing sources (uses)	<u>4,088</u>	<u>-</u>	<u>(4,088)</u>
Net change in fund balance	<u>\$ -</u>	<u>25,683</u>	<u>\$ 25,683</u>
Fund balance, beginning		234,572	
Beginning of year, total		<u>\$ 260,255</u>	

Hyde County
Hyde County Senior Center Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
Federal and State Grants	\$ 15,000	\$ 11,524	\$ (3,476)
Sales and Services:			
Rent Income	400	515	115
Miscellaneous:			
Fundraisers	1,000	2,704	1,704
Total revenues	<u>16,400</u>	<u>14,743</u>	<u>(1,657)</u>
Expenditures			
Administration	80,957	81,167	(210)
Cultural and Recreation	41,000	40,671	329
Total Expenditures	<u>121,957</u>	<u>121,838</u>	<u>119</u>
Revenues Over (Under) Expenditures)	<u>(105,557)</u>	<u>(107,095)</u>	<u>(1,538)</u>
Other Financing Sources (Uses)			
Transfers from other funds	105,557	105,557	-
Transfers to other funds	-	-	-
Total other financing sources	<u>105,557</u>	<u>105,557</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,538)</u>	<u>\$ (1,538)</u>
Fund balance, beginning		<u>(1,273)</u>	
Fund balance, ending		<u>\$ (2,811)</u>	

Hyde County
Revolving Loan Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental	\$ -	\$ 180,725	\$ 180,725
Investment Earnings	-	37,666	37,666
Total revenues	<u>-</u>	<u>218,391</u>	<u>218,391</u>
Expenditures			
Economic and Physical Development	-	(28)	28
Total Expenditures	<u>-</u>	<u>(28)</u>	<u>28</u>
Revenues Over (Under) Expenditures)	<u>-</u>	<u>218,419</u>	<u>218,419</u>
Other Financing Sources (Uses)			
Transfers to General Fund	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>218,419</u>	<u>\$ 218,419</u>
Fund balance, beginning		<u>1,154,043</u>	
Fund balance, ending		<u>\$ 1,372,462</u>	

Hyde County
CAPS/Personal Care Chore Health Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	\$ -	\$ -	\$ -
Investment Earnings	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Human Services	-	-	-
Operating	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfer from (to) Other Funds	<u>-</u>	<u>36</u>	<u>36</u>
Total other financing sources	<u>-</u>	<u>36</u>	<u>36</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>36</u>	<u><u>\$ 36</u></u>
Fund balance, beginning		<u>(36)</u>	
Fund balance, ending		<u><u>\$ -</u></u>	

**Hyde County
CDBG Program Repayment
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
CDBG Grants	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Economic and Physical Development	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Contributions	-	-	
Transfers from (to) other funds	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
Total other financing sources	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,000)</u>	<u>\$ (1,000)</u>
Fund balance, beginning		<u>1,000</u>	
Fund balance, ending		<u>\$ -</u>	

Hyde County
Swan Quarter Water Shed District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes	\$ 30,000	\$ 27,306	\$ (2,694)
Total revenues	<u>30,000</u>	<u>27,306</u>	<u>(2,694)</u>
Expenditures			
Environmental Protection	30,000	13,099	16,901
Total Expenditures	<u>30,000</u>	<u>13,099</u>	<u>16,901</u>
Net change in fund balance	<u>\$ -</u>	14,207	<u>\$ 14,207</u>
Fund balance, beginning		<u>88,226</u>	
Fund balance, ending		<u>\$ 102,433</u>	

**Hyde County
Homemaker Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Human Services	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers from (to) other funds	-	3	3
Total other financing sources	<u>-</u>	<u>3</u>	<u>3</u>
Net change in fund balance	<u>\$ -</u>	3	<u>\$ 3</u>
Fund balance, beginning		<u>(3)</u>	
Fund balance, ending		<u>\$ -</u>	

Hyde County
PDM Program Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
PDM Grant	\$ -	\$ 447,849	\$ -	\$ 447,849	\$ 447,849
Hazard Mitigation Grant		189,101	-	189,101	189,101
Owners Contribution		74,100	-	74,100	74,100
Total revenues	<u>-</u>	<u>711,050</u>	<u>-</u>	<u>711,050</u>	<u>711,050</u>
Expenditures:					
Economic and Physical Development:					
Planning	-	765,885	-	765,885	(765,885)
Total expenditures	<u>-</u>	<u>765,885</u>	<u>-</u>	<u>765,885</u>	<u>(765,885)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(54,835)</u>	<u>-</u>	<u>(54,835)</u>	<u>(54,835)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	248,163	248,163	248,163
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>248,163</u>	<u>248,163</u>	<u>248,163</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (54,835)</u>	<u>248,163</u>	<u>\$ 193,328</u>	<u>\$ 193,328</u>
Fund balance, beginning			<u>(54,835)</u>		
Fund balance, ending			<u>\$ 193,328</u>		

Hyde County
Hurricane Matthew Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
FEMA Grant	\$ 344,877	\$ -	\$ 140,039	\$ 140,039	\$ (204,838)
NC Emergency Management	114,959	-	46,680	46,680	(68,279)
Total revenues	<u>459,836</u>	<u>-</u>	<u>186,719</u>	<u>186,719</u>	<u>(273,117)</u>
Expenditures:					
Environmental Protection	486,350	-	189,895	189,895	296,455
Total expenditures	<u>486,350</u>	<u>-</u>	<u>189,895</u>	<u>189,895</u>	<u>296,455</u>
Revenues Over (Under) Expenditures	<u>(26,514)</u>	<u>-</u>	<u>(3,176)</u>	<u>(3,176)</u>	<u>23,338</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	26,514	-	-	-	(26,514)
Total Other Financing Sources (Uses)	<u>26,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,514)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,176)</u>	<u>\$ (3,176)</u>	<u>\$ (3,176)</u>
Fund balance, beginning			<u>(37,789)</u>		
Fund balance, ending			<u>\$ (40,965)</u>		

Hyde County
2015 FMA Program
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
FMA Grant	\$ 204,243	\$ -	\$ -	\$ -	\$ (204,243)
Contributions	22,694	-	-	-	(22,694)
Total revenues	<u>226,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,937)</u>
Expenditures:					
Environmental Protection	226,937	9,440	2,452	11,892	215,045
Total expenditures	<u>226,937</u>	<u>9,440</u>	<u>2,452</u>	<u>11,892</u>	<u>215,045</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(9,440)</u>	<u>(2,452)</u>	<u>(11,892)</u>	<u>(11,892)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,440)</u>	<u>(2,452)</u>	<u>\$ (11,892)</u>	<u>\$ (11,892)</u>
Fund balance, beginning			<u>(9,440)</u>		
Fund balance, ending			<u>\$ (11,892)</u>		

Hyde County
2016 FMA Program
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
FMA Grant	\$ 138,002	\$ -	\$ -	\$ -	\$ (138,002)
Total revenues	<u>138,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,002)</u>
Expenditures:					
Environmental Protection	138,002	-	25,165	25,165	112,837
Total expenditures	<u>138,002</u>	<u>-</u>	<u>25,165</u>	<u>25,165</u>	<u>112,837</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(25,165)</u>	<u>(25,165)</u>	<u>(25,165)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(25,165)</u>	<u>\$ (25,165)</u>	<u>\$ (25,165)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (25,165)</u>		

Hyde County
CDBG Disaster Recovery
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
CDBG Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Expenditures:					
Economic and Physical Development	500,000	-	5,058	5,058	494,942
Total expenditures	<u>500,000</u>	<u>-</u>	<u>5,058</u>	<u>5,058</u>	<u>494,942</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(5,058)</u>	<u>(5,058)</u>	<u>(5,058)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(5,058)</u>	<u>\$ (5,058)</u>	<u>\$ (5,058)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (5,058)</u>		

Hyde County
Hurricane Irene HMGP
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
HMGP Grant	\$ 1,228,280	\$ -	\$ -	\$ -	\$(1,228,280)
Total revenues	<u>1,228,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,228,280)</u>
Expenditures:					
Environmental Protection	1,228,280	-	12,286	12,286	1,215,994
Total expenditures	<u>1,228,280</u>	<u>-</u>	<u>12,286</u>	<u>12,286</u>	<u>1,215,994</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(12,286)</u>	<u>(12,286)</u>	<u>(12,286)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(12,286)</u>	<u>\$ (12,286)</u>	<u>\$ (12,286)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (12,286)</u>		

Hyde County
2016 FMA Program 002
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
FMA Grant	\$ 275,646	\$ -	\$ -	\$ -	\$ (275,646)
Total revenues	<u>275,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(275,646)</u>
Expenditures:					
Environmental Protection	275,646	-	11,652	11,652	263,994
Total expenditures	<u>275,646</u>	<u>-</u>	<u>11,652</u>	<u>11,652</u>	<u>263,994</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(11,652)</u>	<u>(11,652)</u>	<u>(11,652)</u>
Other Financing Sources (Uses)					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(11,652)</u>	<u>\$ (11,652)</u>	<u>\$ (11,652)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (11,652)</u>		

CAPITAL PROJECT FUNDS

**Hyde County
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2018**

	<u>Capital Project Funds</u>		<u>Total Non-major Capital Project Funds</u>
	<u>Airport Grant Fund</u>		
Assets:			
Cash and cash equivalents	\$ -	\$	-
Accounts receivable, net	34,614		34,614
Taxes Receivable, net	-		-
Other Receivables	-		-
Due from other funds	-		-
Due from other governments	-		-
Total assets	<u>\$ 34,614</u>	<u>\$</u>	<u>34,614</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,255	\$	4,255
Due to other funds	15,038		15,038
Total liabilities	<u>19,293</u>		<u>19,293</u>
Fund Balances:			
Restricted:			
Transportation	-		-
Subsequent year's expenditures	16,000		16,000
Unassigned	(679)		(679)
Total fund balances	<u>15,321</u>		<u>15,321</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,614</u>	<u>\$</u>	<u>34,614</u>

Hyde County
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2018

	<u>Capital Project Funds</u>	Total Non-major Capital Project Funds
	<u>Airport Grant Fund</u>	
Revenues:		
Ad valorem taxes	\$ -	\$ -
Other taxes and licenses	-	-
Restricted Intergovernmental	149,629	149,629
Sales and Services	-	-
Investment Earnings	-	-
Miscellaneous	16,000	16,000
Total revenues	<u>165,629</u>	<u>165,629</u>
Expenditures:		
Current:		
General government	-	-
Public Safety	-	-
Economic and Physical Development	-	-
Human Services	-	-
Environmental Protection	-	-
Cultural and Recreation	-	-
Education	-	-
Capital Outlay	153,519	153,519
Total expenditures	<u>153,519</u>	<u>153,519</u>
Excess (deficiency) of revenues over expenditures	<u>12,110</u>	<u>12,110</u>
Other financing sources (uses):		
Transfers from other funds	-	-
Transfers to other funds	-	-
Insurance Recovery	-	-
Sale of capital assets	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	12,110	12,110
Fund balances, beginning	<u>3,211</u>	<u>3,211</u>
Fund balances, ending	<u>\$ 15,321</u>	<u>\$ 15,321</u>

Hyde County, North Carolina
Airport Grant Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted Intergovernmental - State Grant	\$ 144,000	\$ 146,030	\$ 149,629	\$ 295,659	\$ 151,659
Miscellaneous - Local Match	16,000	119,355	16,000	135,355	119,355
Total revenues	<u>160,000</u>	<u>265,385</u>	<u>165,629</u>	<u>431,014</u>	<u>271,014</u>
Expenditures:					
Capital Outlay:					
Airport Improvements	160,000	262,174	153,519	415,693	(255,693)
Total expenditures	<u>160,000</u>	<u>262,174</u>	<u>153,519</u>	<u>415,693</u>	<u>(255,693)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,211</u>	12,110	<u>\$ 15,321</u>	<u>\$ 15,321</u>
Fund balance, beginning			<u>3,211</u>		
Fund balance, ending			<u>\$ 15,321</u>		

ENTERPRISE FUNDS

Hyde County, North Carolina
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for Services:			
Water sales	\$ 1,256,000	\$ 1,245,386	\$ (10,614)
Sewer charges	305,000	278,701	(26,299)
Penalties and Interest	18,000	22,552	4,552
Meter Installations	10,000	9,000	(1,000)
Other operating revenues	148,948	91,717	(57,231)
Total operating revenues	<u>1,737,948</u>	<u>1,647,356</u>	<u>(21,747)</u>
Nonoperating revenues:			
Interest Earnings	4,000	2,646	(1,354)
Total nonoperating revenues	<u>4,000</u>	<u>2,646</u>	<u>(1,354)</u>
Total revenues	<u>1,741,948</u>	<u>1,650,002</u>	<u>(23,101)</u>
Expenditures:			
Water distribution and Sewage Collection:			
Salaries and employee benefits	730,096	603,147	126,949
Other operating expenditures	722,489	639,656	82,833
Computer support	5,000	5,144	(144)
Total water distribution and sewage collection	<u>1,457,585</u>	<u>1,247,947</u>	<u>209,638</u>
Debt Service:			
Interest and Other Charges	96,245	96,245	-
Debt Principal	135,118	135,118	-
Total debt service	<u>231,363</u>	<u>231,363</u>	<u>-</u>
Capital outlay	45,000	-	45,000
Total expenditures	<u>1,733,948</u>	<u>1,479,310</u>	<u>254,638</u>
Revenues over (under) expenditures	<u>8,000</u>	<u>170,692</u>	<u>231,537</u>
Other financing sources (uses):			
Transfer from (to) other funds			
USDA Reserve	(8,000)	(33,409)	(25,409)
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>(8,000)</u>	<u>(33,409)</u>	<u>(25,409)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>137,283</u>	<u>\$ 206,128</u>

Hyde County, North Carolina
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources (uses)			
over (under) expenditures		137,283	
Reconciling items:			
Capital Outlay		-	
Depreciation		(416,452)	
(Increase) decrease in accrued interest		1,957	
Principal retirement		135,118	
Increase (decrease) in deferred outflows of resources			
- pensions		(60,786)	
Increase (decrease) in deferred outflows of resources			
- OPEB		2,092	
(Increase) Decrease in deferred inflows of resources -			
pensions		640	
(Increase) Decrease in deferred inflows of resources -			
OPEB		(5,925)	
(Increase) decrease in net pension liability		55,305	
(Increase) decrease in OPEB liability		(85,157)	
(Increase) decrease in accrued compensated			
absences		(4,356)	
Cosolidated activity:			
Mattamuskeet Lodge Sewer Project Fund:			
Transfers to PDM Program Fund		(248,162)	
Change in net position		<u>\$ (488,443)</u>	

Hyde County
Mattamuskeet Lodge Sewer Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues:						
Restricted intergovernmental:						
Federal and State Grants	\$ 4,000,000	\$ 557,543	\$ -	\$ (405,360)	\$ 152,183	\$ (3,847,817)
Tot Total revenues	<u>4,000,000</u>	<u>557,543</u>	<u>-</u>	<u>(405,360)</u>	<u>152,183</u>	<u>(3,847,817)</u>
Expenditures:						
Capital Outlay:						
Planning, design and administration	367,000	355,410	-	(355,410)	-	367,000
Capital outlay	3,593,000	111,568	-	(111,568)	-	3,593,000
Administration	40,000	15,220	-	(15,220)	-	40,000
Total expenditures	<u>4,000,000</u>	<u>482,198</u>	<u>-</u>	<u>(482,198)</u>	<u>-</u>	<u>4,000,000</u>
Revenues over (under) expenditures	-	75,345	-	76,838	152,183	152,183
Other financing sources (uses):						
Transfer from (to) other funds	-	325,000	(248,162)	(76,838)	-	-
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 400,345</u>	<u>(248,162)</u>	<u>\$ -</u>	<u>\$ 152,183</u>	<u>\$ 152,183</u>
Fund Balance, beginning			400,345			
Prior period adjustment			<u>(152,183)</u>			
Fund Balance, beginning restated			<u>248,162</u>			
Fund Balance, ending			<u>\$ -</u>			

AGENCY FUNDS

**Hyde County
Agency Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2018**

	Beginning Balance June 30, 2017	Additions	Deductions	Ending Balance June 30, 2018
Social Services				
Assets:				
Cash and cash equivalents	\$ 4,368	\$ 334	\$ -	\$ 4,702
Liabilities:				
Miscellaneous Liabilities	\$ 4,368	\$ 334	\$ -	\$ 4,702
Ocracoke Special Mosquito Control Fund				
Assets:				
Cash and cash equivalents	\$ 27,027	\$ 12,750	\$ -	\$ 39,777
Receivables	1,727	-	272	1,455
Total Assets:	\$ 28,754	\$ 12,750	\$ 272	\$ 41,232
Liabilities:				
Miscellaneous Liabilities	\$ 26,928	\$ 13,091	\$ -	\$ 40,019
Deferred Revenues	1,825	-	612	1,213
	\$ 28,753	\$ 13,091	\$ 612	\$ 41,232
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ 1,698	\$ 534	\$ -	\$ 2,232
Receivables	1,573	15,022	-	16,595
Total Assets:	\$ 3,271	\$ 15,556	\$ -	\$ 18,827
Liabilities:				
Miscellaneous Liabilities	\$ 3,271	\$ 15,556	\$ -	\$ 18,827
Engelhard Municipal Sewer District				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Miscellaneous Liabilities	\$ -	\$ -	\$ -	\$ -
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 33,093	\$ 13,618	\$ -	\$ 46,711
Receivables	3,300	15,022	272	18,050
Total assets	\$ 36,393	\$ 28,640	\$ 272	\$ 64,761
Liabilities:				
Miscellaneous liabilities	\$ 34,567	\$ 28,981	\$ -	\$ 63,548
Deferred Revenues	1,825	-	612	1,213
Total liabilities	\$ 36,392	\$ 28,981	\$ 612	\$ 64,761

OTHER SCHEDULES

**Hyde County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2018**

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections And Credits	Uncollected Balance June 30, 2018
2017-2018		\$ 6,867,903	\$ 6,428,400	\$ 439,503
2016-2017	347,407	-	143,788	203,619
2015-2016	146,383	-	146,383	-
2014-2015	121,264	-	46,826	74,438
2013-2014	76,073	-	26,469	49,604
2012-2013	76,073	-	17,166	58,907
2011-2012	51,924	-	10,006	41,918
2010-2011	48,791	-	5,048	43,743
2009-2010	45,095	-	7,780	37,315
2008-2009	30,477	-	4,173	26,304
2007-2008	25,593	-	25,593	-
	<u>\$ 969,080</u>	<u>\$ 6,867,903</u>	<u>\$ 6,861,632</u>	<u>\$ 975,351</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>416,374</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 558,977</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 7,015,200</u>
Reconciling items:				
Interest Collected				(94,163)
Discoveries and Adjustments				(84,998)
Taxes written off				<u>25,593</u>
Total reconciling items				<u>(153,568)</u>
Total collections and credits				<u>\$ 6,861,632</u>

Hyde County
Analysis of Current Tax Levy
County-wide Levy
June 30, 2018

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current year's rate:	\$ 953,085,616	0.73	\$ 6,957,525	\$ 6,684,236	\$ 273,289
Discoveries:	9,178	0.73	67	67	-
Abatements:	<u>(12,286,164)</u>	0.73	<u>(89,689)</u>	<u>(89,689)</u>	<u>-</u>
Total property valuation	<u>\$ 940,808,630</u>				
Net levy			6,867,903	6,594,614	273,289
Uncollected taxes at June 30, 2017			<u>439,503</u>	<u>439,503</u>	<u>-</u>
Current year's taxes collected			<u>\$ 6,428,400</u>	<u>\$ 6,155,111</u>	<u>\$ 273,289</u>
Current levy collection percentage			<u>93.60%</u>	<u>93.34%</u>	<u>100.00%</u>

COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Hyde County basic financial statements, and have issued our report thereon dated March 14, 2019. Our report includes a reference to other auditors who audited the financial statements of Hyde County ABC Board, as described in our report on Hyde County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Hyde County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hyde County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hyde County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and Reponses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described in the accompanying schedule of findings and responses to be a material weakness [18-01].

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies [18-02, 18-03, 18-04, 18-05].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hyde County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 14, 2019



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

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

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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Hyde County's major federal programs for the year ended June 30, 2018. Hyde County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Hyde County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those char

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hyde County's compliance.

Basis for Qualified Opinion on Medicaid

As described in the accompanying schedule of findings and questioned costs, Hyde County did not comply with requirements regarding CFDA 93.778 Medicaid as described in finding numbers 18-06 for Documentation of Real Property, 18-07 Documentation of Liquid Assets, and 18-08 Verification of Income. Compliance with such requirements is necessary, in our opinion, for Hyde County to comply with the requirements applicable to that program.

Qualified Opinion on Medicaid

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Hyde County complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Medicaid for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 18-06, 18-07 and 18-08. Our opinion on each major federal program is not modified with respect to these matters.

Hyde County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Hyde County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Hyde County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hyde County internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 18-06, 18-07 and 18-08 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Hyde County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 14, 2019



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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

Report on Compliance for Each Major State Program

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Hyde County's major state programs for the year ended June 30, 2018. Hyde County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Hyde County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Hyde County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Hyde County's compliance.

Opinion on Each Major State Program

In our opinion, Hyde County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Hyde County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hyde County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
March 14, 2019

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes no
- Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses yes X no
- Noncompliance material to federal awards X yes no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Medical Assistance Program
	USDOT Passed through NC Dept of Public Safety Airport Project
20.106	Hyde County Block 44 Airport Improvement Program
20.106	Hyde county New Beacon Construction
20.106	Hyde County Terminal Area Drainage Construction
20.106	Hyde County

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Section II - Financial Statement Findings

Finding: 18-01***

Reconciliation of Records

MATERIAL WEAKNESS

Criteria: The County should appropriately reconcile all general ledger accounts monthly.

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted. Several adjustments had to be proposed to correct the financial statements.

Effect: Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.

Cause: In some cases, multiple computer programs did not accurately communicate to transfer information accurately.

Recommendation: The finance office should make sure that timely reconciliations are prepared for all accounts. Year end entries should be made by the finance staff prior to year-end closing.

Views of responsible officials: The County agrees with this finding.

*** This is a repeat finding.

Finding: 18-02***

Segregation of Duties

SIGNIFICANT DEFICIENCY

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among County personnel in the following areas: revenues, receipts, and receivables for both the governmental and proprietary funds.

Effect: Transactions could be mishandled.

Cause: There is a limited number of personnel for certain functions.

Recommendation: The duties should be segregated as much as possible and alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.

Views of responsible officials: The County agrees with this finding.

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Section II - Financial Statement Findings

Finding: 18-03***

Budget Violation

SIGNIFICANT DEFICIENCY

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance. G.S. 159-8(a) states that each local government shall operate under an annual balanced budget. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations.

Condition: The County reflected no budgeted amounts for the Revolving Loan Fund and the PDM Program Fund.

Effect: Monies were spent that had not been appropriated, as there was no budget reflected for this fund.

Cause: The County did not properly adopt and record budget and budget amendments for the revenues and expenditures for these funds.

Recommendation: A budget should be prepared for each fund.

Views of responsible officials: The County agrees with this finding.

*** This is a repeat finding.

Finding: 18-04***

Deficit Fund Balance

SIGNIFICANT DEFICIENCY

Criteria: The County should maintain a positive fund balance in each of its funds.

Condition: The County has seven funds with a negative fund balance: Hyde County Senior Center, Hurricane Matthew, 2015 FMA Program, 2016 FMA Program, CDBG Disaster, Hurricane Irene HMGP, and 2016 FMA Program 002.

Effect: When the County has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures.

Cause: A portion of the County's General Fund balance is restricted due to the amount of expenditures paid in each fund in the prior fiscal years from the General Fund. The restricted fund balance has a negative impact on unassigned fund balance.

Recommendation: The County should be more aware of spending in each of the funds to reduce the negative impact on unassigned fund balance in the General Fund.

Views of responsible officials: The County agrees with this finding.

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Section II - Financial Statement Findings

Finding: 18-05***

Budget Violation

SIGNIFICANT DEFICIENCY

Criteria:	All excess expenditures over appropriations should be disclosed.
Condition:	The budget was overspent in the General Fund in Sheriff by \$46,013, Drainage by \$16,282, Health - Administration by \$21,327, Transportation by \$3,340 and Debt Service by \$30,737; it was also overspent in the West Quarter District Fund by \$375.
Effect:	The Board spent funds that were not available for those respective functions and funds.
Cause:	The County did not properly adopt and record budget amendments for the revenues and expenditures for these functions
Recommendation:	The budget should be reviewed and appropriated amendments made during the
Views of responsible officials:	The County agrees with this finding.

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Section III - Federal Award Findings and Questioned Costs

Finding: 18-06***

Real Property Owned

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. The files should also contain documentation on any property found as to whether it is a countable resource or is exempt from the resources calculation.

Condition: Proof of verification of property checks were not present in 8 file.

Questioned Costs: There were no questioned costs. Even though the verifications were not printed and included in the file, the caseworker pulled up each case in the tax records to show the auditor the forms that should have been included in the documentation. There were no instances where items were noted from the review of the records that indicated that any of these cases would have been ineligible based on the property check requirement.

Context: There were 96 adult Medicaid files reviewed, there were 8 cases that did not contain documentation of the verification with the tax records or the Register of Deeds.

Effect: For those certifications / recertification's that there was no documentation, there is a chance that property was owned that would not have been treated as a non-countable resource and a person could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping, ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. We recommend that all files include a print out as evidence that the Register of Deeds was checked and the results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials: The DSS Director agrees with all of the findings.

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Finding: 18-07***

Liquid Assets

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain documentation that liquid assets were verified and whether countable or non-countable for purposes of determining eligibility. Liquid assets can include cash, bank accounts, certificates of deposits, securities, or any asset which can be converted to cash. The record should contain verification of liquid assets and whether countable or non-countable for the purposes of eligibility. The countable reserves are then compared to and must be below the State-provided reserve limits for the particular Medicaid program. Most Medicaid for Families and Children do not require resource verification but if required, it is similar to that in the Medicaid for Aged, Blind and Disabled rules.
Condition:	Of the files tested, there was 1 error noted in 96 files.
Questioned Cost:	There was no questioned cost associated with this finding.
Context:	There were 96 adult Medicaid files that included certifications/ recertifications of benefits examined. There was 1 error noted.
Effect:	Files are incomplete/incorrect and do not support reserve calculations. Vehicles may be excluded that are not used for transportation. Cars may also be excluded that are in the applicant's possession. The exclusion of these vehicles could lead to someone receiving Medicaid that is not eligible.
Cause:	Ineffective case review process, incomplete documentation, and incorrect application of rules for what is countable or non-countable for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. Workers should also be retrained on what is countable and non-countable for purposes of determining eligibility with regards to reserve / liquid asset calculation. If vehicles are not in a client's possession but there are hits on the OLV, documentation should be obtained from the client that the car was junked, in someone else's possession, etc. and that statement signed by the client.
Views of responsible officials:	The DSS Director agrees with the error noted.

***This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2018

Exhibit H-1

Finding: 18-08

Income

SIGNIFICANT DEFICIENCY

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain all income received for determining eligibility. Income should be recorded in the case and NCFast Budget.
Condition:	Of the files tested, there was 1 error noted in 96 files.
Questioned Costs:	\$0; there was no questioned cost associated with this finding.
Context:	There were 96 adult Medicaid files that included certifications/ recertifications of benefits examined. There was 1 error noted.
Effect:	For those certifications / recertification's that there was no documentation, there is a chance that income was received that was not included in the persons budget and a person could have been approved for benefits that they were not eligible.
Cause:	Ineffective record keeping, ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. We recommend that all files include a print out as evidence that the Register of Deeds was checked and the results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.
Views of responsible officials:	The DSS Director agrees with the error noted.

Section II - Financial Statement Findings

Finding: 18-01

Name of Contact Person: Kris Noble, County Manager

Corrective Action: The County agrees with this finding and will implement procedures and processes to reconcile material general ledger accounts on a periodic basis.

Proposed Completion Date: The Board will implement this procedure immediately.

Finding: 18-02

Name of Contact Person: Kris Noble, County Manager

Corrective Action: The County agrees with this finding and will segregate duties as much as possible and alternative controls will be used to compensate for lack of segregation of duties.

Proposed Completion Date: The Board will implement this procedure immediately.

Finding: 18-03

Name of Contact Person: Kris Noble, County Manager

Corrective Action: The County agrees with this finding and proper budgets will be approved in the future.

Proposed Completion Date: The Board will implement this procedure immediately.

Finding: 18-04

Name of Contact Person: Kris Noble, County Manager

Corrective Action: The County agrees with this finding and will be more aware of future spending to ensure that these funds do not absorb the General Fund unassigned fund balance in the future.

Proposed Completion Date: The Board will implement this procedure immediately.

Finding: 18-05

Name of Contact Person: Kris Noble, County Manager

Corrective Action: The County agrees with this finding and will be more aware of the budget before spending money or adopt budget amendments as needed.

Proposed Completion Date: The Board will implement this procedure immediately.

**Hyde County
Corrective Actions
June 30, 2018**

Exhibit H-1

Section III - Federal Award Findings and Questioned Costs

Finding: 18-06

Name of Contact Person: Laurie Potten, Director; Ilis Clayton, Supervisor

Corrective Action: Supervisors perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. This corrective action is ongoing.

Proposed Completion Date: Ongoing (June 2019)

Finding: 18-07

Name of Contact Person: Laurie Potten, Director; Ilis Clayton, Supervisor

Corrective Action: Supervisors perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. This corrective action is ongoing.

Proposed Completion Date: Ongoing (June 2019)

Finding: 18-08

Name of Contact Person: Laurie Potten, Director; Ilis Clayton, Supervisor

Corrective Action: Supervisors perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. This corrective action is ongoing.

Proposed Completion Date: Ongoing (June 2019)

Hyde County
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2018

Finding: 17-01 Account Reconciliations

Status: Repeated as 18-01.

Finding: 17-02 Segregation of Duties

Status: Repeated as 18-02.

Finding: 17-03 Budget Violation

Status: Repeated as 18-03.

Finding: 17-04 Deficit Fund Balance

Status: Repeated as 18-04.

HYDE COUNTY FEDERAL & STATE AWARDS
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 104,288	\$ -	\$ -	\$ 104,288
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		26,300	-	-	-
Total U.S. Dept. of Agriculture			<u>130,588</u>	<u>-</u>	<u>-</u>	<u>104,288</u>
<u>US Dept of Health and Human Services</u>						
Division of Aging and Adult Services						
Passed-through Albemarle Commission						
<u>Aging Cluster</u>						
Special Programs for the Aging Title IIIB						
Grants for Supportive Services and Senior Centers	93.044		33,812	-	-	-
Total Aging Cluster			<u>33,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Division of Social Services						
<u>Temporary Assistance Needy Family Cluster</u>						
TANF - Work First	93.558		38,088	-	-	18,574
Division of Public Health						
TANF - Work First	93.558		966	-	-	-
Total TANF Cluster			<u>39,054</u>	<u>-</u>	<u>-</u>	<u>18,574</u>
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		1,425	578		267
Foster Care	N/A		1,072	-	-	352
Total Foster Care and Adoption Cluster			<u>2,497</u>	<u>578</u>	<u>-</u>	<u>619</u>
Child Support Enforcement	93.563		70,674	-	-	36,407
Low-Income Home Energy Assistance						
Administration	93.568		4,310	-	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		41,400	-	-	-
Crisis Intervention Program	93.568		28,654	-	-	-
Total Low-Income Energy Assistance			<u>74,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		10	-	-	3
Total Stephanie Tubbs Jones Child Welfare Services			<u>10</u>	<u>-</u>	<u>-</u>	<u>3</u>
SSBG - Other Service and Training						
Division of Aging and Adult Services	93.667		56,501	-	-	18,834
Division of Social Services						
SSBG - State In Home Service Fund	93.667		1,711	-	-	244
Pass-through Albemarle Commission						
Social Services Block Grant (SSBG) - In Home Services	93.667		-	-	-	-
Total Social Service Block Grant			<u>58,212</u>	<u>-</u>	<u>-</u>	<u>19,078</u>
Division of Child Development and Early Education						
Subsidized Child Care:						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund - Administration	93.596		8,555	-	-	-
Division of Child Development:						
Child Care and Development Block Grant- Discretionary	93.575		3,149	-	-	-
Child Care and Development Block Grant - Mandatory	93.596		415	-	-	-
Total Child Care Development Fund Cluster			<u>12,119</u>	<u>-</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families						
Total Subsidized Child Care Cluster	93.558		338	-	-	-
			<u>12,457</u>	<u>-</u>	<u>-</u>	<u>-</u>

Passed-through the N.C. Department of Health and Human Services					
Division of Medical Assistance:					
Division of Social Services:					
Administration					
Medical Assistance Program	93.778	289,585	(2,980)	-	120,315
Total Medical Assistance Program		289,585	(2,980)	-	120,315
AFDC Payment & Penalties	93.560	(140)	(38)	-	(38)
Division of Social Services					
Administration					
State Children's Insurance Program - NC Health Choice	93.767	4,917	3	-	-
Total State Children's Insurance Program NC Health Choice		4,917	3	-	-
Passed through N.C. Department of Health and Human Services:					
Division of Public Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	26,433	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	21	-	-	-
Family Planning Services	93.217	18,563	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	4,240	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	510	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	38,855	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	135	-	-	-
Maternal and Child Health Services Block Grant	93.994	17,305	12,980	-	-
Total U. S. Department of Health and Human Services		691,504	10,543	-	194,958
<u>U.S. Dept. of Homeland Security</u>					
Passed through the NC Dept. of Public Safety					
Emergency Food and Shelter Program	97.024	790	-	-	-
Emergency Management Performance Grants	97.042	36,872	-	-	-
Total U.S. Dept. of Homeland Security		37,662	-	-	-
<u>U. S. Department of Transportation</u>					
Passed through the N.C. Department of Transportation					
Hyde County Block 44 Airport Improvement Program	20.106	36237.57.10.1	900	-	-
Hyde County New Beacon Construction	20.106	36237.57.12.1	81,826	-	-
Hyde County Terminal Area Drainage Construction	20.106	36237.57.12.2	47,648	-	-
Hyde County	20.106	36237.57.13.1	128,587	14,288	-
18-ED-025 Hyde Co Health Department Capital	20.513	51001.49.5.3	6,165	771	-
17-ED-025 Hyde Co Health Department Capital	20.513	51001.49.4.3	6,210	1,015	-
Total U. S. Department of Transportation		271,336	16,074	-	-
<u>U.S. Department of Housing and Urban Development</u>					
Pass-thorough Department of Commerce					
Community Development Block Grants	14.228	50,000	-	-	-
Total Federal Awards		\$ 1,181,090	\$ 26,617	\$ -	\$ 299,246
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Public Health:					
Food and Lodging Fees		\$ -	\$ 6,963	\$ -	\$ -
General Aid to Counties		-	71,654	-	-
Public Health Nursing		-	600	-	-
General Communicable Disease Control		-	11,044	-	-
Child Health		-	645	-	-
HIV/STD State		-	500	-	-
Gonorrhea Partner Services		-	10	-	-
STD Drugs		-	15	-	-
Breast and Cervical Cancer Program		-	8,415	-	-
Family Planning - State		-	9,233	-	-
Maternal Health		-	2,666	-	-
Women's Health Service Fund		-	4,654	-	-
TB Control		-	1,566	-	-
Total Division of Public Health		-	117,965	-	-

Division of Social Services:					
State Foster Home	N/A	-	3,038	-	3,038
State Child Welfare/CPS/CS LD	N/A	-	444	-	-
Work First Non Reimbursable	N/A	-	-	-	50,674
County Funded Programs	N/A	-	-	-	299,919
Non-Allocating County Cost	N/A	-	-	-	138,229
Total Division of Social Services		-	3,482	-	491,860
Total N.C. Dept. Health and Human Services		-	121,447	-	491,860
<u>N.C. Dept. of Administration</u>					
Veteran Grant	N/A	-	2,175	-	-
<u>N.C. Dept. of Transportation</u>					
Pass-through to Hyde Interagency Transportation:					
ROAP EDTAP	36220.10.7.1	-	43,278	-	-
ROAP RGP	36228.22.7.1	-	42,688	-	-
ROAP Employment	36236.11.6.1	-	4,317	-	-
Total N. C. Department of Transportation		-	90,283	-	-
<u>N.C. Dept. of Environmental Quality</u>					
Division of Waste Management					
Soild Waste Disposal		-	4,784	-	-
Scrap Tire Program	N/A	-	7,706	-	-
Electronics Mgt		-	449	-	-
White Goods		-	3,599	-	-
Scrap Tire Fund		-	198	-	-
DW Assentin & Assessment		-	6,500	-	-
Soil and Water Conservation		-	3,600	-	-
Soil and Water Tech		-	26,550	-	-
Soil and Water Special Project Grant		-	11,500	-	-
Total N.C. Dept. of Environmental Quality		-	64,886	-	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Program	N/A	-	49,898	-	3,322
Tier II Grant		-	1,000	-	-
Total N.C Dept. of Public Safety		-	50,898	-	3,322
<u>N.C. Department of Agriculture and Consumer Services</u>					
Stream Debris Removal Project		-	-	64,635	-
Total N.C. Department of Agriculture and Consumer Services		-	-	64,635	-
<u>N.C. Department of Commerce</u>					
Building Reuse Grant		-	15,000	-	-
<u>N.C. Department of Justice</u>					
Safe Roads Act		-	848	-	-
<u>N.C. 911 Board Emergency PSAP Center</u>					
E911 Consolidation Grant (DTH-RECC)		-	451,070	-	-
Total N.C. 911 Board Emergency PSAP Center		-	451,070	-	-
Total State Awards		\$ -	\$ 796,607	\$ 64,635	\$ 495,182
Total Federal and State Awards		\$ 1,181,090	\$ 823,224	\$ 64,635	\$ 794,428

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Federal and State Awards (SEFSA) includes the Federal and State grant activity of Hyde County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Hyde County, it is not intended to and does not represent the financial position or results of operations of Hyde County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Hyde County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

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