

**HYDE
COUNTY**



HYDE COUNTY



Presentation of Audit Results

Fiscal Year Ended
June 30, 2018



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Hyde County

Presentation Agenda

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March 14, 2019

To the Board of Commissioners
Hyde County
Swan Quarter, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hyde County for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 27, 2018. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hyde County are described in Note 1 to the financial statements. As described in Note IX to the financial statements, the County adopted Statement of Governmental Accounting Standards (GASB Statement) No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" in the fiscal year ended June 30, 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in governmental activities and business-type activities. We noted no transactions entered into by the Hyde County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimate(s) or assumptions noted during the audit.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. There are no such disclosures identified.

Members

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated March 14, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Auditing Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Hyde County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Please note the findings listed in the schedule of audit findings in the audit report. As detailed in the findings, it is imperative that the Medicaid files contain all required documentation.

Efforts should be made to ensure that all negative fund balances are cleared up, and that all projects that have been completed are closed on the general ledger.

Various key processes were not completed timely, particularly during year-end closing (i.e. line item review, revenue and expenditure postings, reconciliation to subsidiary ledgers). These are key finance functions that should be completed to ensure that revenues and expenditures are appropriately reflected in the general ledger.

Other Matters

We applied certain limited procedures to the Law Enforcement Officer's Special Separation Allowance, Healthcare Benefit, Schedule of County's Proportionate Share of Net Pension Assets (LGERS), Schedule of County Contributions (LGERS), Schedule of County's Proportionate Share of Net Pension Asset (ROD), and Schedule of County Contributions (ROD), which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund statement schedules, budgetary schedules, and other schedules, and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of Hyde County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

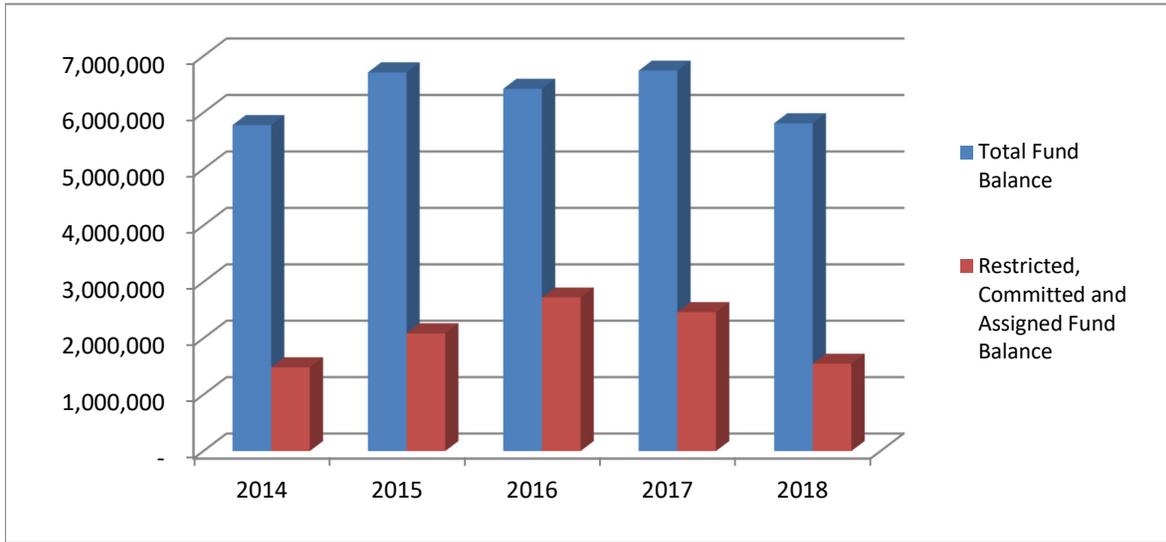
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Hyde County

FINANCIAL INFORMATION FOR 5 YEARS

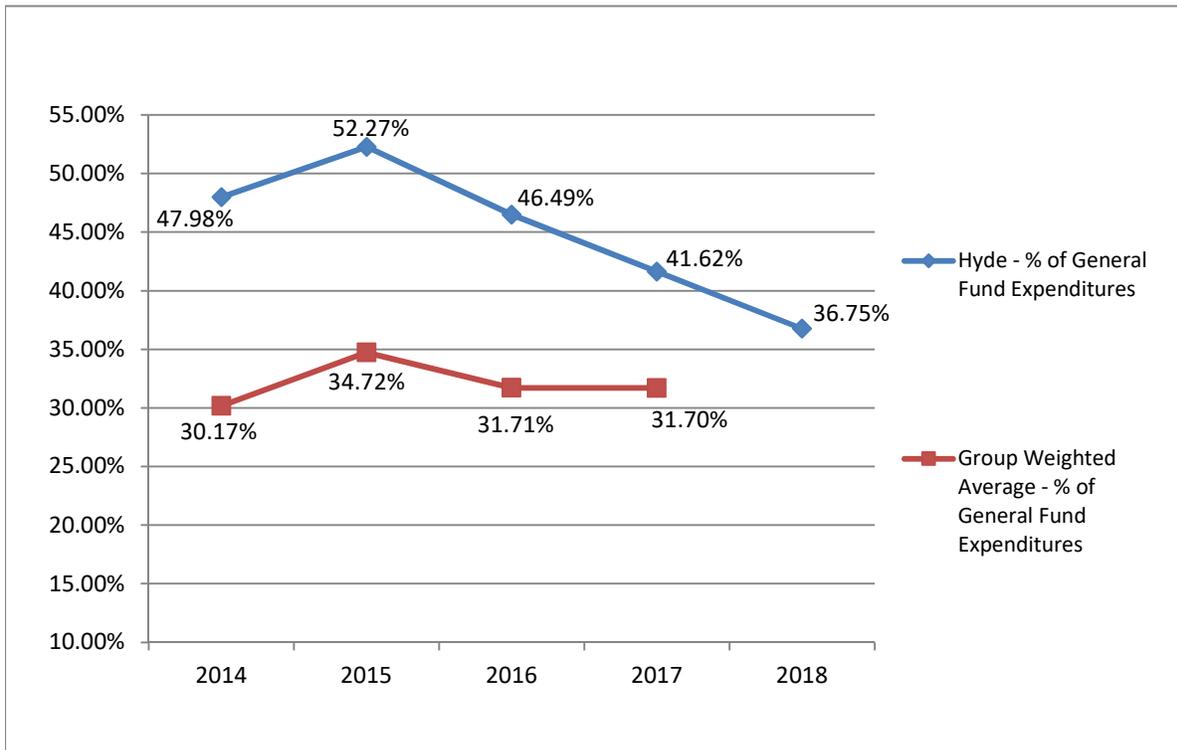
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Fund Balance - General Fund	5,809,800	6,741,813	6,420,667	6,710,885	5,777,212
Unavailable Fund Balance - GF (Restricted for State Statute, Inventories, Encumbrances)	952,120	1,296,501	707,944	582,343	191,174
Restricted, Committed, and Assigned Fund Balance (Previously Designated and Reserved Fund Balance)	1,548,791	2,463,516	2,723,004	2,088,052	1,485,196
General Fund Expenditures (including Transfers out)	13,217,314	13,082,589	12,288,406	11,725,744	11,641,735
Fund Balance Available as % of General Fund Expenditures	36.75%	41.62%	46.49%	52.27%	47.98%
Unassigned Fund Balance (Previously Unreserved and Undesignated Fund Balance)	4,261,009	4,278,297	3,697,663	4,622,833	4,292,016
Unassigned Fund Balance as % of General Fund Expenditures (including Transfers out)	32.24%	32.70%	30.09%	39.42%	36.87%
Revenues over (under) expenditures before transfers					
General Fund	(1,091,469)	(484,859)	(221,937)	(26,320)	743,687
Water and Sewer Fund	(115,230)	15,474	173,086	(274,499)	105,774
Cash vs. Accumulated Depreciation - Water & Sewer Fund					
Total Fixed Assets	18,594,720	18,582,242	18,548,998	18,548,998	18,528,698
Accumulated Depreciation	7,998,027	7,608,985	7,194,266	6,787,930	6,379,202
Cash	1,139,744	1,353,473	1,216,892	941,062	1,018,050
Cash vs. Fund Balance (Net Position)					
Cash - General	6,773,527	7,006,303	7,353,861	7,488,911	6,509,554
Cash - Water & Sewer Fund	1,139,744	1,353,473	1,216,892	941,062	1,018,050
Cash - Other Governmental	1,746,051	1,558,539	2,030,475	1,832,846	2,600,564
Fund Balance - General Fund	5,809,800	6,741,813	6,420,667	6,710,885	5,777,212
Net Position - Water & Sewer Fund	8,869,405	9,591,687	9,665,793	9,845,444	10,450,354
Fund Balance - Other Governmental Funds	2,768,534	2,243,286	2,649,922	2,429,324	3,007,640
***Water & Sewer had a loss of \$488,443, plus a restatement of (\$81,656) from implementation of GASB 75					
Property Tax Rates	0.730	0.640	0.640	0.640	0.640
Collection Percentages	93.60%	95.73%	95.86%	94.83%	94.44%
Collection Percentages (excluding Motor Vehicle)	93.34%	95.56%	95.70%	94.63%	94.39%
Total Property Valuation	940,808,630	1,113,833,906	1,148,715,781	1,142,384,531	1,131,688,966
Total Levy Amount	6,867,903	7,128,537	7,351,781	7,311,261	7,242,148
Breakdown of Debt (Excl Net Pension Obligation, Compensated Absences & OPEB)					
Governmental - General Obligation (school)	1,601,436	1,801,615	2,001,795	2,201,974	2,402,154
Governmental - Installment Purchases	2,934,265	3,082,205	3,226,448	3,367,145	3,534,220
Business-type - General Obligation	1,299,914	1,416,032	1,529,412	1,639,475	1,746,654
Business-type - Revenue Bonds	1,316,000	1,335,000	1,353,000	1,371,000	1,388,000
Total	7,151,615	7,634,852	8,110,655	8,579,594	9,071,028
Breakdown of General Fund Revenues					
Ad Valorem Taxes	7,015,200	7,440,540	7,459,651	7,299,550	7,284,563
Other Taxes, License & Permits	1,667,089	1,761,549	1,635,538	1,940,840	1,797,890
Intergovernmental Revenue	2,881,970	2,695,702	2,240,596	2,094,672	2,474,703
Sales and Services	308,075	445,184	398,509	398,653	524,058
Investment Earnings	29,311	38,685	13,290	10,231	9,513
Miscellaneous	113,022	56,694	138,775	193,657	143,490
Total	12,014,667	12,438,354	11,886,359	11,937,603	12,234,217
Breakdown of General Fund Expenditures					
General Government	2,057,873	2,130,555	2,453,165	2,194,456	1,830,024
Public Safety	4,062,121	4,233,921	3,397,447	3,528,988	3,300,624
Transportation	90,459	80,777	59,107	64,830	51,501
Environmental Protection	1,143,902	951,216	884,317	917,433	890,744
Economic and Physical Development	640,285	513,473	503,748	448,013	417,799
Human Services	2,593,052	2,613,776	2,677,289	2,716,618	2,678,526
Cultural & Recreational	51,000	42,000	43,000	43,000	43,000
Education	1,954,961	1,873,886	1,470,336	1,577,665	1,536,193
Capital Outlay	-	-	-	-	220,549
Debt Service	512,483	483,609	619,887	487,333	521,570
Total	13,106,136	12,923,213	12,108,296	11,978,336	11,490,530

Hyde County Analysis of Fund Balance



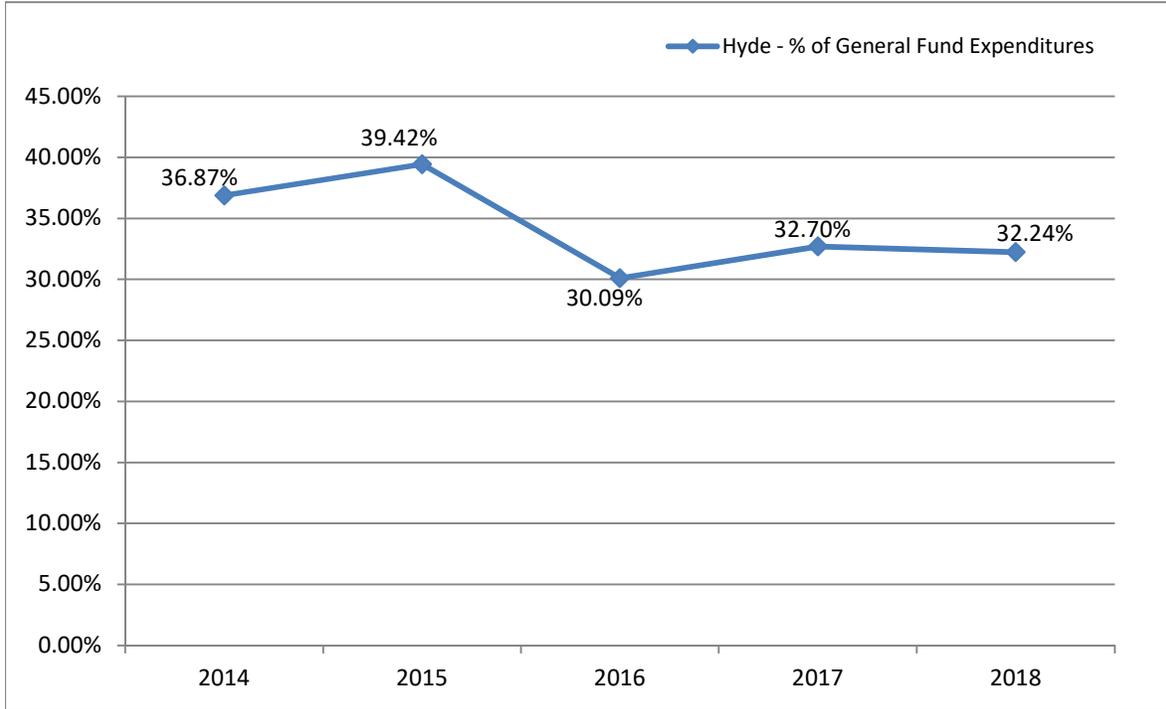
Hyde County Analysis of Fund Balance Available

(Note - 2018 Group Weighted Average Not Available at Date of Presentation)



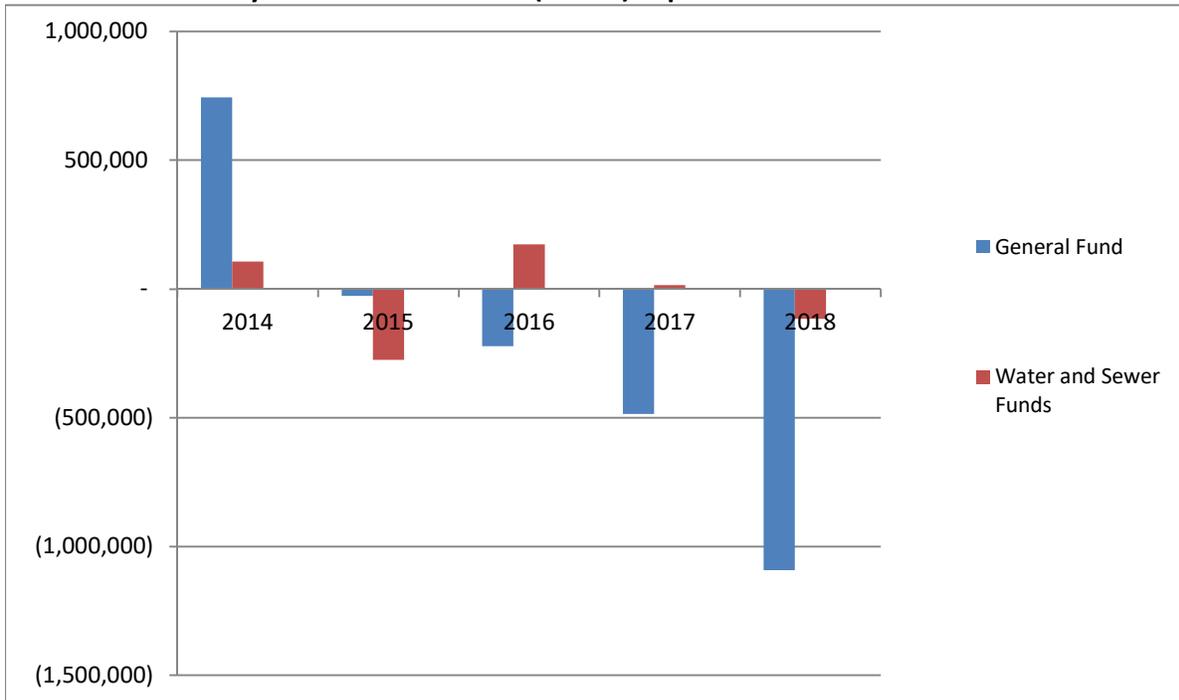
Hyde County

Analysis of Unassigned Fund Balance as a % of General Fund Expenditures

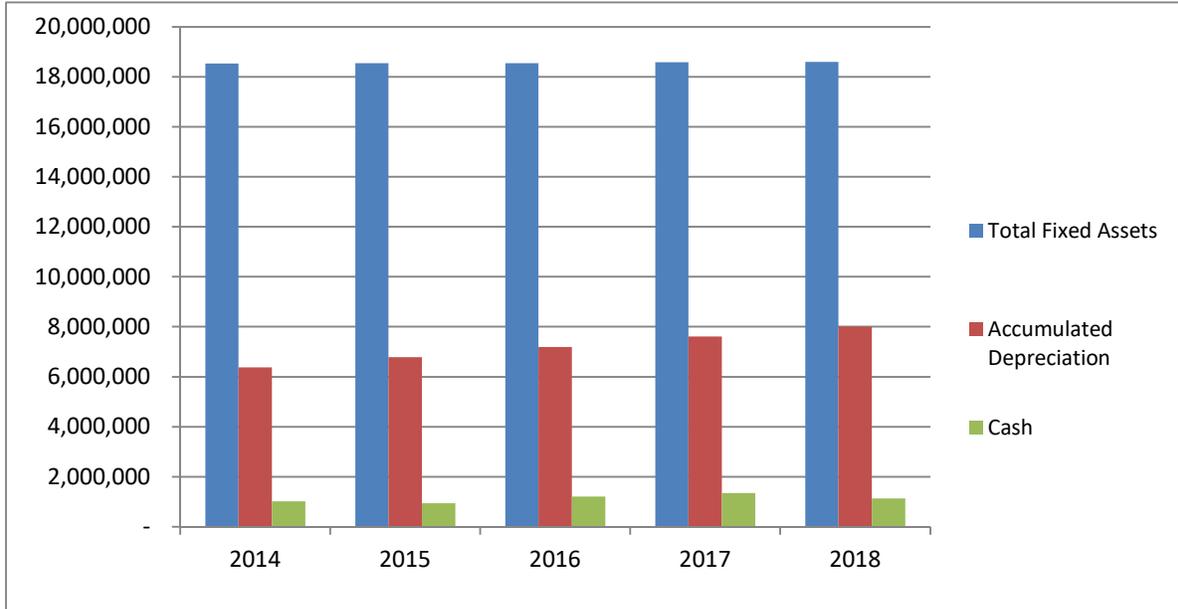


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Analysis of Revenues Over (Under) Expenditures before Transfers

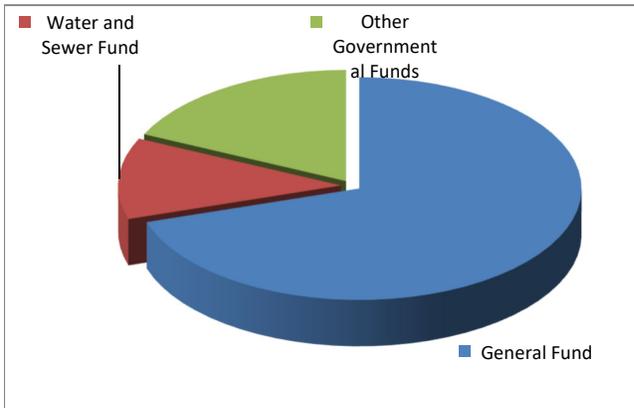


Hyde County
Cash vs. Accumulated Depreciation
(Funded Depreciation)
Water and Sewer Fund

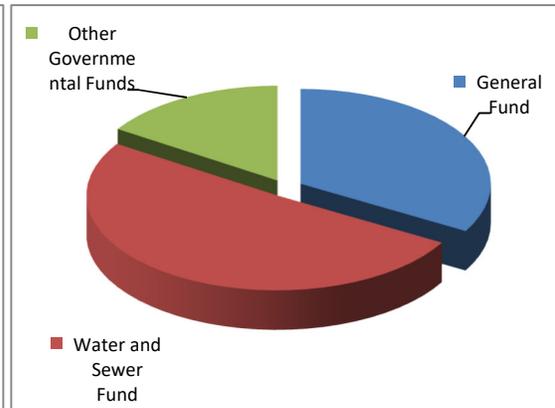


Hyde County
Analysis of Cash and Fund Balances
at June 30, 2018

CASH BALANCES



FUND BALANCES



	2018	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 6,773,527	\$ 5,809,800
Water and Sewer Fund	1,139,744	8,869,405
Other Governmental Funds	1,746,051	2,768,534
Total	<u>\$ 9,659,322</u>	<u>\$ 17,447,739</u>

Hyde County

Property Tax Rates

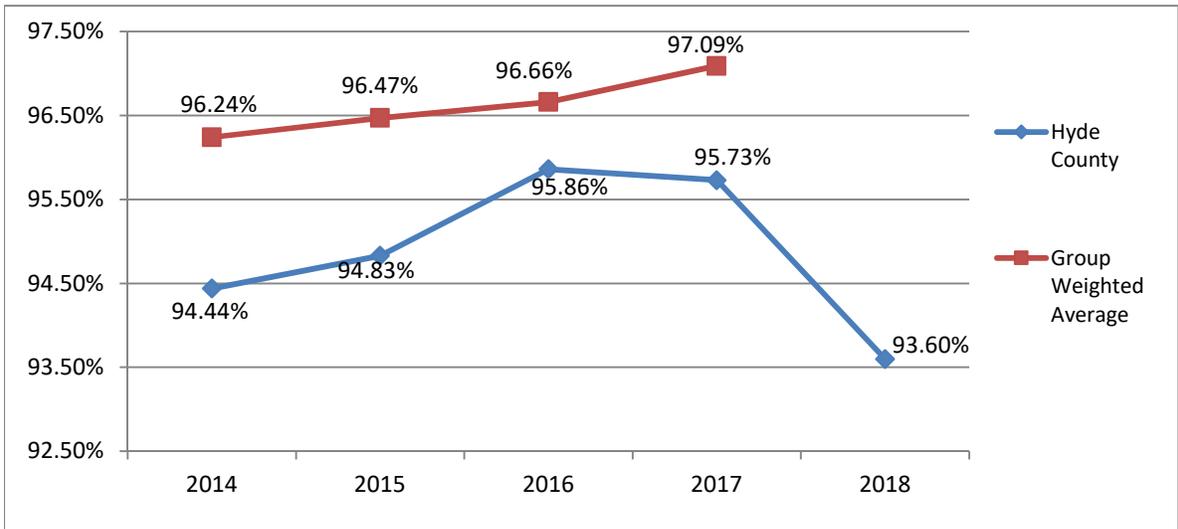
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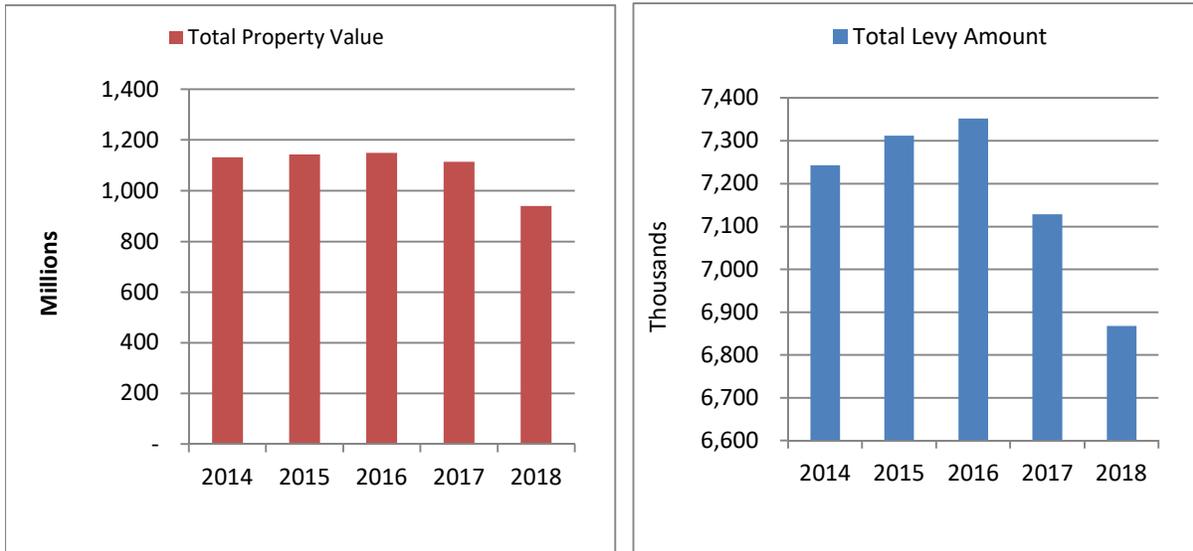
Hyde County

Collection Percentages

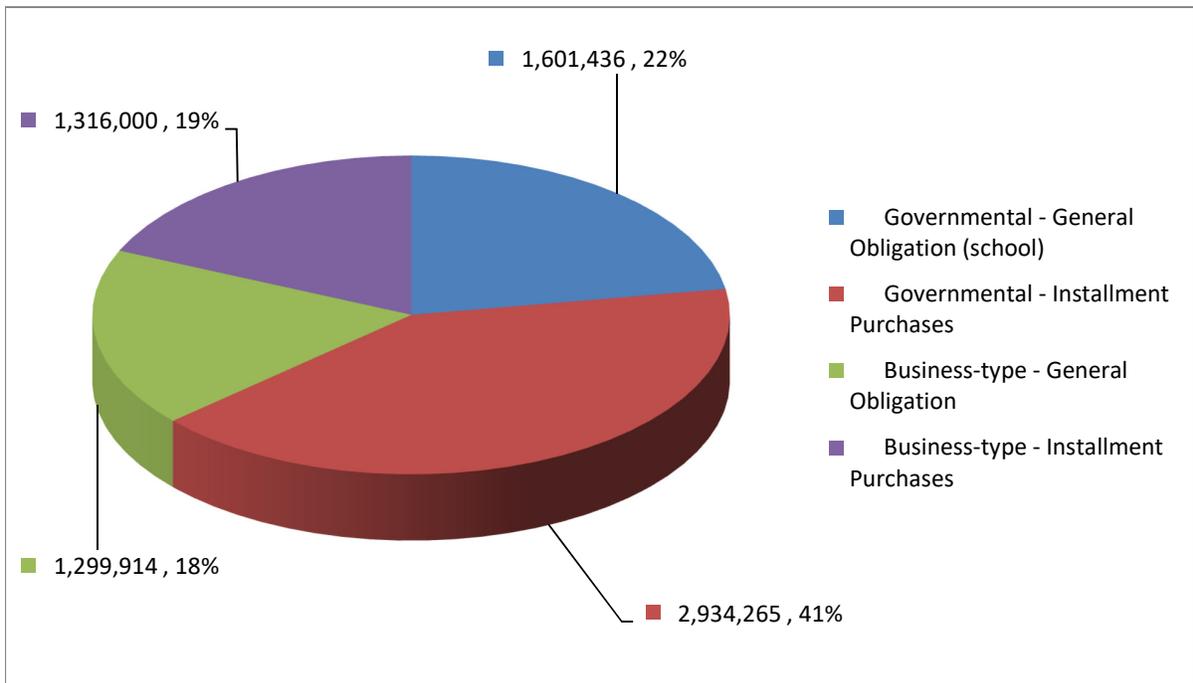
(Note - 2018 Group Weighted Average Not Available at Date of Presentation)



Hyde County Property Valuation and Levy Amount



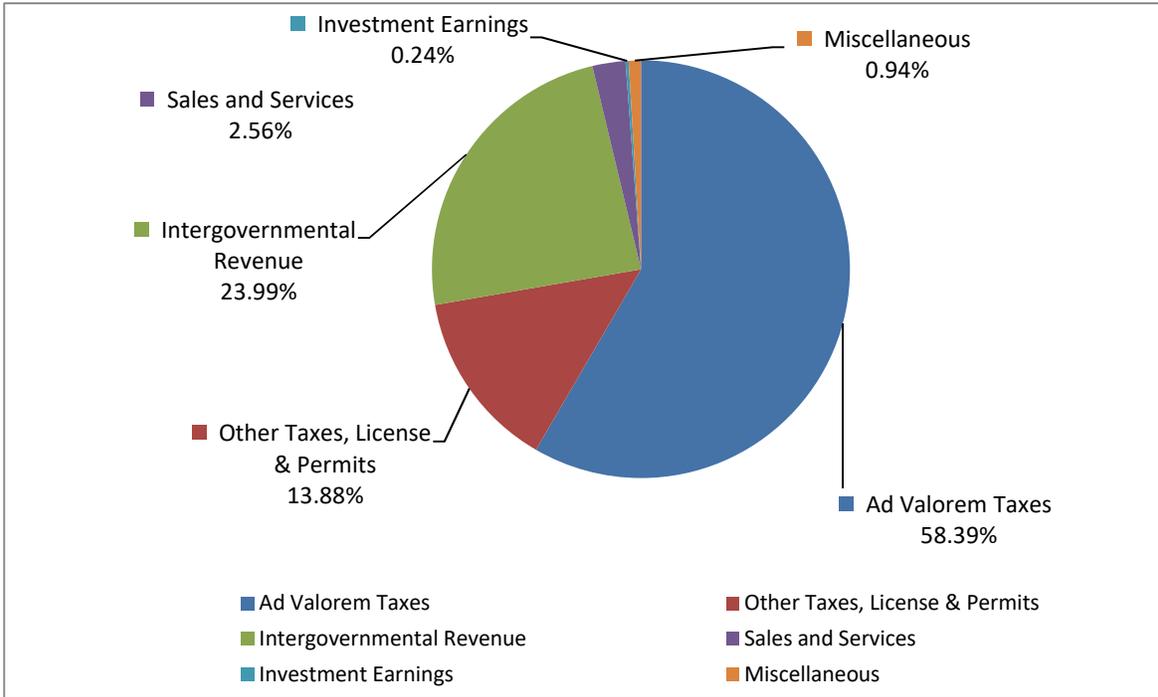
Hyde County Debt Analysis (excluding Net Pension Obligations, Compensated Absences & OPEB) FYE June 30, 2018



Hyde County

Break Down of General Fund Revenue

FYE June 30, 2018



Hyde County

Break Down of General Fund Expenditures

FYE June 30, 2018

