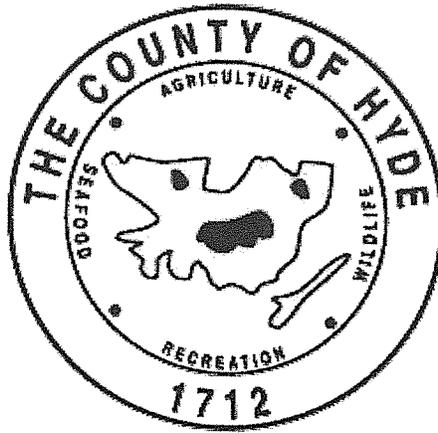


# HYDE COUNTY



## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2015

# PART 1

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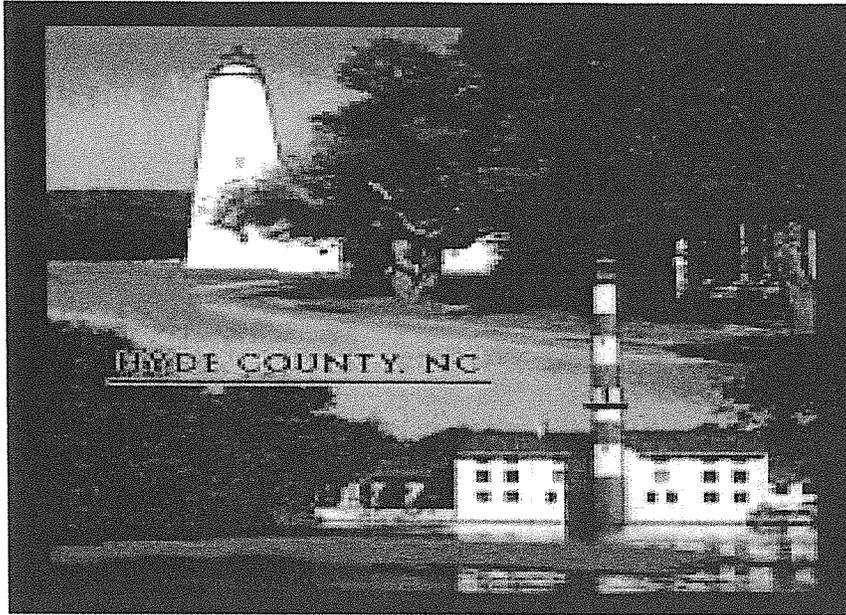
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- **Management's Discussion and Analysis**
- **Government-wide Financial Statements**
- **Fund Financial Statements**
- **Notes to Financial Statements**



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

## 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, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2015, 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 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.

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, each major fund, and the aggregate remaining fund information Hyde County, North Carolina as of June 30, 2015, 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 and the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, 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, 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act 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 December 31, 2015 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  
December 31, 2015

**Hyde County, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

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, 2015. 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**

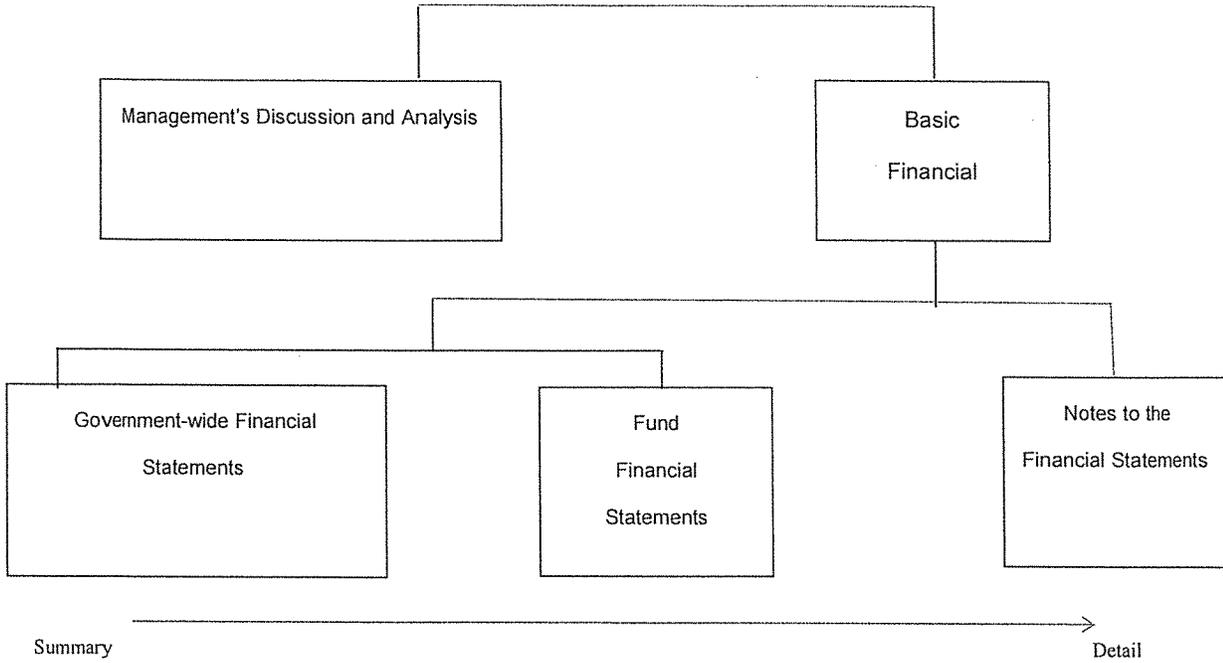
- The assets and deferred outflows of resources of Hyde County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$38,932,619. (Net Position)
- The government's total net position decreased by \$681,863, primarily due to increased net position in the business-type activities.
- As of the close of the current fiscal year, Hyde County's governmental funds reported combined ending fund balances of \$9,140,209, an increase of \$132,283 in comparison with the prior year. Approximately 49.16 percent of this total amount, or \$4,493,358, 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 \$4,622,833, or 37.79 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.

Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015

Required Components of Annual Financial Report  
Figure 1



**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

**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.

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

**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.

**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.

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

**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 \$38,984,659 as of June 30, 2015. The County's net position decreased by \$681,863 for the fiscal year ended June 30, 2015. One of the largest portions, 86.35%, 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, \$2,268,987 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,051,608 is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 12,002,576	\$ 11,339,299	\$ 1,409,847	\$ 1,659,551	\$ 13,412,423	\$ 12,998,850
Capital assets	24,913,471	25,748,702	11,761,068	12,149,496	36,674,539	37,898,198
Total assets	36,916,047	37,088,001	13,170,915	13,809,047	50,086,962	50,897,048
Total deferred outflows of resources	323,912	-	39,270	-	363,182	39,270
Long-term liabilities						
outstanding	6,343,450	6,638,134	3,010,475	3,187,639	9,353,925	9,825,773
Other liabilities	640,982	666,202	191,311	171,054	832,293	837,256
Total liabilities	6,984,432	7,304,336	3,201,786	3,358,693	10,186,218	10,663,029
Total deferred inflows of resources	1,168,352	306,388	110,915	-	1,279,267	306,388
Net position:						
Net investment in capital assets	24,913,471	19,812,328	8,750,593	9,014,842	33,664,064	28,827,170
Restricted	2,268,987	1,802,327	-	25,409	2,268,987	1,827,736
Unrestricted	1,904,717	7,862,622	1,146,891	1,410,103	3,051,608	9,311,995
Total net position	\$ 29,087,175	\$ 29,477,277	\$ 9,897,484	\$ 10,450,354	\$ 38,984,659	\$ 39,966,901

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

- The County's property taxes collection percentage of 94.83% is lower than the State-wide average of 97.97%, but is higher than the prior year rate of 94.44%.

Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015

Hyde County Changes in Net Position  
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 868,161	\$ 1,428,957	\$ 1,374,291	\$ 1,667,416	\$ 2,242,452	\$ 3,096,373
Operating grants and contributions	2,885,126	2,774,467	-	-	2,885,126	2,774,467
Capital grants and contributions	153,492	411,141	-	-	153,492	411,141
General revenues:						
Property taxes	7,324,583	7,291,091	-	-	7,324,583	7,291,091
Other taxes	2,333,848	2,295,118	-	-	2,333,848	2,295,118
Investment Earnings	239,569	47,583	3,448	3,405	243,017	50,988
Other	167,501	1,007,444	-	-	167,501	1,007,444
Total revenues	13,972,280	15,255,801	1,377,739	1,670,821	15,350,019	16,926,622
<b>Expenses:</b>						
General government	2,715,865	1,932,297	-	-	2,715,865	1,932,297
Public safety	3,739,671	4,293,120	-	-	3,739,671	4,293,120
Transportation	114,844	284,195	-	-	114,844	284,195
Economic and physical development	1,873,602	1,648,143	-	-	1,873,602	1,648,143
Human services	2,729,169	3,301,377	-	-	2,729,169	3,301,377
Cultural and recreation	143,708	169,234	-	-	143,708	169,234
Environmental Protection	924,116	1,139,116	-	-	924,116	1,139,116
Education	1,638,653	1,597,182	-	-	1,638,653	1,597,182
Interest on long-term debt	236,712	157,583	-	-	236,712	157,583
Water and sewer	-	-	1,915,542	1,820,411	1,915,542	1,820,411
Transfers	(7,400)	-	7,400	-	-	-
Total expenses	14,108,940	14,522,247	1,922,942	1,820,411	16,031,882	16,342,658
Increase (decrease) in net position	(136,660)	733,554	(545,203)	(149,590)	(681,863)	583,964
Net position, beginning	29,477,277	28,743,723	10,450,354	10,599,944	39,927,631	39,343,667
Net position, beginning, restated	29,223,835	28,743,723	10,390,647	10,599,944	39,614,482	39,343,667
net position, ending	\$ 29,087,175	\$ 29,477,277	\$ 9,845,444	\$ 10,450,354	\$ 38,932,619	\$ 39,927,631

**Hyde County, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

**Governmental activities.** Governmental activities decreased the County's net position by \$136,660. Key elements of this decrease is a decrease in charges for services.

**Business-type activities.** Business-type activities decreased the County's net position by \$545,203. A key element of this decrease was the decrease in water revenues.

**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 \$4,622,833 while total fund balance reached \$6,710,885. 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 38.64 percent of total General Fund expenditures, while total fund balance represents 56.09 percent of that same amount.

At June 30, 2015, the governmental funds of Hyde County reported a combined fund balance of \$9,140,209, a 1.47 percent decrease under last year. The primary reason for this decrease was construction related to schools and the judicial center.

**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.

**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 \$1,094,851. The total change in net position for the Water and Sewer Fund was (\$545,203).

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

**Capital Asset and Debt Administration**

**Capital assets.** Hyde County's capital assets for its governmental and business – type activities as of June 30, 2015, totals \$36,674,539 (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	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ -	\$ -	\$ 1,639,475	\$ 1,730,654	1,639,475	1,730,654
Revenue Bonds	-	-	1,371,000	1,404,000	1,371,000	1,404,000
Installment Purchase	3,367,145	3,534,220	-	-	3,367,145	3,534,220
Compensated Absences	305,380	273,031	52,040	52,985	357,420	326,016
Net Pension Obligation	126,194	118,400	-	-	126,194	118,400
Other Postemployment Benefits	342,757	310,326	-	-	342,757	310,326
Qualified School Construction Bonds	2,201,974	2,402,154	-	-	2,201,974	2,402,154
	<u>\$ 6,343,450</u>	<u>\$ 6,638,131</u>	<u>\$ 3,062,515</u>	<u>\$ 3,187,639</u>	<u>\$ 9,405,965</u>	<u>\$ 9,825,770</u>

Hyde County's total debt decreased by \$419,805 (4.27 percent) during the past fiscal year, primarily due to the scheduled principal repayments on existing general obligation bonds of \$167,073 and \$107,179, in the governmental activities and business-type activities, respectively. Additionally, there were repayments on qualified school construction bonds in the amount of \$200,180. Various other repayments were made to revenue bond debt and compensated absences.

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 \$88,023,618.

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015**

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, 2015

	Primary Government			Component Unit	Total Reporting
	Governmental Activities	Business-type Activities	Total	Hyde County ABC Board	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,321,757	\$ 692,899	\$ 10,014,656	\$ 92,802	\$ 10,107,458
Receivables, net	\$ 1,903,639	423,277	2,326,916	-	2,326,916
Due from other governments	397,603	-	397,603	-	397,603
Due from other funds	-	-	-	-	-
Internal balances	-	-	-	-	-
Inventories	-	-	-	85,054	85,054
Prepaid items	-	-	-	2,662	2,662
Restricted cash and cash equivalents	-	248,163	248,163	-	248,163
Net pension asset	379,577	45,508	425,085	3,539	428,624
Capital assets:					-
Land, improvements, and construction in progress	2,303,081	540,037	2,843,118	-	2,843,118
Other capital assets, net of depreciation	22,610,390	11,221,031	33,831,421	9,968	33,841,389
Total capital assets	<u>24,913,471</u>	<u>11,761,068</u>	<u>36,674,539</u>	<u>9,968</u>	<u>36,684,507</u>
Total assets	<u>36,916,047</u>	<u>13,170,915</u>	<u>50,086,962</u>	<u>194,025</u>	<u>50,280,987</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	323,912	39,270	363,182		363,182
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	554,929	21,881	576,810	139,265	716,075
Miscellaneous liabilities	-	-	-	-	-
Customer deposits	-	137,892	137,892	-	137,892
Accrued interest payable	86,053	31,538	117,591	-	117,591
Long-term liabilities:					-
Compensated absences	-	52,040	52,040	-	52,040
Due within one year	646,256	128,063	774,319	3,789	778,108
Due in more than one year	5,697,194	2,882,412	8,579,606	1,967	8,581,573
Total long-term liabilities	<u>6,343,450</u>	<u>3,010,475</u>	<u>9,353,925</u>	<u>5,756</u>	<u>9,359,681</u>
Total liabilities	<u>6,984,432</u>	<u>3,201,786</u>	<u>10,186,218</u>	<u>145,021</u>	<u>10,331,239</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Other Deferred Inflows	265,163	-	265,163	-	265,163
Pension deferrals	903,189	110,915	1,014,104	1,717	1,015,821
Total Deferred Inflows of Resources	<u>1,168,352</u>	<u>110,915</u>	<u>1,279,267</u>	<u>1,717</u>	<u>1,280,984</u>
<b>NET POSITION</b>					
Net investment in capital assets	24,913,471	8,750,593	33,664,064	4,212	33,668,276
Restricted for:					-
Stabilization by State Statute	1,418,032	-	1,418,032	-	1,418,032
Register of Deeds	135,851	-	135,851	-	135,851
Judicial center construction	133,586	-	133,586	-	133,586
Public safety	38,764	-	38,764	-	38,764
Fire protection	517,165	-	517,165	-	517,165
Drug control	25,589	-	25,589	-	25,589
Other purposes	-	-	-	44,767	44,767
Unrestricted (deficit)	1,904,717	1,146,891	3,051,608	(1,693)	3,049,915
Total net position	<u>\$ 29,087,175</u>	<u>\$ 9,897,484</u>	<u>\$ 38,984,659</u>	<u>\$ 47,286</u>	<u>\$ 39,031,945</u>

Hyde County  
Statement of Activities  
June 30, 2015

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position				Total Reporting Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government			Hyde County ABC Board	
						Business-type Activities	Total	Hyde County ABC Board		
<b>Primary government:</b>										
<b>Governmental Activities:</b>										
General government	\$ 2,715,865	\$ 61,538	\$ 180,000	\$ -	\$ (2,474,327)	\$ -	\$ -	\$ -	\$ -	\$ (2,474,327)
Public safety	3,739,671	371,359	138,374	137,519	(3,092,419)	-	-	-	-	(3,092,419)
Transportation	114,844	102,344	-	15,973	3,473	-	-	-	-	3,473
Environmental Protection	924,116	5,237	458,865	-	(460,014)	-	-	-	-	(460,014)
Economic and physical development	1,873,602	1,001	274,801	-	(1,597,800)	-	-	-	-	(1,597,800)
Human services	2,729,169	300,365	1,792,179	-	(636,625)	-	-	-	-	(636,625)
Cultural and recreation	143,708	26,317	40,907	-	(76,484)	-	-	-	-	(76,484)
Education	1,638,653	-	-	-	(1,638,653)	-	-	-	-	(1,638,653)
Interest/Fees on long-term debt	236,712	-	-	-	(236,712)	-	-	-	-	(236,712)
Total governmental activities	14,116,340	868,161	2,885,126	153,492	(10,209,561)	-	-	(10,209,561)	-	(20,419,122)
<b>Business-type activities:</b>										
Water and Sewer	1,915,542	1,374,291	-	-	(541,251)	-	-	-	-	(541,251)
Total business-type activities	1,915,542	1,374,291	-	-	(541,251)	-	-	-	-	(541,251)
	\$ 16,031,882	\$ 2,242,452	\$ 2,885,126	\$ 153,492	(10,209,561)	(541,251)	(10,750,812)	(10,209,561)	(20,960,373)	
<b>Component Units:</b>										
Hyde County ABC Board	\$ 706,132	\$ 745,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,092	\$ -	\$ 39,092
Total Component Units	\$ 706,132	\$ 745,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,092	\$ -	\$ 39,092
<b>General revenues:</b>										
<b>Taxes:</b>										
Property taxes, levied for general purpose					7,324,583					7,324,583
Local option sales tax					1,714,999					1,714,999
Other taxes and licenses					618,849					618,849
Investment earnings, unrestricted					239,569	3,448		33		243,050
Miscellaneous, unrestricted					167,501					167,501
Gain/(loss) on disposal of assets					-					-
Transfers					7,400	(7,400)				-
Total general revenues					10,072,901	(3,952)		33		10,068,982
Change in net position					(136,660)	(545,203)		39,125		(10,891,391)
Net position, beginning, previously reported					29,477,277	10,450,354		8,161		39,935,792
Prior period adjustment					223,073					223,073
Restatement due to new GASB 68 Pensions					(476,515)	(59,707)				(536,222)
Net position, beginning, restated					29,223,835	10,390,647		8,161		39,622,643
Net position, ending					\$ 29,087,175	\$ 9,845,444	\$ 38,932,619	\$ 47,286	\$ 28,731,252	

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

**Hyde County  
Balance Sheet  
Governmental Funds  
June 30, 2015**

	<u>Major General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,488,911	\$ 1,832,846	\$ 9,321,757
Restricted Cash	-	-	-
Receivables, net:			
Property Taxes	779,886	2,015	781,901
Accounts	160,276	31,909	192,185
Other	87,388	842,165	929,553
Due from other governments	397,603	-	397,603
Due from other funds	52,179	99,070	151,249
Total assets	<u>\$ 8,966,243</u>	<u>\$ 2,808,005</u>	<u>\$ 11,774,248</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 364,387	\$ 190,542	\$ 554,929
Due to other funds	-	151,249	151,249
Total liabilities	<u>364,387</u>	<u>341,791</u>	<u>706,178</u>
Deferred Inflows of Resources	<u>1,890,971</u>	<u>36,890</u>	<u>1,927,861</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	582,343	835,689	1,418,032
Debt Service	135,851	-	135,851
Other Purposes	-	133,586	133,586
Register of Deeds	38,764	-	38,764
Economic and physical development	-	517,165	517,165
Public Safety	-	-	-
Transportation	-	25,589	25,589
Committed:			
Public Safety	-	140,770	140,770
Human Services	-	592,589	592,589
Environmental Protection	338,270	-	338,270
Economic and physical development	-	137,208	137,208
Tax Revaluation	331,308	-	331,308
Cultural and Recreation	-	8,578	8,578
Assigned:			
Subsequent year's expenditures	661,516	167,625	829,141
Unassigned	4,622,833	(129,475)	4,493,358
Total fund balances	<u>6,710,885</u>	<u>2,429,324</u>	<u>9,140,209</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,966,243</u>	<u>\$ 2,808,005</u>	<u>\$ 11,774,248</u>

Hyde County  
Balance Sheet  
Governmental Funds  
June 30, 2015

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

Total Fund Balance - Governmental Funds		\$ 9,140,209
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	33,157,022	
Less accumulated depreciation	<u>(8,243,551)</u>	
Net capital assets		24,913,471
Net pension asset		379,577
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		304,723
Deferred outflows related to pensions		19,189
Deferred inflows of resources for taxes and special assessments receivable		1,662,698
Pension related deferrals		(903,189)
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 payable	(5,569,119)	
Compensated absences	(305,380)	
Unfunded pension obligation	(126,194)	
Other post-employment benefits obligation	(342,757)	
Accrued interest payable	<u>(86,053)</u>	<u>(6,429,503)</u>
Net position of governmental activities		<u>\$ 29,087,175</u>

Hyde County, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2015

	Major	Non-Major	
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 7,299,550	\$ 57,881	\$ 7,357,431
Local option sales taxes	1,714,999	-	1,714,999
Other taxes and licenses	157,696	417,564	575,260
Unrestricted intergovernmental	111,363	-	111,363
Restricted intergovernmental	1,983,309	677,242	2,660,551
Permits and fees	68,145	-	68,145
Sales and services	398,653	381,011	779,664
Investment earnings	10,231	229,338	239,569
Miscellaneous	193,657	11,058	204,715
Total revenues	<u>11,937,603</u>	<u>1,774,094</u>	<u>13,711,697</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,180,043	393,428	2,573,471
Public safety	3,528,988	89,031	3,618,019
Transportation	64,830	-	64,830
Environmental protection	917,433	11,377	928,810
Economic and physical development	448,013	1,065,334	1,513,347
Human services	2,716,618	112,432	2,829,050
Cultural and recreational	43,000	100,708	143,708
Education	1,577,665	-	1,577,665
Debt Service	487,333	30,581	517,914
Capital outlay	-	-	-
Total expenditures	<u>11,963,923</u>	<u>1,802,891</u>	<u>13,766,814</u>
Excess (deficiency) of revenues over expenditures	<u>(26,320)</u>	<u>(28,797)</u>	<u>(55,117)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	825,733	268,813	1,094,546
Transfers to other funds	(268,813)	(818,333)	(1,087,146)
Special Appropriation - Ocracoke Occupancy	180,000	-	180,000
Appropriated fund balance	-	-	-
Total other financing sources (uses)	<u>736,920</u>	<u>(549,520)</u>	<u>187,400</u>
Net change in fund balance	<u>710,600</u>	<u>(578,317)</u>	<u>132,283</u>
Fund balances, beginning as previously reported	5,777,212	3,007,641	8,784,853
Prior period adjustment	223,073	-	223,073
Fund balances, beginning as restated	<u>6,000,285</u>	<u>3,007,641</u>	<u>9,007,926</u>
Fund balances, ending	<u>\$ 6,710,885</u>	<u>\$ 2,429,324</u>	<u>\$ 9,140,209</u>

**Hyde County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**June 30, 2015**

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

Net change in fund balances - total governmental funds	\$ 132,283
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(835,231)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	367,255
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	304,723
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	(32,346)
Other post-employment benefits	(32,431)
Unfunded pension	(7,794)
County's portion of collective pension expense	(27,649)
Accrued interest on debt	(86,053)
Revenues reported in the statement of activities that do not provide current financial resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred inflows of resources - taxes receivable - at end of year	25,033
Increase (decrease) in other deferred inflows of resources - at end of year	<u>55,550</u>
Total changes in net position of governmental activities	<u>\$ (136,660)</u>

**Hyde County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 7,012,421	\$ 7,007,421	\$ 7,299,550	\$ 292,129
Local option sales tax	1,542,000	1,618,000	1,714,999	96,999
Other taxes and licenses	84,100	109,100	157,696	48,596
Unrestricted intergovernmental	206,150	206,150	111,363	(94,787)
Restricted intergovernmental	2,544,050	2,471,363	1,983,309	(488,054)
Permits and fees	137,850	59,150	68,145	8,995
Sales and services	443,400	620,915	398,653	(222,262)
Investment earnings	8,000	8,000	8,766	766
Miscellaneous	95,860	183,451	193,657	10,206
Total revenues	<u>12,073,831</u>	<u>12,283,550</u>	<u>11,936,138</u>	<u>(347,412)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,172,661	2,386,415	2,175,918	210,497
Public safety	3,777,982	3,743,132	3,528,988	214,144
Transportation	97,600	101,100	64,830	36,270
Environmental Protection	-	947,056	917,433	29,623
Economic and physical development	1,358,923	521,367	448,013	73,354
Human services	3,374,879	3,443,097	2,716,618	726,479
Cultural and recreational	43,000	43,000	43,000	-
Education	1,552,286	1,618,286	1,577,665	40,621
Debt Service	278,485	497,333	487,333	10,000
Total expenditures	<u>12,655,816</u>	<u>13,300,786</u>	<u>11,959,798</u>	<u>1,340,988</u>
Revenues over (under) expenditures	<u>(581,985)</u>	<u>(1,017,236)</u>	<u>(23,660)</u>	<u>993,576</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	671,536	493,748	775,733	281,985
Transfers to other funds	(89,551)	(139,551)	(268,813)	(129,262)
Proceeds from QZAB	-	-	-	-
Special Appropriation - Ocracoke Occupancy	-	180,000	180,000	-
Sale of capital assets	-	-	-	-
Fund Balance Appropriated	-	475,639	-	(475,639)
Total other financing sources (uses)	<u>581,985</u>	<u>1,009,836</u>	<u>686,920</u>	<u>152,723</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,400)</u>	663,260	<u>\$ 1,146,299</u>
Fund balance, beginning of year			5,154,971	
Prior period adjustment			223,073	
Fund balance, restated			5,378,044	
Fund balance, end of year			<u>\$ 6,041,304</u>	
<b>Reconciliation to Fund Balance</b>				
A legally budgeted Capital Reserve Fund and Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings - Capital Reserve Fund			698	
Investment Earnings - Revaluation Fund			767	
Transfer from general fund			50,000	
Contract Services - Revaluation Fund			(4,125)	
Beginning Balance - Capital Reserve Fund			337,572	
Beginning Balance - Revaluation Fund			284,666	
Fund balance, ending (Exhibit 4)			<u>\$ 6,710,882</u>	

Hyde County, North Carolina  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

		<u>Water and Sewer Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	692,899
Accounts receivable, net		271,094
Grant receivable		152,183
Restricted cash and cash equivalents		248,163
Total current assets		<u>1,364,339</u>
Noncurrent assets:		
Net pension asset		45,508
Capital assets:		
Land and Construction in Progress		540,037
Other capital assets, net of depreciation		11,221,031
Total capital assets		<u>11,761,068</u>
Total noncurrent assets		<u>11,806,576</u>
Total assets	\$	<u><u>13,170,915</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		39,270
<b>LIABILITIES</b>		
Current liabilities:		
Accounts Payable		21,881
Customer Deposits		137,892
Accrued interest payable		31,538
Compensated absences		52,040
General obligation bonds payable		128,063
Total current liabilities		<u>371,414</u>
Noncurrent liabilities:		
General obligation bonds payable		2,882,412
Total noncurrent liabilities		<u>2,882,412</u>
Total liabilities		<u><u>3,253,826</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		110,915
<b>NET POSITION</b>		
Net investment in capital assets		8,750,593
Restricted:		
Debt Service		
Unrestricted		1,094,851
Total net position	\$	<u><u>9,845,444</u></u>

Hyde County  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

		Water and Sewer Fund
<b>OPERATING REVENUES</b>		
Charges for services	\$	1,356,174
Meter Installations		2,000
Other operating revenues		16,117
Total operating revenues		1,374,291
<b>OPERATING EXPENSES</b>		
Water and Sewer Operations		1,367,553
Depreciation		408,728
Total operating expenses		1,776,281
Operating income (loss)		(401,990)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest and investment revenue		3,448
Transfers in (out)		(7,400)
Interest Expense		(139,261)
Total nonoperating revenues (expenses)		(143,213)
Change in net position		(545,203)
Total net position, beginning		10,450,354
Restatement		(59,707)
Total net position, restated		10,390,647
Total net position, ending	\$	9,845,444

Hyde County  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015

	Water and Sewer Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,583,767
Cash paid for goods and services	(761,316)
Cash paid to employees for services	(659,402)
Customer deposits received, net	-
Other operating revenue	16,117
Net cash provided by operating activities	179,166
<b>Cash flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(20,300)
Principal paid on bond maturities and equipment contracts	(124,179)
Interest paid on bond maturities and equipment contracts	(139,261)
Transfers in (out)	(7,400)
Net cash used by capital and related financing activities	(291,140)
<b>Cash flows from Investing Activities:</b>	
Interest on investments	3,448
Net increase (decrease) in cash and cash equivalents	(108,526)
Cash and cash equivalents, beginning	1,018,050
Cash and cash equivalents, ending	\$ 909,524
<b>Reconciliation of operating income to net cash provided by Operating Activities</b>	
Operating income (loss)	\$ (401,990)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	408,728
Pension Expense	3,424
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	218,224
Deferred outflows of resources for pensions	(36,994)
Increase (decrease) in:	
Accounts payable and accrued liabilities	(18,650)
Customer deposits	7,369
Compensated absences	(945)
General obligation bonds payable	
Total adjustments	581,156
Net cash provided by (used in) operating activities	\$ 179,166

Hyde County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2015

	Total Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 78,696
Taxes Receivable	416
Total assets	79,112
 <b>Liabilities and Net Position</b>	
Liabilities:	
Miscellaneous Liabilities and Accounts Payable	78,696
Deferred Revenues	416
Total liabilities	79,112
 <b>Net position:</b>	
Assets held in trust	\$ -

Hyde County  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2015

I. Summary Of Significant Accounting Policies

The accounting policies of Hyde County, North Carolina (the County) and its component unit 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 unit, a legally separate entity for which the County is financially accountable. The Hyde County ABC Board (the *Board*), which has a June 30 year-end, is presented as if it is 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.

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 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.

*Nonmajor Funds.* The County maintains twenty -five legally budgeted funds. The Ocracoke Occupancy Tax, Hurricane Irene Fund, Hydeland Home Health Fund, Mattamuskeet Opportunities 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, HMGP - Isabel Elevation Project Fund, CDBG Supplemental Assistance Fund, CDBG Scattered Site Project Fund, CDBG SBEA Hyde Project Fund, CDBG Program Repayment Fund, Swan Quarter Water Shed District Fund, CDBG - Contingency, PDM Program, and Homemaker Fund are reported as nonmajor special revenue funds. The Wanchese Seafood Industrial Park Fund and the Airport Grant Fund are reported as capital project funds. 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 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, West Quarter District Fund, Mainland Occupancy Tax Fund, Ocracoke Occupancy Tax Fund, 4-H Fund, E-911 Fund, Hyde County Senior Center Fund, Revolving Loan Fund, Capital Reserve Fund, Hydeland Home Health Fund, CAPS/Personal Care Chore Health Fund, Mattamuskeet Opportunities 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: Wanchese Seafood Industrial Park Fund and 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: HMGP-Hurricane Isabel Elevation Project Fund, CDBG Supplemental Assistance Fund, CDBG Scattered Site Project Fund, CDBG SBEA Hyde Project Fund, CDBG Program Repayment Fund, CDBG - Contingency Fund, PDM Program Fund, and the Hurricane Irene 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 Cash 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.

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, 2014. 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. The County has two items that meet this criterion - pension related deferrals, and contributions made to the pension plan in the current fiscal year. 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. The County has one item that meets this criterion - other pension related deferrals.

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 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) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (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. Investments are reported at fair value.

F. 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 \$19,946,966 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)	\$ 33,157,022
Less accumulated depreciation	(8,243,551)
Net Capital Assets	<u>24,913,471</u>
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,662,698
Deferred outflows related to pensions	19,189
Net pension asset	379,577
Contributions to the pension plan in the current fiscal year	304,723
Pension related deferrals	(903,189)
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	(5,569,119)
Unfunded pension obligation	(126,194)
Accrued interest payable	(86,053)
Compensated Absences	(305,380)
Other Postemployment Benefits	<u>(342,757)</u>
Total Adjustment	<u>\$ 19,946,966</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 (\$268,943) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 91,505
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.	(926,736)
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	367,255
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	304,723
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	(32,346)
Other Postemployment Benefits	(32,431)
Increase in Net Pension Obligation	(7,794)
County's portion of collective pension expense	(27,649)
Accrued interest expense	(86,053)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in deferred inflows of resources - taxes receivable - at end of year	25,033
Decrease in deferred inflows of resources - other receivables - at end of year	<u>55,550</u>
Total Adjustment	<u>\$ (268,943)</u>

## **II. Stewardship, Compliance and Accountability**

### **A. Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2015, expenditures made in the County's Swan Quarter Fund exceeded the authorized appropriations by \$623 at the functional level. In the County's Hurricane Irene Fund, expenditures exceeded appropriations at the functional level by \$9,704. In the County's CDBG - Contingency Fund, expenditures exceeded appropriations at the functional level by \$26,399. In the County's CAPS, Personal Care Fund, expenditures exceeded appropriations at the functional level by \$33,636. In the County's Senior Center Fund, expenditures exceeded appropriations at the functional level by \$18,049. Management and the Board will more closely review the budget reports to ensure compliance in future years.

### **B. Deficit Fund Balance or Net Assets of Individual Funds**

For the fiscal year ended June 30, 2015, the County's PDM Program Fund has a deficit fund balance of \$198,115. Management and the Board will more closely review fund balances to ensure compliance in future years.

### **C. 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 nonmajor funds, the Revolving Loan Fund, and the CDBG Program Repayment Fund. Management and the Board will more closely review fund budgets to ensure compliance in future years.

## **III. Detail Notes On All Funds**

### **A. Assets**

#### **1. Deposits**

All of the County's and the ABC Board'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 or ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, 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, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board 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 and the ABC Board 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 has no formal policy regarding custodial credit risk for deposits.

At June 30, 2015 the County's deposits had a carrying amount of \$10,066,788 and a bank balance of \$10,237,589. Of the carrying amount \$314 was cash on hand. Of the bank balance, \$250,000 was covered by FDIC; the remaining \$9,987,589 was covered by collateral and held under the Pooling Method.

At June 30, 2015, the carrying amount of deposits for Hyde County ABC Board was \$92,302 and the bank balance was \$90,080. All of the bank balance was covered by federal depository insurance.

At June 30, 2015, Hyde County ABC Board had \$500 cash on hand.

2. Investments

As of June 30, 2015, the County's investments consisted of \$100,209 in the North Carolina Capital Management Trust's cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2015, the ABC Board 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
2011	719,438	-	719,438
2012	814,281	-	814,281
2013	844,202	-	844,202
2014	853,793	-	853,793
	<u>\$ 3,231,714</u>	<u>\$ -</u>	<u>\$ 3,231,714</u>

4. Receivables

Receivables at the government-wide level at June 30, 2015, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental activities:					
General	160,276	1,037,086	\$ 397,603	\$ 87,388	\$ 1,682,353
Other Governmental	31,909	2,015	-	842,165	876,089
Total receivables	192,185	1,039,101	397,603	929,553	2,558,442
Allow. for doubtful accounts	-	(257,200)	-	-	(257,200)
Total governmental activities	<u>\$ 192,185</u>	<u>\$ 781,901</u>	<u>\$ 397,603</u>	<u>\$ 929,553</u>	<u>\$ 2,301,242</u>
Business-type activities:					
Water & Sewer	546,319	-	-	-	546,319
Total receivables	546,319	-	-	-	546,319
Allow. for doubtful accounts	(275,225)	-	-	-	(275,225)
Total business-type activities	<u>\$ 271,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,094</u>

Due from other governments that is owed to the County consists of the following at June 30, 2015:

Governmental Activities:	
Local Option Sales Tax	\$ 221,021
Department of Revenue	176,582
Total	<u>\$ 397,603</u>

5. Capital Assets

*Primary Government*

Capital asset activity for the year ended June 30, 2015, 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	8,006	-	-	8,006
Total capital assets not depreciated	<u>2,303,081</u>	<u>-</u>	<u>-</u>	<u>2,303,081</u>
Capital assets being depreciated:				
Buildings	18,863,104	1,681	-	18,864,785
Computer Equipment	277,985	21,933	-	299,918
Equipment	938,304	10,722	-	949,026
Vehicles	1,600,644	57,169	(73,876)	1,583,937
Infrastructure	9,156,275	-	-	9,156,275
Total capital assets being depreciated	<u>30,836,312</u>	<u>91,505</u>	<u>(73,876)</u>	<u>30,853,941</u>
Less accumulated depreciation for:				
Buildings	2,913,741	376,235	-	3,289,976
Computer Equipment	217,204	23,899	-	241,103
Equipment	597,565	67,103	-	664,668
Vehicles	1,294,431	68,775	(73,876)	1,289,330
Infrastructure	2,367,750	390,724	-	2,758,474
Total accumulated depreciation	<u>7,390,691</u>	<u>926,736</u>	<u>(73,876)</u>	<u>8,243,551</u>
Total capital assets being depreciated, net	<u>23,445,621</u>	<u>(835,231)</u>	<u>-</u>	<u>22,610,390</u>
Governmental activities capital assets, net	<u>\$ 25,748,702</u>	<u>\$ (835,231)</u>	<u>\$ -</u>	<u>\$ 24,913,471</u>

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

Governmental Activities:	
General government	\$ 175,203
Public safety	223,501
Transportation	51,695
Human Services	47,972
Environmental Protection	7,783
Education	60,988
Economic and Physical Development	359,594
Total depreciation expense	<u>\$ 926,736</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
<b>Water and Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 57,839	\$ -	\$ -	\$ 57,839
Construction in Progress	482,198	-	-	482,198
Total capital assets not depreciated	540,037	-	-	540,037
Capital assets being depreciated:				
Buildings	17,484,970	-	-	17,484,970
Computer Equipment	14,917	-	-	14,917
Equipment	271,801	20,300	-	292,101
Vehicles	216,973	-	-	216,973
Total capital assets being depreciated	17,988,661	20,300	-	18,008,961
Less accumulated depreciation for:				
Buildings	5,986,846	376,518	-	6,363,364
Computer Equipment	14,687	60	-	14,747
Equipment	232,835	13,320	-	246,155
Vehicles	144,834	18,830	-	163,664
Total accumulated depreciation	6,379,202	408,728	-	6,787,930
Total capital assets being depreciated, net	11,609,459	(388,428)	-	11,221,031
Water and Sewer capital assets, net	\$ 12,149,496	\$ (388,428)	\$ -	\$ 11,761,068

*Construction Commitments*

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

Project	Spent-to-date	Remaining Commitment
HMGP - Hurricane Isabel Elevation Project	\$ 1,762,502	\$ 1,217,266
Mattamuskeet Lodge Sewer Project	482,198	3,517,802
CDBG - Supplemental Assistance	615,000	25,036
Airport Grant Fund	8,006	151,994
Total	\$ 2,867,706	\$ 4,912,098

*Discretely Presented Component Unit*

Activity for the ABC Board for the year ended June 30, 2015, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Equipment	3 - 10 Years	\$ 30,227	\$ 29,252	\$ 975
Vehicle	5 yrs	\$ 17,986	\$ 8,993	\$ 8,993
		\$ 48,213	\$ 38,245	\$ 9,968

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2015, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	\$ 271,395	\$ 369,587	\$ 640,982
Other Governmental	53,419	-	53,419
Total governmental activities	<u>\$ 324,814</u>	<u>\$ 369,587</u>	<u>\$ 694,401</u>
Business-type activities:			
Water and Sewer Fund	\$ 53,419		\$ 53,419
Total business-type activities	<u>\$ 53,419</u>	<u>\$ -</u>	<u>\$ 53,419</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](http://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, 2015, was 7.41% of compensation for law enforcement officers and 7.07% 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 \$338,226 for the year ended June 30, 2015.

*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, 2015, the County reported an asset of \$416,066 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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 LGERS employers, actuarially determined. At June 30, 2015, the County’s proportion was -0.1054%, which was a decrease of 0.1772 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$31,301. At June 30, 2015, 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	\$ -	\$ 45,462
Net difference between projected and actual earnings on pension plan investments	-	968,592
Changes in proportion and differences between County Contributions and proportionate share of	20,811	-
County contributions subsequent to the measurement date	338,226	-
Total	<u>\$ 359,037</u>	<u>\$ 1,014,054</u>

\$338,226 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2016	\$ (248,326)
2017	(248,326)
2018	(248,326)
2019	(248,265)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment Rate of Return	7.25 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Fixed Income	36%	2.5%
Global Equity	41%	6.1%
Real Estate	8%	5.7%
Alternatives	7%	10.5%
Credit	5%	6.8%
Inflation Protection	5%	3.7%

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	1,412,308	(416,066)	(1,955,498)

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

1) 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. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014 the Separation Allowance membership consisted of:

Retirees receiving benefits	\$	-
Terminated plan members entitled to but not yet receiving benefits		-
Active plan members		15
Total	<u>\$</u>	<u>15</u>

A separate report was not issued for the plan.

2) Summary of Significant Accounting Policies

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. The expenditures are paid as they become due.

3) Contributions

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

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

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

Annual required contribution	\$	11,876
Interest on net pension obligation		5,920
Adjustment to annual required contribution		(10,002)
Annual pension cost	<u>\$</u>	<u>7,794</u>
Contributions made		-
Increase (decrease) in net pension obligation	<u>\$</u>	<u>7,794</u>
Net pension obligation beginning of year		118,400
Net pension obligation end of year	<u>\$</u>	<u>126,194</u>

**Three Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2013	9,490	0.00%	111,206
2014	7,194	0.00%	118,400
2015	7,194	0.00%	126,194

4) Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$55,717. The covered payroll (annual payroll of active employees covered by the plan) was \$707,649, and the ratio of the UAAL to the covered payroll was 7.87%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2015 were \$51,137, which consisted of \$30,547 from the County and \$20,590 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.

*Funding Policy.* Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The County does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

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. ROSDPF 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](http://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 \$3,492 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$9,019 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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 ROSDPF employers, actuarially determined. At June 30, 2014, the County's proportion was 0.0398%, which was a decrease of 0.0039% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$31. At June 30, 2015, 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	\$ 83	\$ -
Net difference between projected and actual earnings on pension plan investments	-	49
Changes in proportion and differences between County Contributions and proportionate share of	571	-
County contributions subsequent to the measurement date	3,492	-
Total	<u>\$ 4,146</u>	<u>\$ 49</u>

\$3,492 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	\$ 285
2017	285
2018	47
2019	(12)
2020	-
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	5.75 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. 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 5.75 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	(8,099)	(9,019)	(9,810)

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. 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 December 31, 2014, the date of the latest actuarial valuation:

	General	
	Employees	Law Enforcement
Retirees and dependents receiving benefits	4	0
Terminated plan members entitled to but not yet receiving benefits	-	-
Active Plan members	100	13
Total	104	13

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 1.73% of annual covered payroll. For the current year, the County contributed \$41,482, or 0.95% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.71% and 1.55% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 73,358
Interest on net OPEB obligation	12,413
Adjustment to annual required contribution	(11,858)
Annual OPEB cost (expense)	\$ 73,913
Contributions made	(41,482)
Increase (decrease) in net OPEB obligation	\$ 32,431
Net OPEB obligation, beginning of year	310,326
Net OPEB obligation, end of year	\$ 342,757

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	87,089	51.1%	268,916
2014	68,336	39.4%	310,326
2015	73,913	56.1%	342,757

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$825,774. The covered payroll (annual payroll of active employees covered by the plan) was \$4,363,660, and the ratio of UAAL to the covered payroll was 18.9 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare costs trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of pay on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

g. 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	\$ -	\$ 45,462
Register of Deeds	83	-
Pension - difference between projected and actual investment earnings	-	968,641
Pension - change in proportion and difference between employer contributions and proportionate share of contributions	21,382	-
Contributions to pension plan in 2014-2015 fiscal year	341,718	-
Prepaid taxes not yet earned (General)	-	-
Taxes receivable, net (General), less penalties	-	779,886
Taxes receivable, net(Special Revenue)	-	2,015
Accounts Receivable - Patient fees (General)	-	160,276
Accounts Receivable - Patient fees (Special Revenue)	-	31,909
QZAB Bond (General)		265,163
Other Deferrals - Various Grants		688,612
Total	<u>\$ 363,183</u>	<u>\$ 2,941,964</u>

5. 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 for \$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. Qualified Zone Academy Bonds

In 1997, Congress enacted a four year authorization for Qualified Zone Academy Bonds (QZABS), codified in Section 1397E of the Internal Revenue Code. The legislation established a national limit of \$400 million of QZABS for each of the ten years of the program's authorization, and it is not certain that Congress will extend the program once the authorization expires. S.L. 2000-69 (H 1539) authorizes North Carolina counties to issue this specialized form of debt.

A qualified zone academy is a public school or program with a public school. The school must either be in a federal empowerment zone or enterprise community, or at least 35% of the children attending the school or participating in the program must be eligible for free or reduced-cost lunches under the federal School Lunch Act. In other words, the school or program must serve a significant number of children from low-income families. QZABS are issued to help finance the qualified zone academy, and under the new North Carolina Statute, the proceeds of these bonds may be used to rehabilitate or repair school facilities or to purchase equipment (other than computer equipment) associated with the rehabilitation or repair.

The loans are intended to be interest-free to the borrowing government. Instead of interest, the lenders receive federal tax credits in the amount that the interest would have been had there been interest. The federal legislation limits the potential users of QZABS to banks, insurance companies, and other corporations actively involved in lending money. Also, the federal legislation requires that the borrowing government receive private contributions to the bond-financed project in an amount equal to at least 10% of the bond proceeds.

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County has financed various property acquisitions for use by Hyde County Board of Education by installment purchase. The installment purchase was issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Hyde County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. Due to the economic substance of the transaction, the fixed assets associated with the installment purchase obligation are recorded by the Board of Education. The following obligations were outstanding as of June 30, 2015:

### b. Installment Purchases

The first installment purchase was executed on November 19, 2004 for various property acquisitions and improvements for use by Hyde County Board of Education. The transaction requires fourteen principal payments by the County of \$55,965 with no interest.

The second installment purchase was 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%.

The third installment purchase was executed on July 16, 2010, for the purchase of the E911 equipment in the amount of \$148,914. The transaction requires 5 principal payments of \$29,783 plus interest at 2.68%.

For Hyde County, the future minimum lease payments as of June 30, 2015, including \$1,628,989 of interest, are:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 140,697	\$ 124,119
2017	144,244	120,568
2018	147,940	116,873
2019	360,786	113,022
2020	97,815	109,010
2021-2025	553,981	478,740
2026-2030	679,965	350,006
2031-2035	834,622	191,942
2036-2037	407,096	24,709
Total	<u>\$ 3,367,146</u>	<u>\$ 1,628,989</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. \$ 1,639,475

The County's general obligation bonds payable at June 30, 2015 are comprised of the following individual issue:

Year Ending June 30	Principal	Interest
2016	\$ 110,063	\$ 45,741
2017	113,380	42,871
2018	116,118	39,507
2019	119,284	36,268
2020	122,867	32,940
2021-2025	655,254	111,526
2026-2028	402,509	22,489
Total	<u>\$ 1,639,475</u>	<u>\$ 331,342</u>

At June 30, 2015, Hyde County had a legal debt margin of approximately \$88,023,618. The County has no authorized but unissued bonds at June 30, 2015.

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%. \$ 1,371,000

The County was 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	\$ 1,374,291
Operating Expenses	<u>1,776,281</u>
Operating Income	(401,990)
Nonoperating Revenues (Expenses)	<u>(3,952)</u>
Income available for debt service	(405,942)
Subordinated indebtedness debt service requirement	155,804
110% of Debt Service Requirement	<u>83,589</u>
100% of Debt Service plus 110% of revenue bonds	239,393
Debt Service Ratio	-169.57%

The future payments of the revenue bonds are as follows:

Year Ending June 30	Principal	Interest
2016	\$ 18,000	\$ 58,268
2017	18,000	57,503
2018	19,000	56,738
2019	20,000	55,930
2020	21,000	55,080
2021-2025	120,000	261,162
2026-2030	146,000	233,537
2031-2035	179,000	199,835
2036-2040	221,000	158,355
2041-2045	272,000	107,270
2046-2050	<u>337,000</u>	<u>44,242</u>
	<u>\$ 1,371,000</u>	<u>\$ 1,287,920</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. \$ 2,201,974

Year Ending June 30	Governmental-Type Activities	
	Principal	Interest
2016	200,179	20,478
2017	200,179	18,617
2018	200,179	16,755
2019	200,179	14,893
2020	200,179	13,032
2021-2025	1,000,900	37,233
2026	200,179	1,862
	<u>\$ 2,201,974</u>	<u>\$ 122,870</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, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
<b>Governmental activities:</b>					
Installment Purchase	\$ 3,534,220	\$ -	\$ 167,075	\$ 3,367,145	\$ 140,697
Qualified School Construction Bonds	2,402,154	-	200,180	2,201,974	200,179
Compensated absences	273,034	32,346	-	305,380	305,380
Net pension obligation	118,400	7,794	-	126,194	-
Net pension liability	770,803	-	770,803	-	-
Other postemployment benefits	310,326	32,431	-	342,757	-
Total	<u>\$ 7,408,937</u>	<u>\$ 72,571</u>	<u>\$ 1,138,058</u>	<u>\$ 6,343,450</u>	<u>\$ 646,256</u>
<b>Business-type activities:</b>					
General obligation debt	\$ 1,746,654	\$ -	\$ 107,179	\$ 1,639,475	\$ 110,063
Revenue bonds debt	1,388,000	-	17,000	1,371,000	18,000
Net pension liability	94,663	-	94,663	-	-
Compensated absences	52,985	-	945	52,040	52,040
Total	<u>\$ 3,282,302</u>	<u>\$ -</u>	<u>\$ 219,787</u>	<u>\$ 3,062,515</u>	<u>\$ 180,103</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

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, 2015, consist of the following:

From the Hurricane Irene Fund to the General Fund to assist with current year expenditures	\$ 702,175
From the Hydeland Home Health Fund to the CAPS Personal Care Fund to assist with current year expenditures	70,000
From the General Fund to the HMGP Isabel Fund to close the fund	1,000
From the CDBG Supplemental Assistance Fund to the General Fund	19,216
From the CDBG Program Repayment Fund to the General Fund	26,942
From the General Fund to the CDBG Contingency Fund.	585
From the General Fund to the Homemaker Fund	20,409
From the Water & Sewer Fund to the General Fund	7,400
Total	<u>\$ 847,727</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, 2015, consist of the following:

From the General Fund to the 4-H Fund for payment of expenditures	\$ 200
From the PDM Program Fund to the General Fund for the payment of expenditures	58,249
From the General Fund to the Homemaker Fund for the payment of expenditures	5,870
From the CAPS/Personal Chore Health Fund to the Hydeland Home Health Fund for the payment of expenditures	93,000
Total	<u>\$ 157,319</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	\$ 6,710,885
Less:	
Stabilization by State Statute	582,343
Debt Service	135,851
Other Purposes	-
Register of Deeds	38,764
Tax Revaluation	331,308
Environmental Protection	338,270
Appropriated Fund Balance in 2016 budget	661,516
Remaining fund balance	<u>\$ 4,622,833</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 \$4,676 to the Council during the fiscal year ended June 30, 2015. The County was the sub recipient of a grant for \$30,320 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
Temporary Assistance Needy Families	\$ (2,842)	\$ -
Medicaid	4,917,896	2,835,636
Children Health Insurance Program - NC Health Choice	54,816	17,207
Special Supplemental Nutrition Program for Women, Infants, and Children	46,875	-
Low Income Energy Assistance	48,100	-
NC Health Choice	54,816	17,207
Total	<u>\$ 5,119,661</u>	<u>\$ 2,870,050</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, 2015, 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. School Facilities Finance Act of 1987**

The General Assembly passed the School Facilities Finance Act of 1987 (Act) to assist county governments in meeting their public school facility needs. The Act created two-State-funded programs for the construction and renewal of school facilities: the Public School Building Capital Fund administered by the Office of State Budget and Management and the Critical School Facilities Needs Fund administered by the State Board of Education. The Public School Building Capital Fund may also be used to finance equipment needs under the local school unit's technology plan.

**Public School Building Capital Fund:** This program is funded in part, using a portion of the corporate income taxes which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net School Facilities Needs Fund. For the period from October 1, 1999 to September 30, 2000, the applicable fraction was one-fourteenth (1/14) of the net collections; for periods after September 30, 2000, the applicable fraction is five sixty-ninths (5/69) of the net collections of corporate taxes.

Monies in the fund are allocated to Hyde County on the basis of the average daily membership (ADM) for the Hyde County Board of Education as determined and certified by the State Board of Education. The Office of State Budget and Management established and now maintain an ADM allocation account for the County. At June 30, 2015, the balance of the County's ADM allocation account was \$20,324. The County must match the balance on the basis of one dollar for every three dollars of the State funds for financing the school unit's facilities capital needs. The local school technology plan does not require a county match.

This program is also funded in part, using a portion of the lottery funds collected from the NC Education Lottery. Distributions of the lottery money are made based on the County's average daily membership (ADM) and on the tax rate of the County. At June 30, 2015 the balance of the County's Lottery Fund account was \$0. The County must match the balance on the basis of one dollar for every three dollars of State funds for financing the school unit's facilities capital needs. The local school technology plan does not require a county match.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer.

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

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

The Commission on School Facilities Needs established a priority list of the Counties receiving grants. The Commission on School Facilities Needs has since been abolished. Grants are awarded by the State Board of Education based on the grant priority list. A joint application must be made by the Hyde County Board of Commissioners and the Hyde County Board of Education. At June 30, 2015, the Boards have not submitted a grant application to the Commission on School Facility Needs.

**IX. Economic Dependence**

The County receives a substantial amount of revenue each year from the Hyde County Prison. For the year ended June 30, 2015, revenue from the Hyde County Prison represented 36% of the total Water and Sewer Fund revenues.

**X. Date of Management Evaluation**

Management has evaluated subsequent events through December 31, 2015, the date on which the financial statements were available to be issued.

**XI. Prior Period Adjustment**

A prior period adjustment was recorded to reflect adjusting entries from prior years that were not reflected on the general ledger. This adjustment increased the General Fund fund balance by \$223,073.

**XII. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$476,515 and \$59,707, respectively.

## Required Supplemental Financial Data

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

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

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

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

Schedule of Funding Progress for the Other Postemployment Benefits

Schedule of Employer Contributions for the Other Postemployment Benefits

Notes to the Required Schedules for the Other Postemployment Benefits

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)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2007	-	18,651	18,651	0.00%	432,475	4.31%
12/31/2008	-	27,277	27,277	0.00%	613,944	4.44%
12/31/2009	-	48,232	48,232	0.00%	668,839	7.21%
12/31/2010	-	43,267	43,267	0.00%	681,744	6.35%
12/31/2012	-	41,513	41,513	0.00%	667,010	6.22%
12/31/2013	-	49,087	49,087	0.00%	637,182	7.70%
12/31/2014	-	55,717	55,717	0.00%	707,649	7.87%

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

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<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2011	11,817	0%
2012	9,847	0%
2013	9,490	0%
2014	10,694	0%
2015	11,876	0%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
*Included inflation at	3.00%
Cost-of living adjustments	N/A

**Hyde County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2006	\$ -	\$ 624,685	\$ 624,685	0.00%	\$ 3,251,385	19.2%
12/31/2007	-	751,226	751,226	0.00%	\$ 3,209,473	23.4%
12/31/2008	-	789,127	789,127	0.00%	3,966,397	19.9%
12/31/2009	-	812,528	812,528	0.00%	4,393,975	18.5%
12/31/2012	-	747,908	747,908	0.00%	4,169,188	17.9%
12/31/2013	-	763,530	763,530	0.00%	4,253,513	18.0%
12/31/2014	-	825,774	825,774	0.00%	4,363,660	18.9%

Hyde County, North Carolina  
Other Post Employment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions

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<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2011	88,775	40.2%
2012	92,731	43.8%
2013	87,089	51.1%
2014	68,336	39.4%
2015	73,913	56.1%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	4.00%
Pre-Medicare Trend Rate	7.50%-5.00%
Year of ultimate trend rate	2020
*Includes inflation at	3.00%

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

Local Government Employees' Retirement System		
	2015	2014
County's proportion of the net pension liability (asset) (%)	-0.10540%	0.07180%
County's proportion of the net pension liability (asset) (\$)	\$ (416,066)	\$ 865,466
County's covered-employee payroll	\$ 4,766,419	\$ 3,992,844
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-8.73%	21.68%
Plan fiduciary net position as a percentage of the total pension liability**	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 Two Fiscal Years

Local Government Employees' Retirement System		
	2015	2014
Contractually required contribution	\$ 338,226	\$ 319,589
Contributions in relation to the contractually required contribution	338,226	319,589
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 4,766,419	\$ 3,992,844
Contributions as a percentage of covered-employee payroll	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 Two Fiscal Year\*

	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.0398%	0.044%
County's proportionate share of the net pension liability (\$)	\$ (9,019)	(9,330)
County's covered-employee payroll	\$ 50,189	50,189
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-17.97%	-18.59%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

Hyde County, North Carolina  
 Schedule of County Contributions  
 Register of Deeds' Supplemental Pension Fund  
 Last Two Fiscal Year\*

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	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,492	\$ 3,492
Contributions in relation to contractually required contribution	<u>3,492</u>	<u>3,492</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 50,189	\$ 50,189
Contributions as a percentage of covered-employee payroll	6.96%	6.96%

## Combining and Individual Fund Statements and Schedules

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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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$ 6,943,921	\$ 7,219,129	\$ 275,208
Interest	63,500	80,421	16,921
Total	<u>7,007,421</u>	<u>7,299,550</u>	<u>292,129</u>
Local option sales tax:			
Article 39 and 44	602,000	654,608	52,608
Article 40 one - half of one percent	326,000	361,369	35,369
Article 42 one - half of one percent	330,000	330,707	707
Medicaid Hold Harmless Payment	360,000	368,315	8,315
Total	<u>1,618,000</u>	<u>1,714,999</u>	<u>96,999</u>
Other taxes & licenses:			
Real estate stamp excise tax	61,000	93,707	32,707
Scrap tire disposal tax	5,000	7,916	2,916
White goods disposal tax	-	1,863	1,863
Solid waste disposal tax	4,000	4,513	513
Local occupancy tax	35,850	46,397	10,547
Franchise Tax - cable tv	3,100	2,610	(490)
Beer and wine licenses	150	690	540
Total	<u>109,100</u>	<u>157,696</u>	<u>48,596</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes-outside sources	206,150	111,363	(94,787)
Beer and wine tax	-	-	-
Total	<u>206,150</u>	<u>111,363</u>	<u>(94,787)</u>
Restricted intergovernmental:			
State Grants	730,124	584,651	(145,473)
Federal Grants	-	-	-
Social Service Grants - federal and state	1,443,363	1,113,439	(329,924)
Other grants	285,676	273,142	(12,534)
On-behalf of payments - Fire and Rescue	-	-	-
Unauthorized substance tax	-	855	855
Court facility fees	11,000	9,294	(1,706)
ABC Bottles taxes	1,200	1,928	728
Total	<u>2,471,363</u>	<u>1,983,309</u>	<u>(488,054)</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, 2015

	Budget	Actual	Variance Positive (Negative)
Permits and fees:			
Building Permits	12,000	10,869	(1,131)
Concealed handgun permits	1,000	3,240	2,240
Inspection Fees	14,550	21,545	6,995
Register of Deeds	20,000	20,814	814
Election filing fees	100	603	503
Sheriff Fees	9,000	8,389	(611)
Private well fees	1,500	2,030	530
Code Enforcement Penalties	1,000	655	(345)
Homeownership Recovery Fee	-	-	-
Total	<u>59,150</u>	<u>68,145</u>	<u>8,995</u>
Sales and services:			
Rents, Concessions, and Fees	162,760	123,038	(39,722)
Jail Fees	-	1,947	1,947
Household Garbage Collection	6,000	5,237	(763)
Ambulance and Rescue Squad Fees	350,000	210,653	(139,347)
Airport Gas Sales	15,000	10,944	(4,056)
Health Department Fees	87,155	46,834	(40,321)
Total	<u>620,915</u>	<u>398,653</u>	<u>(222,262)</u>
Investment earnings:	<u>8,000</u>	<u>8,766</u>	<u>766</u>
Miscellaneous:			
Insurance Claims	50,000	88,957	38,957
Judgment Proceeds	-	-	-
Donations	-	-	-
Other Revenues	133,451	104,700	(28,751)
Total	<u>183,451</u>	<u>193,657</u>	<u>10,206</u>
Total revenues	<u>12,283,550</u>	<u>11,936,138</u>	<u>(347,412)</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
Governing Body:			
Salaries and employee benefits	24,363	24,364	(1)
Other operating expenditures	5,251	4,923	328
Total	<u>29,614</u>	<u>29,287</u>	<u>327</u>
Administration:			
Salaries and employee benefits	216,184	215,550	634
Other operating expenditures	414,652	336,626	78,026
Capital outlay	-	309	(309)
Total	<u>630,836</u>	<u>552,485</u>	<u>78,351</u>
Elections:			
Salaries and employee benefits	16,883	11,620	5,263
Other operating expenditures	62,269	58,160	4,109
Capital Outlay	-	-	-
Total	<u>79,152</u>	<u>69,780</u>	<u>9,372</u>
Finance:			
Salaries and employee benefits	134,994	131,354	3,640
Other operating expenditures	43,435	39,762	3,673
Capital outlay	-	-	-
Total	<u>178,429</u>	<u>171,116</u>	<u>7,313</u>
Human Resources:			
Salaries and employee benefits	57,889	57,624	265
Other operating expenditures	12,600	9,435	3,165
Capital Outlay	-	-	-
Total	<u>70,489</u>	<u>67,059</u>	<u>3,430</u>
Taxes:			
Salaries and employee benefits	135,692	133,018	2,674
Other operating expenditures	63,317	54,186	9,131
Capital outlay	-	-	-
Total	<u>199,009</u>	<u>187,204</u>	<u>11,805</u>
Legal:			
Contracted Services	40,000	31,945	8,055
Capital outlay	-	-	-
Total	<u>40,000</u>	<u>31,945</u>	<u>8,055</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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Register of Deeds:</b>			
Salaries and employee benefits	108,282	107,106	1,176
Other operating expenditures	91,675	89,289	2,386
Capital Outlay	-	-	-
Total	<u>199,957</u>	<u>196,395</u>	<u>3,562</u>
<b>Public Buildings:</b>			
Salaries and employee benefits	123,873	123,997	(124)
Other operating Expenditures	346,501	342,626	3,875
Public Safety Center Project	128,252	119,452	8,800
ECB Renovations Project	163,390	150,482	12,908
Government Center Project	183,913	121,526	62,387
Creekside Drive Waterline Project			-
Total	<u>945,929</u>	<u>858,083</u>	<u>87,846</u>
<b>Court Facilities:</b>			
Other operating expenditures	13,000	12,564	436
Total	<u>13,000</u>	<u>12,564</u>	<u>436</u>
<b>Total General Government</b>	<u>2,386,415</u>	<u>2,175,918</u>	<u>210,497</u>
<b>Public Safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	1,046,226	996,104	50,122
Other operating expenditures	263,491	185,536	77,955
Capital outlay	25,000	71,509	(46,509)
Total	<u>1,334,717</u>	<u>1,253,149</u>	<u>81,568</u>
<b>ABC Rehabilitation:</b>			
Other operating expenditures	1,800	1,968	(168)
Total	<u>1,800</u>	<u>1,968</u>	<u>(168)</u>
<b>Jail:</b>			
Salaries and employee benefits	65,301	47,432	17,869
Other operating expenditures	96,950	107,811	(10,861)
Total	<u>162,251</u>	<u>155,243</u>	<u>7,008</u>
<b>Emergency Management:</b>			
Salaries and employee benefits	83,372	82,306	1,066
Other operating expenditures	112,401	109,801	2,600
Capital outlay	-	-	-
Total	<u>195,773</u>	<u>192,107</u>	<u>3,666</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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Fire:</b>			
Contracted Services	161,170	159,303	1,867
<b>Inspections:</b>			
Salaries and employee benefits	102,590	100,314	2,276
Other operating expenditures	31,550	20,741	10,809
Capital outlay	-	-	-
Total	134,140	121,055	13,085
<b>Rescue:</b>			
Salaries and employee benefits	1,266,517	1,203,254	63,263
Other operating expenditures	468,882	431,235	37,647
Capital outlay	-	-	-
Total	1,735,399	1,634,489	100,910
<b>Animal Control:</b>			
Salaries and Employee Benefits	8,282	7,074	1,208
Other operating expenditures	6,600	4,500	2,100
Total	14,882	11,574	3,308
<b>Medical Examiner:</b>			
Other operating expenditures	3,000	100	2,900
Total	3,000	100	2,900
<b>Total Public Safety</b>	3,743,132	3,528,988	214,144
<b>Environmental Protection:</b>			
<b>Solid Waste:</b>			
Salaries and employee benefits	307,062	301,944	5,118
Other operating expenditures	639,994	615,169	24,825
Capital outlay	-	320	(320)
Total	947,056	917,433	29,623
<b>Total Environmental Protection</b>	947,056	917,433	29,623
<b>Transportation:</b>			
<b>Airport:</b>			
Other operating expenditures	101,100	63,149	37,951
Capital Outlay	-	1,681	(1,681)
<b>Total Transportation</b>	101,100	64,830	36,270

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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Economic and Physical Development:</b>			
Planning:			
Salaries and employee benefits	111,397	105,602	5,795
Other operating expenditures	36,639	35,845	794
Professional services	-	-	-
Total	<u>148,036</u>	<u>141,447</u>	<u>6,589</u>
Agricultural Extension:			
Salaries and employee benefits	86,847	69,981	16,866
Other operating expenditures	23,200	20,449	2,751
Capital outlay	-	-	-
Total	<u>110,047</u>	<u>90,430</u>	<u>19,617</u>
Swan Quarter Dike Project:			
Capital Outlay	<u>80,000</u>	<u>25,446</u>	<u>54,554</u>
Juvenile Crime Prevention:			
Salaries and employee benefits	19,377	19,108	269
Other operating expenditures	35,511	33,847	1,664
Total	<u>54,888</u>	<u>52,955</u>	<u>1,933</u>
Soil and Water Conservation:			
Salaries and employee benefits	107,411	106,831	580
Other operating expenditures	20,985	27,012	(6,027)
Capital outlay	-	3,892	(3,892)
Total	<u>128,396</u>	<u>137,735</u>	<u>(9,339)</u>
<b>Total Economic and Physical   Development</b>	<u>521,367</u>	<u>448,013</u>	<u>73,354</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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Human Services:</b>			
Health:			
Administration:			
Salaries and employee benefits	115,404	119,029	(3,625)
Other operating expenditures	128,969	111,934	17,035
Capital Outlay	-	13,793	(13,793)
Total	<u>244,373</u>	<u>244,756</u>	<u>(383)</u>
Public Management Entity:			
Salaries and employee benefits	4,482	4,314	168
Other operating expenditures	5,190	4,045	1,145
Capital Outlay	-	-	-
Total	<u>9,672</u>	<u>8,359</u>	<u>1,313</u>
Communicable Diseases:			
Salaries and employee benefits	10,682	10,226	456
Other operating expenditures	3,549	2,948	601
Total	<u>14,231</u>	<u>13,174</u>	<u>1,057</u>
Immunization:			
Salaries and employee benefits	3,920	3,384	536
Other operating expenditures	3,260	2,567	693
Total	<u>7,180</u>	<u>5,951</u>	<u>1,229</u>
Medical Assistance:			
Salaries and Employee Benefits	15,520	15,423	97
Other operating expenditures	7,281	7,107	174
Total	<u>22,801</u>	<u>22,530</u>	<u>271</u>
Health Promotions-Risk Reduction:			
Salaries and Employee Benefits	9,544	8,878	666
Other Operating Expenditures	23,425	12,713	10,712
Total	<u>32,969</u>	<u>21,591</u>	<u>11,378</u>
Child Health-State:			
Salaries and Employee Benefits	11,948	10,047	1,901
Other operating expenditures	8,353	5,537	2,816
Total	<u>20,301</u>	<u>15,584</u>	<u>4,717</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, 2015

	Budget	Actual	Variance Positive (Negative)
Maternal Health-State:			
Salaries and Employee Benefits	11,247	11,027	220
Other operating expenditures	7,989	7,038	951
Total	19,236	18,065	1,171
Breast and Cervical Cancer:			
Salaries and Employee Benefits	5,353	5,349	4
Other operating expenditures	10,864	10,673	191
Total	16,217	16,022	195
Food and Lodging:			
Salaries and Employee Benefits	40,144	39,753	391
Other operating expenditures	3,990	2,284	1,706
Capital Outlay	-	-	-
Total	44,134	42,037	2,097
Women, Infants and children:			
Salaries and Employee Benefits	24,517	24,171	346
Other operating expenditures	5,500	4,221	1,279
Total	30,017	28,392	1,625
Pregnancy Care Management:			
Salaries and Employee Benefits	10,747	10,680	67
Other operating expenditures	403	123	280
Total	11,150	10,803	347
Tobacco Free Hyde:	-	-	-
Salaries and Employee Benefits	-	-	-
Environmental Health:			
Salaries and Employee Benefits	42,456	36,604	5,852
Other operating expenditures	27,610	24,968	2,642
Total	70,066	61,572	8,494
Mosquito Control:			
Salaries and Employee Benefits	-	-	-
Other operating expenditures	-	-	-
Total	-	-	-

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, 2015

	Budget	Actual	Variance Positive (Negative)
Adult Health:			
Salaries and Employee Benefits	80,718	69,308	11,410
Other operating expenditures	21,149	18,584	2,565
Capital Outlay	-	-	-
Total	<u>101,867</u>	<u>87,892</u>	<u>13,975</u>
Family Planning - State:			
Salaries and Employee Benefits	50,462	45,425	5,037
Other operating expenditures	13,323	12,196	1,127
Capital Outlay	-	-	-
Total	<u>63,785</u>	<u>57,621</u>	<u>6,164</u>
Child Service Coordinator - State:			
Salaries and Employee Benefits	10,128	10,069	59
Other operating expenditures	241	(83)	324
Total	<u>10,369</u>	<u>9,986</u>	<u>383</u>
Kate B. Reynolds Grant:			
Salaries and Employee Benefits	56,098	46,165	9,933
Other operating expenditures	57,310	44,707	12,603
Total	<u>113,408</u>	<u>90,872</u>	<u>22,536</u>
Community Transformation:			
Other operating expenditures	1,500	1,303	197
Total	<u>1,500</u>	<u>1,303</u>	<u>197</u>
Mental Health:			
Other operating expenditures	10,914	10,914	-
Total	<u>10,914</u>	<u>10,914</u>	-
Social Services:			
Medical Assistance Program:			
Salaries and Employee Benefits	792,886	754,923	37,963
Other operating expenditures	293,249	200,682	92,567
Capital Outlay	-	-	-
Total	<u>1,086,135</u>	<u>955,605</u>	<u>130,530</u>
SBA Home Loans/Grants:			
Transportation	7,392	5,384	2,008
In-Home Chore	18,984	17,825	1,159
Total	<u>26,376</u>	<u>23,209</u>	<u>3,167</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, 2015

	Budget	Actual	Variance Positive (Negative)
CAPS - Medicaid:			
Salaries and Employee Benefits	41,561	34,585	6,976
Other operating expenditures	28,499	12,770	15,729
Total	70,060	47,355	22,705
Public Assistance:			
Special Assistance	50,500	43,296	7,204
Medical Assistance	37,684	35,221	2,463
Total	88,184	78,517	9,667
Day Care:			
Salaries and Employee Benefits	68,383	67,952	431
Other operating expenditures	294,195	98,482	195,713
Total	362,578	166,434	196,144
Mattamuskeet Opportunities:			
Salaries and Employee Benefits	99,397	81,639	17,758
Other operating expenditures	76,769	47,762	29,007
Total	176,166	129,401	46,765
Project Direct Legacy for Men:			
Salaries and Employee Benefits	1,558	1,184	374
Other operating expenditures	13,442	14,575	(1,133)
Total	15,000	15,759	(759)
Primary Care Telemedicine:			
Salaries and Employee Benefits	29,952	26,636	3,316
Other operating expenditures	29,836	15,197	14,639
Capital Outlay	-	-	-
Total	59,788	41,833	17,955
Triple P Program:			
Salaries and Employee Benefits	62,182	33,258	28,924
Other operating expenditures	90,290	63,225	27,065
Capital Outlay	-	-	-
Total	152,472	96,483	55,989
Family Connects:			
Salaries and Employee Benefits	32,423	32,102	321
Other operating expenditures	17,802	4,502	13,300
Capital Outlay	-	-	-
Total	50,225	36,604	13,621

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, 2015

	Budget	Actual	Variance Positive (Negative)
Services:			
SSBG In-Home Chore	24,543	24,157	386
SSBG Blind	2,089	1,851	238
SSBG Transportation	400	180	220
SSBG Legal Services	10,500	-	10,500
Crisis Intervention	20,971	18,942	2,029
Medicaid transportation	65,000	36,545	28,455
State Foster Care	30,480	-	30,480
TANF Domestic Violence	-	229	(229)
IV-A adoption assistance	2,734	(3,853)	6,587
IV-B adoption assistance	5,126	2,219	2,907
IV-E Foster Care	35,710	15,587	20,123
General assistance	3,000	2,394	606
Personal Care equipment	1,000	-	1,000
200% of poverty	5,000	4,649	351
AFDC emergency assistance	5,000	4,399	601
Hyde County Transit	40,000	20,434	19,566
LIEAP	51,122	48,100	3,022
Other operating expenditures	22,780	9,649	13,131
Total	325,455	185,482	139,973
Bioterrorism:			
Salaries and Employee Benefits	40,702	39,265	1,437
Other operating expenditures	4,796	4,904	(108)
Total	45,498	44,169	1,329
Elderly Nutrition:			
Other operating expenditures	30,320	30,320	-
Total	30,320	30,320	-
Transportation:			
Elderly and Disabled	98,998	91,093	7,905
Pregnant Women and Children			-
Work first transportation			-
Total	98,998	91,093	7,905
Veteran's Services:			
Salaries and Employee Benefits	8,752	5,675	3,077
Other operating expenditures	1,400	571	829
Total	10,152	6,246	3,906

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, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Private Well Services:</b>			
Salaries and Employee Benefits	1,335	519	816
Other operating expenditures	165	165	-
<b>Total</b>	<u>1,500</u>	<u>684</u>	<u>816</u>
<b>Total Human Services</b>	3,443,097	2,716,618	726,479
<b>Cultural and Recreation:</b>			
Cultural Contributions	43,000	43,000	-
<b>Total</b>	<u>43,000</u>	<u>43,000</u>	<u>-</u>
<b>Education:</b>			
Public schools - current	1,288,286	1,288,286	-
Public schools - capital outlay	330,000	289,379	40,621
<b>Total</b>	<u>1,618,286</u>	<u>1,577,665</u>	<u>40,621</u>
<b>Debt service:</b>			
Installment debt principal	81,328	81,328	-
QSCB bond principal	200,180	200,180	-
QZAB bond principal	65,965	55,965	10,000
Interest and Fees	149,860	149,860	-
<b>Total debt service</b>	<u>497,333</u>	<u>487,333</u>	<u>10,000</u>
<b>Total expenditures</b>	<u>13,300,786</u>	<u>11,959,798</u>	<u>1,340,988</u>
<b>Revenue over (under) expenditures</b>	<u>(1,017,236)</u>	<u>(23,660)</u>	<u>993,576</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, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses):</b>			
Transfers from other funds:			
Special Revenue Funds	493,748	768,333	274,585
Water Sewer Fund	7,400	7,400	-
Transfers to other funds:			
Special Revenue Funds	(139,551)	(268,813)	(129,262)
Total	<u>361,597</u>	<u>506,920</u>	<u>145,323</u>
Special Appropriation - Ocracoke Occupancy Tax	180,000	180,000	-
<b>Total other financing sources (uses)</b>	<u>541,597</u>	<u>686,920</u>	<u>145,323</u>
Appropriated Fund Balance	<u>475,639</u>	-	<u>(475,639)</u>
Net change in fund balance	<u>\$ -</u>	663,260	<u>\$ 663,260</u>
Fund balance, beginning		5,154,971	
Prior period adjustment		223,073	
Fund balance, restated		<u>5,378,044</u>	
Fund balance, ending		<u>\$ 6,041,304</u>	

Hyde County  
Revaluation Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 500	\$ 767	\$ 267
Total Revenues	<u>500</u>	<u>767</u>	<u>267</u>
<b>Expenditures:</b>			
Contract Services	50,000	4,125	45,875
Total Expenditures	<u>50,000</u>	<u>4,125</u>	<u>45,875</u>
Revenues over (under) expenditures	<u>(49,500)</u>	<u>(3,358)</u>	<u>46,142</u>
<b>Other financing sources (uses):</b>			
Transfer from (to) General Fund	50,000	50,000	-
Appropriated Fund Balance	(500)	-	500
Total Other financing sources (uses)	<u>49,500</u>	<u>50,000</u>	<u>500</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 46,642</u>	<u>\$ 46,642</u>
Fund balance, beginning		<u>284,666</u>	
Fund balance, ending		<u>\$ 331,308</u>	

Hyde County  
Capital Reserve Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 5,000	\$ 698	\$ (4,302)
Total Revenues	<u>5,000</u>	<u>698</u>	<u>(4,302)</u>
<b>Expenditures:</b>			
Contract Services	5,000		5,000
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>698</u>	<u>698</u>
<b>Other financing sources (uses):</b>			
Transfer to General Fund			-
Appropriated Fund Balance			
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 698</u>	<u>\$ 698</u>
Fund balance, beginning		<u>337,572</u>	
Fund balance, ending		<u>\$ 338,270</u>	