ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2017

HYDE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

Exhibit		Page(s)
	FINANCIAL SECTION	
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-8
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	9
2	Statement of Activities	10
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds with reconciliation to the Statement of Net Position	11-12
4	Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with reconciliation to Statement of Activities	13-14
5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	15
6	Statement of Fund Net Position – Proprietary Funds	16
7	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	17
8	Statement of Cash Flows – Proprietary Funds	18
9	Statement of Fiduciary Net Position – Fiduciary Funds	19
	Notes to the Financial Statements	20-45
	Required Supplemental Financial Data:	
A-1	Other Postemployment Benefits - Schedule of Funding Progress	46
A-2	Other Postemployment Benefits - Schedule of Employer Contributions	47

HYDE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

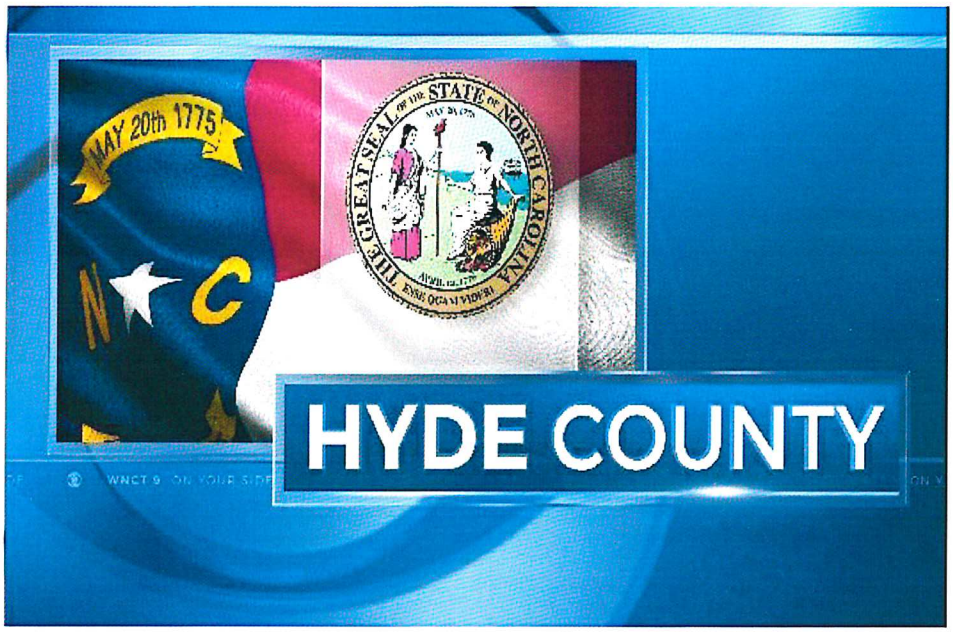
Exhibit		Page(s)
A-3	Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	48
A-4	Schedule of County Contributions (LGERS)	49
A-5	Schedule of County's Proportionate Share of Net Pension Asset (ROD)	50
A-6	Schedule of County Contributions (ROD)	51
A-7	Schedule of Changes in Total Pension Liability (LEOSSA)	52
A-8	Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEOSSA)	53
	Combining and Individual Fund Statements and Schedules:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	54-65
B-1a	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Revaluation Fund - Budget and Actual	66
B-1b	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Reserve Fund - Budget and Actual	67
SPECIAL REVENUE FUNDS		
C-1	Combining Balance Sheet – Non-Major Governmental Funds	68
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	69
C-3	Combining Balance Sheet – Non-Major Special Revenue Funds	70-71
C-4	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds	72-73
	Schedules of Revenues, Expenditures, and Changes in Fund Balance:	
C-5	Ocracoke Occupancy Tax Fund	74
C-6	Hurricane Irene Fund	75
C-7	Hydeland Home Health Fund	76
C-8	West Quarter District Fund	77
C-9	Mainland Occupancy Tax Fund	78
C-10	4-H Fund	79
C-11	911 Fund	80

HYDE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

Exhibit		Page(s)
SPECIAL REVENUE FUNDS (Continued)		
	Schedules of Revenues, Expenditures, and Changes in Fund Balance: (Continued)	
C-12	Hyde County Senior Center Fund	81
C-13	Revolving Loan Fund	82
C-14	CAPS/Personal Care Chore Health Fund	83
C-15	CDBG Revitalization Strategies	84
C-16	Swan Quarter Water Shed District Fund	85
C-17	Homemaker Fund	86
C-18	PDM Program Fund	87
C-19	Hurricane Matthew Fund	88
CAPITAL PROJECT FUNDS		
	Schedules of Revenues, Expenditures, and Changes in Fund Balance:	
D-1	Combining Balance Sheet – Non-Major Special Revenue Funds	89
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds	90
D-3	Airport Grant Fund	91
ENTERPRISE FUNDS		
	Schedules of Revenues, Expenditures, and Changes in Fund Balance:	
E-1	Water and Sewer Fund	92-93
E-2	Mattamuskeet Lodge Sewer Project Fund	94

HYDE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2017

Exhibit		Page(s)
AGENCY FUNDS		
	Schedules of Revenues, Expenditures, and Changes in Fund Balance:	
F-1	Combining Statement of Changes in Assets and Liabilities - Agency Fund	95
Other Schedules:		
G-1	Schedule of Ad Valorem Taxes Receivable	96
G-2	Analysis of Current Tax Levy - County-Wide Levy	97
	COMPLIANCE SECTION	
	Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	98-99
	Report On Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act	100-102
	Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	103-104
H-1	Schedule of Findings and Questioned Costs	105-112
H-2	Summary Schedule of Prior Year Audit Findings	113
H-3	Schedule of Expenditures of Federal and State Awards	114-117



Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Hyde County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Hyde County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information Hyde County, North Carolina as of June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2018 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
February 28, 2018

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

As management of Hyde County, we offer readers of Hyde County's financial statements this narrative overview and analysis of the financial activities of Hyde County for the fiscal year ended June 30, 2017. 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 $38,433,269. (Net Position)

- The government's total net position decreased by $224,049, due to decreases in net position in both the governmental and the business-type activities.

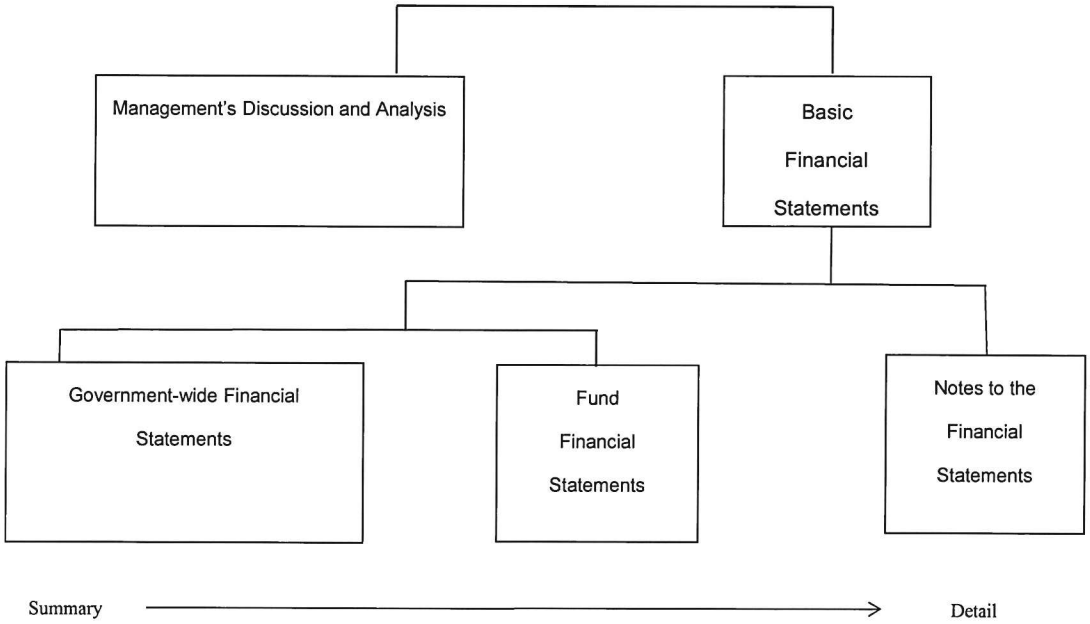
- As of the close of the current fiscal year, Hyde County's governmental funds reported combined ending fund balances of $8,985,099, a decrease of $85,490 in comparison with the prior year. Approximately 42.76 percent of this total amount, or $3,841,780 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,278,297, or 32.70 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $38,433,269 as of June 30, 2017. The County's net position decreased by $224,049 for the fiscal year ended June 30, 2017. One of the largest portions,76.29%, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Hyde County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hyde County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Hyde County's net position, $3,560,289 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $5,553,935 is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 11,197,672	$ 11,682,793	$ 1,692,531	$ 1,478,431	$ 12,890,203	$ 13,161,224
Capital assets	24,179,025	24,273,801	10,973,257	11,354,732	35,152,282	35,628,533
Total assets	35,376,697	35,956,594	12,665,788	12,833,163	48,042,485	48,789,757
Total deferred outflows of resources	1,298,636	349,946	154,560	42,446	1,453,196	392,392
Long-term liabilities outstanding	7,214,307	6,375,247	2,993,115	2,974,375	10,207,422	9,349,622
Other liabilities	412,043	615,641	229,466	216,498	641,509	832,139
Total liabilities	7,626,350	6,990,888	3,222,581	3,190,873	10,848,931	10,181,761
Total deferred inflows of resources	207,401	364,669	6,080	18,943	213,481	383,612
Net position:						
Net investment in capital assets	21,096,820	24,273,801	8,222,225	8,472,320	29,319,045	32,746,121
Restricted	3,516,048	2,532,370	44,241	36,667	3,560,289	2,569,037
Unrestricted	4,228,714	2,144,812	1,325,221	1,156,806	5,553,935	3,301,618
Total net position	$ 28,841,582	$ 28,950,983	$ 9,591,687	$ 9,665,793	$ 38,433,269	$ 38,616,776

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

- The County's property taxes collection percentage of 95.73% is lower than the State-wide average of 98.72%, and is lower than the prior year rate of 95.86%.

Hyde County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 832,734	$ 1,135,846	$ 1,674,431	$ 1,563,178	$ 2,507,165	$ 2,699,024
Operating grants and contributions	2,337,800	11,433	-	-	2,337,800	11,433
Capital grants and contributions	639,258	2,314,355	-	-	639,258	2,314,355
General revenues:						
Property taxes	7,331,642	7,501,324	-	-	7,331,642	7,501,324
Other taxes	2,286,344	2,101,314	-	-	2,286,344	2,101,314
Investment Earnings	85,940	91,498	8,684	3,176	94,624	94,674
Other	220,829	256,636		-	220,829	256,636
Total revenues	13,734,547	13,412,406	1,683,115	1,566,354	15,417,662	14,978,760
Expenses:						
General government	2,600,277	2,975,924	-	-	2,600,277	2,975,924
Public safety	3,764,755	3,662,795	-	-	3,764,755	3,662,795
Transportation	132,173	110,801	-	-	132,173	110,801
Economic and physical development	1,196,899	1,270,063	-	-	1,196,899	1,270,063
Human services	2,746,278	2,763,160	-	-	2,746,278	2,763,160
Cultural and recreation	114,394	109,558	-	-	114,394	109,558
Environmental Protection	1,265,929	856,683	-	-	1,265,929	856,683
Education	1,934,874	1,531,324	-	-	1,934,874	1,531,324
Interest on long-term debt	128,911	275,700	-	-	128,911	275,700
Water and sewer	-	-	1,757,221	1,675,016	1,757,221	1,675,016
Transfers	-	(7,400)	-	7,400	-	-
Total expenses	13,884,490	13,548,608	1,757,221	1,682,416	15,641,711	15,231,024
Increase (decrease) in in net position	(149,943)	(136,202)	(74,106)	(116,062)	(224,049)	(252,264)
Net position, beginning	28,950,973	29,087,175	9,665,793	9,845,444	38,616,766	38,932,619
Restatement	40,542	-	-	(63,589)	40,542	(63,589)
Net position, beginning, restated	28,991,525	29,087,175	9,665,793	9,781,855	38,657,318	38,869,030
net position, ending	$ 28,841,582	$ 28,950,973	$ 9,591,687	$ 9,665,793	$ 38,433,269	$ 38,616,766

Governmental activities. Governmental activities decreased the County's net position by $149,943 Key elements of this decrease are substantial increases of expenses in the Environmental Protection and Education functions.

Business-type activities. Business-type activities decreased the County's net position by $74,106. A key element of this was expenditures exceeding 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 $4,278,297 while total fund balance reached $6,741,813. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 32.70 percent of total General Fund expenditures, while total fund balance represents 51.53 percent of that same amount.

At June 30, 2017, the governmental funds of Hyde County reported a combined fund balance of $8,985,099, a 0.94 percent decrease under last year. The primary reason for this decrease was expenses exceeding revenues in the governmental activities.

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

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 $1,325,221. The total change in net position for the Water and Sewer Fund was ($74,106).

Capital Asset and Debt Administration

Capital assets. Hyde County's capital assets for its governmental and business – type activities as of June 30, 2017, totals $35,152,282 (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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ -	$ -	$ 1,416,032	$ 1,529,412	$ 1,416,032	$ 1,529,412
Revenue Bonds	-	-	1,335,000	1,353,000	1,335,000	1,353,000
Installment Purchase	3,082,205	3,226,448	-	-	3,082,205	3,226,448
Capital leases	28,173	-	-	-	28,173	-
Qualified School Construction Bonds	1,801,615	2,001,795	-	-	1,801,615	2,001,795
	$ 4,911,993	$ 5,228,243	$ 2,751,032	$ 2,882,412	$ 7,663,025	$ 8,110,655

Hyde County's total debt decreased by $447,630 (5.52%) during the past fiscal year, primarily due to principal payments on existing general obligation bonds of $144,243 and $113,380, in the governmental activities and business-type activities, respectively. Additionally, there were repayments on qualified school construction bonds in the amount of $200,180. A new capital leases was issued for $35,050, and capital lease payments were made in the amount of $6,877.Various other repayments were made to revenue bond debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Hyde County is $86,024,508.

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, 2017

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Hyde County ABC Board	Total Reporting
ASSETS					
Cash and cash equivalents	$ 8,126,080	$ 898,318	$ 9,024,398	$ 108,371	$ 9,132,769
Receivables, net:					
Property Taxes	565,863	-	565,863	-	565,863
Accounts	861,322	339,058	1,200,380	-	1,200,380
Other	853,942	-	853,942	-	853,942
Interest	30,309	-	30,309	-	30,309
Due from other governments	312,672	-	312,672	-	312,672
Internal balances	-	-	-	-	-
Inventories	-	-	-	80,121	80,121
Prepaid items	-	-	-	2,474	2,474
Restricted cash and cash equivalents	438,762	455,155	893,917		893,917
Net pension asset - ROD	8,722	-	8,722	-	8,722
Capital assets:					
Land, improvements, and construction in progress	3,266,432	57,839	3,324,271	-	3,324,271
Other capital assets, net of depreciation	20,912,593	10,915,418	31,828,011	2,225	31,830,236
Total capital assets	24,179,025	10,973,257	35,152,282	2,225	35,154,507
Total assets	35,376,697	12,665,788	48,042,485	193,191	48,235,676
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	987,485	154,560	1,142,045	11,422	1,153,467
Contributions to pension plan in current year	311,151	-	311,151	-	311,151
Total deferred outflows of resources	1,298,636	154,560	1,453,196	11,422	1,464,618
LIABILITIES					
Accounts payable and accrued expenses	332,697	38,941	371,638	62,064	433,702
Miscellaneous liabilities	-	-	-	-	-
Liabilities to be paid from restricted assets	-	162,751	162,751	-	162,751
Accrued interest payable	79,346	27,774	107,120	-	107,120
Long-term liabilities:					
Compensated absences	322,836	52,776	375,612	-	375,612
Net pension liability - LGERS	1,450,936	173,499	1,624,435	8,065	1,632,500
Net pension liability - LEOSSA	108,057	-	108,057	-	108,057
Other postemployment benefits	420,485	15,808	436,293	-	436,293
Due within one year	354,138	135,118	489,256	-	489,256
Due in more than one year	4,557,855	2,615,914	7,173,769	-	7,173,769
Total long-term liabilities	7,214,307	2,993,115	10,207,422	8,065	10,215,487
Total liabilities	7,626,350	3,222,581	10,848,931	70,129	10,919,060
DEFERRED INFLOWS OF RESOURCES					
Other Deferred Inflows	153,233	-	153,233	577	153,810
Pension deferrals	54,168	6,080	60,248	-	60,248
Total Deferred Inflows of Resources	207,401	6,080	213,481	577	214,058
NET POSITION					
Net investment in capital assets	21,096,820	8,222,225	29,319,045	2,225	29,321,270
Restricted for:					-
Stabilization by State Statute	2,323,977	-	2,323,977	-	2,323,977
Register of Deeds	208,848	-	208,848	-	208,848
Register of deeds	43,766	-	43,766	-	43,766
Economic and physical development	739,272	-	739,272	-	739,272
Other purposes	200,185	44,241	244,426	24,136	268,562
Unrestricted (deficit)	4,228,714	1,325,221	5,553,935	107,546	5,661,481
Total net position	$ 28,841,582	$ 9,591,687	$ 38,433,269	$ 133,907	$ 38,567,176

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

Hyde County
Statement of Activities
June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Hyde County ABC Board	Total Reporting Unit
Primary government:									
Governmental Activities:									
General government	$ 2,600,277	$ 74,841	$ -	$ -	$ (2,525,436)	$ -	$ (2,525,436)	$ -	$ (2,525,436)
Public safety	3,764,755	469,386	306,198	475,318	(2,513,853)	-	(2,513,853)	-	(2,513,853)
Transportation	132,173	18,177	-	107,975	(6,021)	-	(6,021)	-	(6,021)
Environmental Protection	1,265,929	15,612	58,997	-	(1,191,320)	-	(1,191,320)	-	(1,191,320)
Economic and physical development	1,196,899	105,600	153,107	-	(938,192)	-	(938,192)	-	(938,192)
Human services	2,746,278	116,758	1,819,498	-	(810,022)	-	(810,022)	-	(810,022)
Cultural and recreation	114,394	32,360	-	-	(82,034)	-	(82,034)	-	(82,034)
Education	1,934,874	-	-	55,965	(1,878,909)	-	(1,878,909)	-	(1,878,909)
Interest/Fees on long-term debt	128,911	-	-		(128,911)	-	(128,911)	-	(128,911)
Total governmental activities	13,884,490	832,734	2,337,800	639,258	(10,074,698)	-	(10,074,698)	-	(10,074,698)
Business-type activities:									
Water and Sewer	1,757,221	1,674,431	-	-	-	(82,790)	(82,790)	-	(82,790)
Total business-type activities	1,757,221	1,674,431	-	-	-	(82,790)	(82,790)	-	(82,790)
	$ 15,641,711	$ 2,507,165	$ 2,337,800	$ 639,258	(10,074,698)	(82,790)	(10,157,488)	-	(10,157,488)
Component Units:									
Hyde County ABC Board	$ 804,289	$ 829,040	$ -	$ -				24,751	24,751
Total Component Units	$ 804,289	$ 829,040	$ -	$ -				24,751	24,751
General revenues:									
Taxes:									
Property taxes, levied for general purpose					7,331,642	-	7,331,642	-	7,331,642
Local option sales tax					1,526,139	-	1,526,139	-	1,526,139
Other taxes and licenses					760,205	-	760,205	-	760,205
Investment earnings, unrestricted					85,940	8,684	94,624	156	94,780
Miscellaneous, unrestricted					94,259	-	94,259	721	94,980
Gain/(loss) on disposal of assets					126,570	-	126,570	-	126,570
Transfers					-	-	-	-	-
Total general revenues					9,924,755	8,684	9,933,439	877	9,934,316
Change in net position					(149,943)	(74,106)	(224,049)	25,628	(198,421)
Net position, beginning, previously reported					28,950,983	9,665,793	38,616,776	105,854	38,722,630
Prior period adjustment					-	-	-	2,425	2,425
Restatement					40,542		40,542	-	40,542
Net position, beginning, restated					28,991,525	9,665,793	38,657,318	108,279	38,765,597
Net position, ending					$ 28,841,582	$ 9,591,687	$ 38,433,269	$ 133,907	$ 38,567,176

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

Hyde County
Balance Sheet
Governmental Funds
June 30, 2017

	Major General Fund	Non-major Governmental Funds	Total
ASSETS			
Cash and cash equivalents	$ 6,567,541	$ 1,558,539	$ 8,126,080
Restricted Cash	438,762	-	438,762
Receivables, net:	-		
Property Taxes	565,320	543	565,863
Accounts	579,755	281,567	861,322
Other	41,868	812,074	853,942
Due from other governments	312,672	-	312,672
Due from other funds	362,206	-	362,206
Total assets	$ 8,868,124	$ 2,652,723	$ 11,520,847
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 287,955	$ 44,742	$ 332,697
Due to other funds	-	362,206	362,206
Total liabilities	287,955	406,948	694,903
DEFERRED INFLOW OF RESOURCES			
Property taxes receivable	565,320	-	565,320
Other deferred income	1,273,036	2,489	1,275,525
Total Deferred Inflows of Resources	1,838,356	2,489	1,840,845
Fund balances:			
Restricted:			
Stabilization by State Statute	1,296,501	1,027,476	2,323,977
Debt Service	208,848	-	208,848
Other Purposes	-	200,185	200,185
Register of Deeds	43,766	-	43,766
Economic and physical development	-	739,272	739,272
Committed:			
Public Safety	-	204,405	204,405
Environmental Protection	340,690	-	340,690
Economic and physical development	-	341,810	341,810
Tax Revaluation	98,072	-	98,072
Cultural and Recreation	-	14,931	14,931
Assigned:			
Subsequent year's expenditures	475,639	151,724	627,363
Unassigned	4,278,297	(436,517)	3,841,780
Total fund balances	6,741,813	2,243,286	8,985,099
Total liabilities, deferred inflows of resources, and fund balances	$ 8,868,124	$ 2,652,723	$ 11,520,847

Hyde County
Balance Sheet
Governmental Funds
June 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total Fund Balance - Governmental Funds		$ 8,985,099
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,109,734	
Less accumulated depreciation	(9,930,709)	
Net capital assets		24,179,025
Net pension asset (Register of Deeds)		8,722
Deferred outflows of resources:		
Contributions to the pension plan in the current fiscal year		
LGERS		307,462
ROD		3,689
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		-
Pension related deferrals		
LGERS		985,085
ROD		2,400
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements		30,309
Deferred inflows of resources reported in the government-wide statements but not in the fund statements		
Deferred inflows of resources for taxes receivable		565,320
Deferred inflows of resources for other items		1,122,292
Pension deferrals		
LGERS		(50,842)
ROD		(715)
LEOSSA		(2,611)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:		
Compensated absences	(322,836)	
Other Post Employment Benefits	(420,485)	
Total pension liability - LEOSSA	(108,057)	
Net pension liability - LGERS	(1,450,936)	
Bonds, leasing, and installment financing	(4,911,993)	
Accrued interest payable	(79,346)	(7,293,653)
Net position of governmental activities		$ 28,841,582

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

Hyde County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	Major	Non-Major	
	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Ad valorem taxes	$ 7,440,540	$ 65,495	$ 7,506,035
Local option sales taxes	1,526,139	-	1,526,139
Other taxes and licenses	150,214	465,639	615,853
Unrestricted intergovernmental	158,811	-	158,811
Restricted intergovernmental	2,536,891	433,811	2,970,702
Permits and fees	85,196	-	85,196
Sales and services	445,184	261,233	706,417
Investment earnings	38,685	47,255	85,940
Miscellaneous	56,694	11,469	68,163
Total revenues	12,438,354	1,284,902	13,723,256
EXPENDITURES			
Current:			
General government	2,130,555	269,266	2,399,821
Public safety	4,233,921	54,653	4,288,574
Transportation	80,777	-	80,777
Environmental protection	951,216	291,989	1,243,205
Economic and physical development	513,473	322,285	835,758
Human services	2,613,776	13,331	2,627,107
Cultural and recreational	42,000	72,394	114,394
Education	1,873,886	-	1,873,886
Debt Service:			
Principal retirement	351,302	-	351,302
Interest and fees	132,307	-	132,307
Capital outlay	-	94,120	94,120
Total expenditures	12,923,213	1,118,038	14,041,251
Excess (deficiency) of revenues over expenditures	(484,859)	166,864	(317,995)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	758,390	154,376	912,766
Transfers to other funds	(159,376)	(753,390)	(912,766)
Loan proceeds	35,050	-	35,050
Sale of assets	171,356	-	171,356
Insurance recovery	-	23,514	23,514
Contributions	-	2,000	2,000
Contingency	585	-	585
Appropriated fund balance	-	-	-
Total other financing sources (uses)	806,005	(573,500)	232,505
Net change in fund balance	321,146	(406,636)	(85,490)
Fund balances, beginning as previously reported	6,420,667	2,649,922	9,070,589
Fund balances, ending	$ 6,741,813	$ 2,243,286	$ 8,985,099

Hyde County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds	$ (85,490)
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	896,359
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.	(946,349)
Gain on Disposal of assets during the year.	(44,786)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
LGERS	307,462
ROD	3,689
Benefit payment and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	-
New debt issued during the year is recorded as a source of funds on the fund statements; it has not effect on the statement of activities -- it affects only the government-wide statement of net position.	(35,050)
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.	351,300
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	3,396
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	8,269
Increase in Other Post Employment Benefits Liability	(36,247)
Pension expense	
LGERS	(410,980)
ROD	(3,457)
LEOSSA	(16,683)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at year end	(151,453)
Increase (Decrease) in accrued interest receivable at year end	(22,940)
Increase (Decrease) in other deferred inflows of resources - at end of year	33,017
Change in net position of governmental activities	$ (149,943)

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

Hyde County
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	$ 6,626,500	$ 6,626,500	$ 7,440,540	$ 814,040
Local option sales tax	1,575,600	1,708,639	1,526,139	(182,500)
Other taxes and licenses	98,100	103,100	150,214	47,114
Unrestricted intergovernmental	217,000	217,000	158,811	(58,189)
Restricted intergovernmental	2,276,584	3,775,450	2,536,891	(1,238,559)
Permits and fees	62,185	62,485	85,196	22,711
Sales and services	626,685	628,050	445,184	(182,866)
Investment earnings	10,000	10,000	35,011	25,011
Miscellaneous	90,006	71,085	56,694	(14,391)
Total revenues	11,582,660	13,202,309	12,434,680	(767,629)
Expenditures:				
Current:				
General government	1,925,048	2,018,656	1,970,099	48,557
Public safety	3,618,920	4,900,592	4,233,921	666,671
Transportation	93,000	93,000	80,777	12,223
Environmental Protection	935,418	957,225	951,216	6,009
Economic and physical development	595,257	676,622	513,473	163,149
Human services	2,962,707	3,190,654	2,613,776	576,878
Cultural and recreational	43,000	43,000	42,000	1,000
Education	1,847,288	1,980,327	1,873,886	106,441
Debt Service	483,608	483,608	483,609	(1)
Total expenditures	12,504,246	14,343,684	12,762,757	1,580,927
Revenues over (under) expenditures	(921,586)	(1,141,375)	(328,077)	813,298
Other financing sources (uses):				
Transfers from other funds	125,593	170,382	753,390	583,008
Transfers to other funds	-	(100,593)	(159,376)	(58,783)
Loan Proceeds	-	35,050	35,050	-
Sale of assets	-		171,356	171,356
Contingency	-	-	585	585
Fund Balance Appropriated	770,993	1,046,586	-	(1,046,586)
Total other financing sources (uses)	896,586	1,151,425	801,005	(350,420)
Net change in fund balance	$ (25,000)	$ 10,050	472,928	$ 462,878
Fund balance, beginning of year			5,830,123	
Prior period adjustment			-	
Fund balance, restated			5,830,123	
Fund balance, end of year			$ 6,303,051	

Reconciliation to Fund Balance

A legally budgeted Capital Reserve Fund and Revaluation Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings - Capital Reserve Fund	$ 1,765
Investment Earnings - Revaluation Fund	1,909
Transfer from general fund	5,000
Contract Services - Revaluation Fund	(160,456)
Beginning Balance - Capital Reserve Fund	338,925
Beginning Balance - Revaluation Fund	251,619
Fund balance, ending (Exhibit 4)	$ 6,741,813

Hyde County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2017

		Water and Sewer Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$	898,318
Accounts receivable, net		186,875
Grant receivable		152,183
Restricted cash and cash equivalents		455,155
Total current assets		1,692,531
Noncurrent assets:		
Net pension asset		-
Capital assets:		
Land and Construction in Progress		57,839
Other capital assets, net of depreciation		10,915,418
Total capital assets		10,973,257
Total noncurrent assets		10,973,257
Total assets		12,665,788
DEFERRED OUTFLOWS OF RESOURCES		154,560
LIABILITIES		
Current liabilities:		
Accounts Payable		38,941
Accrued interest payable		27,774
General obligation bonds payable		135,118
Total current liabilities		201,833
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Customer Deposits		162,751
Compensated absences		52,776
Net pension liability		173,499
Other postemployment benefits		15,808
General obligation bonds payable		2,615,914
Total noncurrent liabilities		3,020,748
Total liabilities		3,222,581
DEFERRED INFLOWS OF RESOURCES		6,080
NET POSITION		
Net investment in capital assets		8,222,225
Restricted:		
Debt Service		44,241
Unrestricted		1,325,221
Total net position	$	9,591,687

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

Hyde County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

		Water and Sewer Fund
OPERATING REVENUES		
Charges for services	$	1,652,396
Meter Installations		18,400
Other operating revenues		3,635
Total operating revenues		1,674,431
OPERATING EXPENSES		
Water and Sewer Operations		1,244,238
Depreciation		414,719
Total operating expenses		1,658,957
Operating income (loss)		15,474
NONOPERATING REVENUES (EXPENSES)		
Interest and investment revenue		8,684
Transfers in (out)		-
Interest Expense		(98,264)
Total nonoperating revenues (expenses)		(89,580)
Change in net position		(74,106)
Total net position, beginning		9,665,793
Restatement		
Total net positon, restated		9,665,793
Total net position, ending	$	9,591,687

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

Hyde County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

		Water and Sewer Fund
Cash flows from operating activities:		
Cash received from customers	$	1,593,277
Cash paid for goods and services		(548,962)
Cash paid to employees for services		(669,999)
Customer deposits received, net		14,743
Other operating revenue		3,635
Net cash provided by operating activities		392,694
Cash flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets		(33,244)
Principal paid on bond maturities and equipment contracts		(131,380)
Interest paid on bond maturities and equipment contracts		(100,173)
Transfers in (out)		-
Net cash used by capital and related financing activities		(264,797)
Cash flows from Investing Activities:		
Interest on investments		8,684
Net increase (decrease) in cash and cash equivalents		136,581
Cash and cash equivalents, beginning		1,216,892
Cash and cash equivalents, ending	$	1,353,473
Reconciliation of operating income to net cash provided by Operating Activities		
Operating income (loss)	$	15,474
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		414,719
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		(77,519)
Net pension assset		-
Deferred outflows of resources for pensions		(112,114)
Increase (decrease) in:		
Accounts payable and accrued liabilities		134
Customer deposits		14,743
Net pension liability		137,051
Deferred inflows of resources for pensions		(12,863)
OPEB Payable		15,808
Compensated absences		(2,739)
Total adjustments		377,220
Net cash provided by (used in) operating activities	$	392,694

Hyde County
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017

		Total Agency Funds
Assets		
Cash and cash equivalents	$	33,093
Taxes Receivable		3,300
Total assets		36,393
Liabilities and Net Position		
Liabilities:		
Miscellaneous Liabilities and Accounts Payable		34,567
Deferred Revenues		1,825
Total liabilities		36,392
Net position:		
Assets held in trust	$	1

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

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 Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund as well.

The County reports the following major enterprise funds:

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

The County reports the following fund types:

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

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

C. Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

D. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than $5,000. The governing board must approve all amendments. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

Governmental Activities			
General Fund	Tax Revaluation	$	98,072
General Fund	Capital Reserve		340,690
Total Governmental Activities		$	438,762
Business-Type Activities			
Water and Sewer Fund	Customer Deposits	$	162,751
Water and Sewer Fund	Restricted per USDA		44,241
Water and Sewer Fund	Unexpended project cash		248,163
Total Business-Type Activities		$	455,155

4. Ad Valorem Taxes Receivable

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

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Minimum capitalization costs are $5,000.

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

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

Asset Class	Years
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:

Asset Class	Years
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 (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separaion Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

13. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. The net adjustment of $19,856,483 consists of several elements as follows:

Capital Assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	$ 34,109,734
Less accumulated depreciation	(9,930,709)
Net Capital Assets	24,179,025
Accrued interest receivable	30,309
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,687,612
Deferred outflows related to pensions	987,485
Net pension asset	8,722
Contributions to the pension plan in the current fiscal year	311,151
Benefit payments and pension administration costs for LEOSSA	-
Pension related deferrals	(54,168)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(4,911,993)
Accrued interest payable	(79,346)
Compensated absences	(322,836)
Net Pension Liability - LGERS	(1,450,936)
Net Pension Liability - LEOSSA	(108,057)
Other Postemployment Benefits	(420,485)
Total Adjustment	$ 19,856,483

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 ($64,453) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	$ 896,359
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.	(946,349)
Gain (Loss) on disposal of assets during the year	(44,786)
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	351,300
New debt issued during the year	(35,050)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	311,151
Benefit payments and administrative costs for the LEOSSA are deferred outflows of resources on the Statement of Net Position	-
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	8,269
Other Postemployment Benefits	(36,247)
Increase in Net Pension Obligation	-
County's portion of collective pension expense	(431,120)
Accrued interest expense	3,396
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at end of year	(151,453)
Increase (Decrease) in accrued interest receivable - at end of year	(22,940)
Increase (Decrease) in deferred inflows of resources - at year end	33,017
Total Adjustment	$ (64,453)

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2017, the County's CAPS/Personal Care Chore fund has a deficit fund balance of $36. The County's PDM Program Fund has a deficit fund balance of $54,835. The County's CDBG Revitalization Strategies Fund has a deficit balance of $8,440. The County's Hurricane Irene Fund has a deficit balance of $581. The County's Hurricane Matthew Fund has a deficit balance of $37,789.Management and the Board will more closely review fund balances to ensure compliance in future years.

B. Budget Violation

In accordance with section 159-8(a), each local government shall operate under an annual balanced budget ordinance. Estimated revenues and appropriations were not budgeted for one non-major funds, the Revolving Loan 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, 2017 the County's deposits had a carrying amount of $9,922,683 and a bank balance of $10,569,727. Of the carrying amount $314 was cash on hand. Of the bank balance, $250,000 was covered by FDIC; the remaining $10,319,727 was covered by collateral and held under the Pooling Method.

At June 30, 2017, the carrying amount of deposits for Hyde County ABC Board was $107,821 and the bank balance was $164,603. All of the bank balance was covered by federal depository insurance.

2. Investments

As of June 30, 2017, the County's investments consisted of $119,163 in the North Carolina Capital Management Trust Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2017, 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
2012	$ 814,280	$ 219,856	$ 1,034,136
2013	844,202	151,956	996,158
2014	853,793	76,841	930,634
2016	856,612	49,255	905,867
2016	876,774	50,415	927,189
	$ 4,245,661	$ 548,323	$ 4,793,984

4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental activities:					
General	$ 579,755	$ 969,080	$ 312,672	$ 41,868	$ 1,903,375
Other Governmental	281,567	543	-	812,074	1,094,184
Total receivables	861,322	969,623	312,672	853,942	2,997,559
Allow. for doubtful accounts	-	(403,760)	-	-	(403,760)
Total governmental activities	$ 861,322	$ 565,863	$ 312,672	$ 853,942	$ 2,593,799
Business-type activities:					
Water & Sewer	$ 446,178	$ -	$ -	$ 152,183	$ 598,361
Total receivables	446,178	-	-	152,183	598,361
Allow. for doubtful accounts	(259,303)	-	-	-	(259,303)
Total business-type activities	$ 186,875	$ -	$ -	$ 152,183	$ 339,058

Due from other governments that is owed to the County consists of the following at June 30, 2017:

Governmental Activities:		
	Local Option Sales Tax	$ 253,445
	Department of Revenue	59,227
Total		$ 312,672

5. Captial Assets

Primary Government

Capital asset activity for the year ended June 30, 2017, 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	160,048	811,309	-	971,357
Total capital assets not depreciated	2,455,123	811,309	-	3,266,432
Capital assets being depreciated:				
Buildings	18,864,785	-	-	18,864,785
Computer Equipment	299,918	-	(1,275)	298,643
Equipment	965,026	-	(338)	964,688
Vehicles	1,708,405	85,050	(234,544)	1,558,911
Infrastructure	9,156,275	-	-	9,156,275
Total capital assets being depreciated	30,994,409	85,050	(236,157)	30,843,302
Less accumulated depreciation for:				
Buildings	3,666,210	376,234	-	4,042,444
Computer Equipment	265,002	20,554	(1,275)	284,281
Equipment	729,403	62,248	(336)	791,315
Vehicles	1,365,918	96,589	(189,760)	1,272,747
Infrastructure	3,149,198	390,724	-	3,539,922
Total accumulated depreciation	9,175,731	946,349	(191,371)	9,930,709
Total capital assets being depreciated, net	21,818,678	(861,299)	(44,786)	20,912,593
Governmental activities capital assets, net	$ 24,273,801	$ (49,990)	$ (44,786)	$ 24,179,025

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

Governmental Activities:	
General government	$ 173,747
Public safety	230,465
Transportation	51,396
Human Services	56,309
Environmental Protection	13,851
Education	60,988
Economic and Physical Development	359,593
Total depreciation expense	$ 946,349

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Water and Sewer Fund:				
Capital assets not being depreciated:				
Land	$ 57,839	$ -	$ -	$ 57,839
Construction in Progress	482,198	-	(482,198)	-
Total capital assets not depreciated	540,037	-	(482,198)	57,839
Capital assets being depreciated:				
Infrastructure	17,484,970	482,198	-	17,967,168
Computer Equipment	14,917	-	-	14,917
Equipment	292,101	7,000	-	299,101
Vehicles	216,973	26,244	-	243,217
Total capital assets being depreciated	18,008,961	515,442	-	18,524,403
Less accumulated depreciation for:				
Infrastructure	6,739,882	386,161	-	7,126,043
Computer Equipment	14,807	60	-	14,867
Equipment	257,129	8,633	-	265,762
Vehicles	182,448	19,865	-	202,313
Total accumulated depreciation	7,194,266	414,719	-	7,608,985
Total capital assets being depreciated, net	10,814,695	100,723	-	10,915,418
Water and Sewer capital assets, net	$ 11,354,732	$ 100,723	$ (482,198)	$ 10,973,257

Construction Commitments

The government has active construction projects as of June 30, 2017. 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	$ 1,772,502	$ 1,207,266
Mattamuskeet Lodge Sewer Project	482,198	3,517,802
CDBG - Supplemental Assistance	615,000	25,036
Airport Grant Fund	138,926	13,068
Total	$ 3,008,626	$ 4,763,172

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2017, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Equipment	3 - 10 Years	$ 30,227	$ 29,800	$ 427
Vehicle	5 yrs	17,986	16,188	1,798
		$ 48,213	$ 45,988	$ 2,225

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	$ 287,955	$ 44,742	$ 332,697
Other Governmental	79,346	-	79,346
Total governmental activities	$ 367,301	$ 44,742	$ 412,043
Business-type activities:			
Water and Sewer Fund	$ 66,715		$ 66,715
Total business-type activities	$ 66,715	$ -	$ 66,715

2. Pension Plan Obligations and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.000% of compensation for law enforcement officers and 7.380% 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 $344,227 for the year ended June 30, 2017.

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, 2017, the County reported a liability of $1,624,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.0765%, which was an increase of 0.002290% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of $460,124. At June 30, 2017, 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	$ 30,520	$ 56,922
Changes of assumptions	111,259	-
Net difference between projected and actual earnings on pension plan investments	898,108	-
Changes in proportion and differences between County contributions and proportionate share of contributions	62,992	-
County contributions subsequent to the measurement date	344,227	-
Total	$ 1,447,106	$ 56,922

$44,227 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	$ 171,838
2019	171,909
2020	441,239
2021	260,973
2022	-
Thereafter	-
	$ 1,045,959

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.25 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

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

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 3.00%. All rates of return and inflation are annualized.

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)	$ 3,855,543	$ 1,624,435	$ (239,152)

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

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Hyde County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable services or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable services. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015 the Separation Allowance membership consisted of:

Retirees receiving benefits	$ -
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	15
Total	$ 15

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

Inflation	3.0 percent
Salary Increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.86 percent

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

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

Contributions. The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The County paid $0.00 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of $108,057. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilitizing update procedures incorporating the actuarial assumptions. For year ended June 30, 2017, the County recognized pension expense of $16,683.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	2,611
County benefit payments and plan administatrive expenses made subsequent to the measurement date	-	-
Total	$ -	$ 2,611

$2,611 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	$	427
2019		427
2020		427
2021		427
2022		427
Thereafter		476
Total	$	2,611

$0.00 paid as benefits came due and $176 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	$ 118,820	$ 108,057	$ 98,102

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

	2017
Beginning balance	$ 94,161
Service Cost	13,572
Interest on the total pension liability	3,362
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(3,038)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	$ 108,057

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

Contributions for the year ended June 30, 2017 were $34,269, which consisted of $30,085 from the County and $4,184 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. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions . Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were $3,689 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of $8,722 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015 The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2016, the County's proportion was 0.0467%, which was an increase of 0.00025% from its proportion measured as of June 30, 2015

For the year ended June 30, 2017, the County recognized pension expense of $3,457. At June 30, 2017, 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	$ 9	$ 113
Changes of assumptions	2,324	-
Net difference between projected and actual earnings on pension plan investments	15	-
Changes in proportion and differences between County Contributions and proportionate share	52	-
County contributions subsequent to the measurement date	3,689	602
Total	$ 6,089	$ 715

$3,689 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	$ 500
2019	882
2020	402
2021	(98)
2022	-
Thereafter	-
Total	$ 1,686

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

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

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

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	$ (7,032)	$ (8,722)	$ (10,141)

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, 2015, the date of the latest actuarial valuation:

	General Employees	Law Enforcement
Retirees and dependents receiving benefits	7	0
Terminated plan members entitled to but not yet receiving benefits	-	-
Active Plan members	99	15
Total	106	15

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 1.98% of annual covered payroll. For the current year, the County contributed $35,126, or 0.80% 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 2.01% and 1.82% 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	$ 86,494
Interest on net OPEB obligation	15,370
Adjustment to annual required contribution	(14,683)
Annual OPEB cost (expense)	87,181
Contributions made	(35,126)
Increase (decrease) in net OPEB obligation	52,055
Net OPEB obligation, beginning of year	384,238
Net OPEB obligation, end of year	$ 436,293

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 73,913	56.1%	$ 342,757
2016	$ 84,587	51.0%	$ 384,238
2017	$ 87,181	40.3%	$ 436,293

Funded Status and Funding Progress. As of December 31, 2016, 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 liabilities 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, 2016, 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 7.75 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, 2016, 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	$ 30,520	$ 56,922
Register of Deeds	9	113
Changes of assumptions		
LGERS	111,259	-
Register of Deeds	2,324	-
LEOSSA	-	2,611
Pension - difference between projected and actual investment earnings		
LGERS	898,108	-
Register of Deeds	15	-
Pension - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	62,992	-
Register of Deeds	52	-
Contributions to pension plan in 2016-2017 fiscal year		
LGERS	344,228	-
Register of Deeds	3,689	602
LEOSSA	-	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
QZAB Bond (General)	-	153,233
Taxes receivable, net (General), less penalties	-	565,320
Taxes receivable, net(Special Revenue)	-	543
Accounts Receivable - Patient fees (General)	-	579,755
Accounts Receivable - Patient fees (Special Revenue)	-	281,567
Other Deferrals - Various Grants (General)	-	257,938
Other Deferrals - Various Grants (Special Revenue)	-	2,489
Total	$ 1,453,196	$ 1,901,093

4. Risk Management

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

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of $500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance for various amounts over coverage per structure.

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

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

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

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

5. Long-Term Obligations

a. Capital Leases

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

Capital lease agreement(s) at June 30, 2017 are comprised of the following:

Serviced by the General Fund:

Lease of a Ford F-150 truck for the Emergency Services Department, entered into on July 2, 2017 in the amount of $35,050, payable in 60 monthly installments of $673 including interest at a rate of 5.95% through June 2, 2021.	$ 28,173

Future minimum lease payments of June 30, 2017 were as follows:

Year Ending June 30	Principal	Interest
2017	$ 6,019	$ 1,389
2019	6,951	1,131
2020	7,376	706
2021	7,827	253
Total	$ 28,173	$ 3,479

At June 30, 2017, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Vehicle	$ 35,050	$ 7,010	$ 28,040

b. Installment Purchases

Serviced by the General Fund:

$992,500 Note payable to Bank of America for school renovations -- Qualified Zone Academy Bond (QZAB); due in annual installments of $55,965 through November 2017; interest at 0.00%.	$ 320,925
$3,530,000 loan with USDA executed on November 26, 2006, for the construction of the new courthouse building in the amount of $3,530,000. The combined repayments of the two notes require 30 annual payments of principal and interest of $208,847. The interest rates are 4.125% and 4.375%.	2,761,280
Total Serviced by the General Fund	$ 3,082,205

For Hyde County, the future installment purchase payments as of June 30, 2017, including $1,384,102 of interest, are:

Year Ending June 30	Principal	Interest
2017	$ 147,940	$ 116,873
2019	151,791	113,022
2020	153,780	109,010
2021	157,872	104,831
2022	162,134	100,476
2023-2027	642,400	430,392
2028-2032	738,052	290,644
2033-2037	928,236	119,054
Total	$ 3,082,205	$ 1,384,302

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.	$ 1,416,032

The County's general obligation bonds payable at June 30, 2017 are comprised of the following individual issue:

Year Ending June 30	Principal	Interest
2017	$ 116,118	$ 39,507
2019	119,284	36,268
2020	122,867	32,940
2021	126,355	29,512
2022	129,244	25,986
2023-2027	667,648	74,764
2028	134,516	3,753
Total	$ 1,416,032	$ 242,730

At June 30, 2017, Hyde County had a legal debt margin of approximately $86,024,508. The County has no authorized but unissued bonds at June 30, 2017.

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%.	$ 1,335,000

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

Operating Revenues	$ 1,674,431	
Operating Expenses*	1,244,238	
Operating Income	430,193	
Nonoperating Revenues (Expenses)	(32,077)	
Income available for debt service	398,116	
Debt service, principal and interest paid (Revenue bond only)	$ 75,738	
Debt service, principal and interest paid (debt excluding revenue bonds)		$ 155,625
Debt Service Ratio	525.65%	255.82%
Requirement Percentage	110.00%	100.00%

*Per rate covenants, this does not include depreciation expense of $414,719
**Does not include revenue bond interest paid of $57,503

The future payments of the revenue bonds are as follows:

Year Ending June 30	Principal	Interest
2017	$ 19,000	$ 56,738
2019	20,000	55,930
2020	21,000	55,080
2021	22,000	54,188
2022	23,000	53,253
2023-2027	130,000	250,750
2028-2032	158,000	220,873
2033-2037	195,000	184,280
2038-2042	240,000	139,188
2043-2047	296,000	83,640
2048-2050	211,000	18,230
	$ 1,335,000	$ 1,172,150

e. Qualified School Construction Bonds

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

$3,002,692 Qualified School Construction Bond issued on October 18, 2010; due in annual installments of $200,179 in principal plus interest at .93 percent through October 2025. $ 1,801,615

	Governmental-Type Activities	
Year Ending June 30	Principal	Interest
2017	$ 200,179	$ 16,755
2019	200,179	14,893
2020	200,179	13,032
2021	200,179	11,170
2022	200,179	9,308
2023-2026	800,720	18,617
	$ 1,801,615	$ 83,775

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, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental activities:					
Installment Purchase	$ 3,226,448	$ -	$ 144,243	$ 3,082,205	$ 147,940
Qualified School Construction Bond	2,001,795	-	200,180	1,801,615	200,179
Capital Leases	-	35,050	6,877	28,173	6,019
Compensated absences	331,105	22,896	31,165	322,836	-
Net pension liability (LGERS)	296,782	1,154,154	-	1,450,936	-
Total pension liability (LEOSSA)	94,161	13,896		108,057	-
Other postemployment benefits	384,238	36,247	-	420,485	-
Total	$ 6,334,529	$ 1,262,243	$ 382,465	$ 7,214,307	$ 354,138
Business-type activities:					
General obligation debt	$ 1,529,412	$ -	$ 113,380	$ 1,416,032	$ 116,118
Revenue bonds debt	1,353,000	-	18,000	1,335,000	19,000
Net pension liability (LGERS)	36,448	137,051	-	173,499	-
Compensated absences	55,515	-	2,739	52,776	-
Other postemployment benefits	-	15,808	-	15,808	-
Total	$ 2,974,375	$ 152,859	$ 134,119	$ 2,993,115	$ 135,118

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, 2017, consist of the following:

From the Hurricane Irene Fund to the General Fund to assist with current year expenditures	$	21,844
From the E-911 Fund to the General Fund to assist with current year expenditures.		25,593
From the Hydeland Home Health Fund to the General Fund to assist with current year expenditures.		626,521
From the Hyde County Senior Center Fund to the General Fund to assist with current year expenditures.		79,432
From the General Fund to the Hyde County Senior Center Fund to provide resources		100,493
From the General Fund to the Hydeland Home Health Fund to assist with current year expenditures.		1,745
From the General Fund to the CAPS/Personal Care Shore Health Fund to assist with current year expenditures.		42,701
From the General Fund to the Homemaker Fund to assist with current year expenditures.		9,437
Total	$	907,766

* 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, 2017, consist of the following:

From the Airport Grant Fund to the General Fund for payment of expenditures	$	46,674
From the PDM Program Fund to the General Fund for the payment of expenditures		58,249
From the Hurricane Matthew Fund to the General Fund for the payment of expenditures		253,003
From the CDBG Revitalization Strategies Fund to the General Fund for the payment of expenditures		4,280
Total	$	362,206

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	$	6,741,813
Less:		
Stabilization by State Statute		1,296,501
Debt Service		208,848
Other Purposes		-
Register of Deeds		43,766
Tax Revaluation		98,072
Environmental Protection		340,690
Appropriated Fund Balance in 2018 budget		475,639
Remaining fund balance	$	4,278,297

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 $4,858 to the Council during the fiscal year ended June 30, 2017. The County was the sub recipient of a grant for $33,723 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	$ 20,613	$ -
Medicaid	4,814,088	2,704,250
Special Supplemental Nutrition Program for Women, Infants, and Children	42,387	-
Foster Care-Title IV-E	721	-
State Foster Home	-	3,170
SC/SA Domiciliary Care	-	38,380
SFHF Maximization	-	17,796
CWS Adopt Subsidy	-	1,426
Low Income Energy Assistance	27,509	-
NC Health Choice	84,480	211
Total	$ 4,989,798	$ 2,765,233

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, 2017, the County reported these local option sales taxes within the General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

VIII. Economic Dependence

The County receives a substantial amount of revenue each year from the Hyde County Prison. For the year ended June 30, 2017, revenue from the Hyde County Prison represented 39% of the total Water and Sewer Fund revenues.

IX. Date of Management Evaluation

Management has evaluated subsequent events through February 28, 2018, the date on which the financial statements were available to be issued.

X. Changes in Accounting Principals/Prior Period Adjustment

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities increased $40,542.

Required Supplemental Financial Data

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

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)

Schedule of Changes in Total Pension Liability (LEOSSA)

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

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)
12/31/2007	-	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%
12/31/2015	-	650,411	650,411	0.00%	4,271,795	15.2%

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

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	92,731	43.80%
2013	87,089	51.10%
2014	68,336	39.40%
2015	73,913	56.10%
2016	84,587	51.00%
2017	87,181	40.30%

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	12/31/2015
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	7.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

Hyde County
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last 4 Fiscal Years*

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

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

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

Hyde County
Schedule of County Contributions
Local Government Employees' Retirement System
Last 4 Fiscal Years

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

Hyde County
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last 4 Fiscal Years*

	2017	2016	2015	2014
County's proportionate share of the net pension liability (%)	0.0467%	0.0464%	0.0398%	0.0403%
County's proportionate share of the net pension liability ($)	$ (8,722)	$ (10,764)	$ (9,019)	$ (9,330)
County's covered-employee payroll	$ 50,313	$ 50,189	$ 50,189	$ 50,189
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-17.34%	-21.45%	-17.97%	-18.59%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

Hyde County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last 4 Fiscal Years*

	2017	2016	2015	2014
County's required contribution	$ 3,689	$ 3,421	$ 3,492	$ 3,492
Contributions in relation to contractually required contribution	3,689	3,421	3,492	3,492
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 50,313	$ 50,313	$ 50,189	$ 50,189
Contributions as a percentage of covered-employee payroll	7.33%	6.80%	6.96%	6.96%

Hyde County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017*

	2017
Beginning Balance	$ 94,161
Service Cost	13,572
Interest on the total pension liability	3,362
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Chagnes of assumptions or other inputs	(3,038)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	$ 108,057

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

Hyde County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	2017
Total pension liability	$ 108,057
Covered payroll	660,554
Total pension liability as a percentage of covered payroll	16%

Notes to the schedules:

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

Combining and Individual Fund Statements and Schedules

Hyde County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	$ 6,540,000	$ 7,352,705	$ 812,705
Interest	86,500	87,835	1,335
Total	6,626,500	7,440,540	814,040
Local option sales tax:			
Article 39 and 44	618,200	670,691	52,491
Article 40 one - half of one percent	390,816	391,261	445
Article 42 one - half of one percent	339,623	340,397	774
Medicaid Hold Harmless Payment	360,000	123,790	(236,210)
Total	1,708,639	1,526,139	(182,500)
Other taxes & licenses:			
Real estate stamp excise tax	55,000	60,119	5,119
Scrap tire disposal tax	5,000	7,539	2,539
White goods disposal tax	-	2,214	2,214
Solid waste disposal tax	4,000	4,706	706
Local occupancy tax	35,850	49,202	13,352
Franchise Tax - cable tv	3,100	3,194	94
Beer and wine licenses	150	23,240	23,090
Total	103,100	150,214	47,114
Unrestricted intergovernmental:			
Payments in lieu of taxes-outside sources	207,000	133,324	(73,676)
Beer and wine tax	10,000	25,487	15,487
Total	217,000	158,811	(58,189)
Restricted intergovernmental:			
State Grants	822,527	561,467	(261,060)
Social Service Grants - federal and state	1,235,553	1,200,097	(35,456)
Other grants	1,704,870	765,022	(939,848)
Court facility fees	10,000	8,102	(1,898)
ABC Bottles taxes	2,500	2,203	(297)
Total	3,775,450	2,536,891	(1,238,559)

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, 2017

	Budget	Actual	Variance Positive (Negative)
Permits and fees:			
Building Permits	12,000	16,303	4,303
Concealed handgun permits	2,500	2,410	(90)
Inspection Fees	15,085	28,714	13,629
Register of Deeds	20,000	23,905	3,905
Election filing fees	100	5	(95)
Sheriff Fees	10,000	11,130	1,130
Private well fees	1,800	1,860	60
Code Enforcement Penalties	1,000	869	(131)
Total	62,485	85,196	22,711
Sales and services:			
Rents, Concessions, and Fees	122,050	135,539	13,489
Jail Fees	-	3,511	3,511
Household Garbage Collection	6,000	4,950	(1,050)
Ambulance and Rescue Squad Fees	470,000	283,007	(186,993)
Airport Gas Sales	30,000	18,177	(11,823)
Total	628,050	445,184	(182,866)
Investment earnings:	10,000	35,011	25,011
Miscellaneous:			
Insurance Claims	-	41,357	41,357
Donations	1,000	-	(1,000)
Other Revenues	70,085	15,337	(54,748)
Total	71,085	56,694	(14,391)
Total revenues	13,202,309	12,434,680	(767,629)

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, 2017

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	24,365	24,364	1
Other operating expenditures	3,800	3,436	364
Total	28,165	27,800	365
Administration:			
Salaries and employee benefits	356,302	389,996	(33,694)
Other operating expenditures	351,135	319,520	31,615
Total	707,437	709,516	(2,079)
IT:			
Salaries and employee benefits	58,620	59,274	(654)
Other operating expenditures	6,380	4,157	2,223
Capital outlay	-	-	-
Total	65,000	63,431	1,569
Elections:			
Salaries and employee benefits	38,060	36,506	1,554
Other operating expenditures	40,099	39,068	1,031
Total	78,159	75,574	2,585
Finance:			
Salaries and employee benefits	121,069	115,846	5,223
Other operating expenditures	30,650	27,738	2,912
Total	151,719	143,584	8,135
Human Resources:			
Salaries and employee benefits	57,028	57,085	(57)
Other operating expenditures	12,400	10,986	1,414
Total	69,428	68,071	1,357
Taxes:			
Salaries and employee benefits	153,581	151,483	2,098
Other operating expenditures	45,400	38,368	7,032
Total	198,981	189,851	9,130
Legal:			
Contracted Services	32,500	29,630	2,870
Total	32,500	29,630	2,870

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, 2017

	Budget	Actual	Variance Positive (Negative)
Register of Deeds:			
Salaries and employee benefits	106,317	106,556	(239)
Other operating expenditures	75,375	73,937	1,438
Total	181,692	180,493	1,199
Public Buildings:			
Salaries and employee benefits	139,231	129,372	9,859
Other operating Expenditures	356,344	345,186	11,158
Total	495,575	474,558	21,017
Court Facilities:			
Other operating expenditures	10,000	7,591	2,409
Total	10,000	7,591	2,409
Total General Government	2,018,656	1,970,099	48,557
Public Safety:			
Sheriff:			
Salaries and employee benefits	1,045,733	1,047,053	(1,320)
Other operating expenditures	267,017	241,979	25,038
Capital outlay	50,000	50,000	-
Total	1,362,750	1,339,032	23,718
ABC Rehabilitation:			
Other operating expenditures	2,500	2,205	295
Total	2,500	2,205	295
Dare:			
Salaries and employee benefits	49,446	-	49,446
Other operating expenditures	4,750	-	4,750
Total	54,196	-	54,196
Jail:			
Other operating expenditures	106,250	99,991	6,259
Total	106,250	99,991	6,259
Emergency Management:			
Salaries and employee benefits	82,470	81,755	715
Other operating expenditures	101,800	101,282	518
Capital outlay - DTH-RECC	1,266,887	717,189	549,698
Capital outlay	-	-	-
Total	1,451,157	900,226	550,931
Fire:			
Contracted Services	185,525	184,373	1,152

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, 2017

	Budget	Actual	Variance Positive (Negative)
Inspections:			
Salaries and employee benefits	103,767	104,034	(267)
Other operating expenditures	25,900	22,160	3,740
Total	129,667	126,194	3,473
Rescue:			
Salaries and employee benefits	1,114,387	1,096,463	17,924
Other operating expenditures	491,160	482,787	8,373
Total	1,605,547	1,579,250	26,297
Medical Examiner:			
Other operating expenditures	3,000	2,650	350
Total	3,000	2,650	350
Total Public Safety	4,900,592	4,233,921	666,671
Environmental Protection:			
Solid Waste:			
Salaries and employee benefits	330,078	285,960	44,118
Other operating expenditures	626,147	661,652	(35,505)
Capital outlay	1,000	3,604	(2,604)
Total	957,225	951,216	6,009
Total Environmental Protection	957,225	951,216	6,009
Transportation:			
Airport:			
Other operating expenditures	93,000	80,777	12,223
Total Transportation	93,000	80,777	12,223
Economic and Physical Development:			
Planning:			
Salaries and employee benefits	97,249	61,026	36,223
Other operating expenditures	162,098	123,134	38,964
Total	259,347	184,160	75,187

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, 2017

	Budget	Actual	Variance Positive (Negative)
Agricultural Extension:			
Salaries and employee benefits	119,890	111,319	8,571
Other operating expenditures	25,700	26,113	(413)
Total	145,590	137,432	8,158
Swan Quarter Dike Project:			
Capital Outlay	80,000	2,085	77,915
Juvenile Crime Prevention:			
Salaries and employee benefits	16,013	16,013	-
Other operating expenditures	38,875	38,587	288
Total	54,888	54,600	288
Soil and Water Conservation:			
Salaries and employee benefits	111,148	111,294	(146)
Other operating expenditures	25,649	23,902	1,747
Total	136,797	135,196	1,601
Total Economic and Physical Development	676,622	513,473	163,149
Human Services:			
Health:			
Administration:			
Salaries and employee benefits	157,368	157,368	-
Other operating expenditures	115,567	109,808	5,759
Capital Outlay	27,062	26,730	332
Total	299,997	293,906	6,091
Public Management Entity:			
Salaries and employee benefits	3,676	3,688	(12)
Other operating expenditures	4,442	3,807	635
Total	8,118	7,495	623
Communicable Diseases:			
Salaries and employee benefits	21,522	15,086	6,436
Other operating expenditures	10,350	5,507	4,843
Total	31,872	20,593	11,279

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, 2017

	Budget	Actual	Variance Positive (Negative)
Immunization:			
Salaries and employee benefits	4,872	3,854	1,018
Other operating expenditures	2,935	642	2,293
Total	7,807	4,496	3,311
Medical Assistance:			
Salaries and Employee Benefits	7,968	7,968	-
Other operating expenditures	7,812	6,583	1,229
	15,780	14,551	1,229
Health Promotions-Risk Reduction:			
Salaries and Employee Benefits	19,894	17,596	2,298
Other Operating Expenditures	11,182	7,948	3,234
Total	31,076	25,544	5,532
Child Health-State:			
Salaries and Employee Benefits	53,104	52,078	1,026
Other operating expenditures	12,105	11,443	662
Total	65,209	63,521	1,688
Maternal Health-State:			
Salaries and Employee Benefits	31,633	31,785	(152)
Other operating expenditures	7,135	5,088	2,047
Total	38,768	36,873	1,895
Breast and Cervical Cancer:			
Salaries and Employee Benefits	4,654	3,815	839
Other operating expenditures	9,513	8,963	550
Total	14,167	12,778	1,389
Food and Lodging:			
Salaries and Employee Benefits	41,337	41,605	(268)
Other operating expenditures	4,440	2,986	1,454
Capital Outlay	-	-	-
Total	45,777	44,591	1,186
Women, Infants and children:			
Salaries and Employee Benefits	26,953	25,622	1,331
Other operating expenditures	4,324	1,936	2,388
Total	31,277	27,558	3,719

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, 2017

	Budget	Actual	Variance Positive (Negative)
Pregnancy Care Management:			
Salaries and Employee Benefits	10,645	10,579	66
Other operating expenditures	380	312	68
Total	11,025	10,891	134
Environmental Health:			
Salaries and Employee Benefits	27,449	27,417	32
Other operating expenditures	25,965	25,980	(15)
Total	53,414	53,397	17
Adult Health:			
Salaries and Employee Benefits	85,097	73,989	11,108
Other operating expenditures	35,656	43,083	(7,427)
Capital Outlay	1,989	1,989	-
Total	122,742	119,061	3,681
Family Planning - State:			
Salaries and Employee Benefits	66,867	67,998	(1,131)
Other operating expenditures	25,142	14,855	10,287
Total	92,009	82,853	9,156
Child Service Coordinator - State:			
Salaries and Employee Benefits	11,746	11,693	53
Other operating expenditures	2,225	647	1,578
Total	13,971	12,340	1,631
Kate B. Reynolds Grant:			
Salaries and Employee Benefits	53,430	44,842	8,588
Other operating expenditures	53,482	37,731	15,751
Total	106,912	82,573	24,339
Community Transformation:			
Salaries and Employee Benefits	48,100	6,522	41,578
Other operating expenditures	17,700	5,488	12,212
Total	65,800	12,010	53,790
Mental Health:			
Other operating expenditures	10,914	10,914	-
Total	10,914	10,914	-

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, 2017

	Budget	Actual	Variance Positive (Negative)
Social Services:			
Medical Assistance Program:			
Salaries and Employee Benefits	770,509	703,066	67,443
Other operating expenditures	321,843	200,258	121,585
Total	1,092,352	903,324	189,028
SBA Home Loans/Grants:			
Transportation	4,777	4,949	(172)
In-Home Chore	17,198	25,822	(8,624)
Total	21,975	30,771	(8,796)
CAPS - Medicaid:			
Salaries and Employee Benefits	33,840	31,546	2,294
Other operating expenditures	28,500	7,952	20,548
Total	62,340	39,498	22,842
Public Assistance:			
Special Assistance	50,000	39,978	10,022
Medical Assistance	2,500	-	2,500
Total	52,500	39,978	12,522
Day Care:			
Salaries and Employee Benefits	56,199	55,222	977
Other operating expenditures	110,530	102,843	7,687
Total	166,729	158,065	8,664
Mattamuskeet Opportunities:			
Salaries and Employee Benefits	120,153	91,915	28,238
Other operating expenditures	44,670	35,637	9,033
Total	164,823	127,552	37,271
Project Direct Legacy for Men:			
Other operating expenditures	4,301	4,301	-
Total	4,301	4,301	-
Family Connects:			
Salaries and Employee Benefits	22,895	8,761	14,134
Other operating expenditures	4,417	2,935	1,482
Total	27,312	11,696	15,616

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, 2017

	Budget	Actual	Variance Positive (Negative)
Peer Counselor:			
Other operating expenditures	7,985	5,696	2,289
Total	7,985	5,696	2,289
Drug Overdose Prevention:			
Salaries and Employee Benefits	1,161	-	1,161
Total	1,161	-	1,161
Vidant Health Promotion:			
Other operating expenditures	7,497	2,143	5,354
Total	7,497	2,143	5,354
NCDPH EBOLA:			
Salaries and Employee Benefits	6,118	3,961	2,157
Other operating expenditures	7,030	6,094	936
Total	13,148	10,055	3,093
PH Famers Market:			
Other operating expenditures	950	140	810
Total	950	140	810
Services:			
SSBG In-Home Chore	24,543	16,664	7,879
SSBG Blind	2,089	1,649	440
SSBG Transportation	400	30	370
SSBG Legal Services	15,000	2,125	12,875
Crisis Intervention	26,202	25,261	941
Medicaid transportation	65,000	52,856	12,144
State Foster Care	30,480	-	30,480
IV-A adoption assistance	2,731	-	2,731
IV-B adoption assistance	3,740	476	3,264
IV-E Foster Care	35,710	-	35,710
General assistance	3,000	1,130	1,870
Personal Care equipment	1,000	695	305
200% of poverty	5,000	600	4,400
AFDC emergency assistance	5,000	788	4,212
Hyde County Transit	40,000	36,064	3,936
LIEAP	26,202	28,900	(2,698)
Other operating expenditures	21,900	4,432	17,468
Total	307,997	171,670	136,327

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, 2017

	Budget	Actual	Variance Positive (Negative)
Bioterrorism:			
Salaries and Employee Benefits	22,795	18,573	4,222
Other operating expenditures	19,975	19,381	594
Total	42,770	37,954	4,816
Elderly Nutrition:			
Other operating expenditures	51,423	39,223	12,200
Total	51,423	39,223	12,200
Transportation:			
Elderly and Disabled	81,293	89,006	(7,713)
Work first transportation	5,505	-	5,505
Total	86,798	89,006	(2,208)
Veteran's Services:			
Salaries and Employee Benefits	8,758	5,808	2,950
Other operating expenditures	1,400	-	1,400
Total	10,158	5,808	4,350
Private Well Services:			
Salaries and Employee Benefits	1,085	272	813
Other operating expenditures	715	679	36
Total	1,800	951	849
Total Human Services	3,190,654	2,613,776	576,878
Cultural and Recreation:			
Cultural Contributions	43,000	42,000	1,000
Total	43,000	42,000	1,000
Education:			
Public schools - current	1,575,368	1,575,368	-
Public schools - capital outlay	404,959	298,518	106,441
Total	1,980,327	1,873,886	106,441
Debt service:			
Installment debt principal	95,158	95,158	-
QSCB bond principal	200,179	200,179	-
QZAB bond principal	55,964	55,965	(1)
Interest and Fees	132,307	132,307	-
Total debt service	483,608	483,609	(1)
Total expenditures	14,343,684	12,762,757	1,580,927
Revenue over (under) expenditures	(1,141,375)	(328,077)	813,298

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, 2017

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers from other funds:			
Special Revenue Funds	170,382	753,390	583,008
Transfers to other funds:			
Special Revenue Funds	(100,593)	(159,376)	(58,783)
Loan Proceeds	-	35,050	35,050
Sale and Lease of Assets	25,000	171,356	146,356
Contingency	-	585	585
Total other financing sources (uses)	94,789	801,005	706,216
Appropriated Fund Balance	1,046,586	-	(1,046,586)
Net change in fund balance	$ -	472,928	$ 472,928
Fund balance, beginning		5,830,123	
Prior period adjustment			
Fund balance, restated		5,830,123	
Fund balance, ending		$ 6,303,051	

Hyde County
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 500	$ 1,909	$ 1,409
Total Revenues	500	1,909	1,409
Expenditures:			
Contract Services	165,500	160,456	5,044
Total Expenditures	165,500	160,456	5,044
Revenues over (under) expenditures	(165,000)	(158,547)	6,453
Other financing sources (uses):			
Transfer from (to) General Fund	165,000	5,000	(160,000)
Appropriated Fund Balance	-	-	-
Total Other financing sources (uses)	165,000	5,000	(160,000)
Net change in fund balance	$ -	(153,547)	$ (153,547)
Fund balance, beginning		251,619	
Fund balance, ending		$ 98,072	

Hyde County
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 5,000	$ 1,765	$ (3,235)
Total Revenues	5,000	1,765	(3,235)
Expenditures:			
Contract Services	5,000	-	5,000
Total Expenditures	5,000	-	5,000
Revenues over (under) expenditures	-	1,765	1,765
Other financing sources (uses):			
Transfer to General Fund	-	-	-
Appropriated Fund Balance	-	-	
Total Other financing sources (uses)	-	-	-
Net change in fund balance	$ -	1,765	$ 1,765
Fund balance, beginning		338,925	
Fund balance, ending		$ 340,690	

NON-MAJOR GOVERNMENTAL FUNDS

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

Hyde County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	$ 1,558,539	$ -	$ 1,558,539
Accounts receivable, net	215,402	66,165	281,567
Taxes receivable, net	543	-	543
Other Receivables	812,074	-	812,074
Due from other funds	-	-	-
Due from other governments	-	-	-
Total assets	2,586,558	66,165	2,652,723
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	28,462	16,280	44,742
Due to other funds	315,532	46,674	362,206
Deferred Inflows of Resources	2,489	-	2,489
Total liabilities	346,483	62,954.00	409,437
Fund Balances:			
Restricted:			
Reserved by State Statute	1,027,476	-	1,027,476
Economic and physical development	739,272	-	739,272
Transportation	-	-	-
Other Purposes	200,185	-	200,185
Committed:			
Public Safety	204,405	-	204,405
Human Services	-	-	-
Economic and physical development	341,810	-	341,810
Cultural and Recreation	14,931	-	14,931
Assigned:			
Subsequent years' expenditures	135,724	16,000	151,724
Unassigned	(423,728)	(12,789)	(436,517)
Total fund balances	2,240,075	3,211	2,243,286
Total liabilities, deferred inflows of resources	$ 2,586,558	$ 66,165	$ 2,652,723

Hyde County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
June 30, 2017

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	$ 65,495	$ -	$ 65,495
Other taxes and licenses	465,639	-	465,639
Restricted intergovernmental	325,836	107,975	433,811
Sales and Services	261,233	-	261,233
Investment earnings	47,255	-	47,255
Miscellaneous	2,919	8,550	11,469
Total revenues	1,168,377	116,525	1,284,902
Expenditures:			
Current:			
General government	269,266	-	269,266
Public safety	54,653	-	54,653
Economic and physical development	322,285	-	322,285
Human Services	13,331	-	13,331
Environmental Protection	291,989	-	291,989
Cultural and Recreation	72,394	-	72,394
Education	-	-	-
Capital Outlay	-	94,120	94,120
Total expenditures	1,023,918	94,120	1,118,038
Excess (deficiency) of revenues over expenditures	144,459	22,405	166,864
Other financing sources (uses):			
Transfers from other funds	154,376	-	154,376
Transfers to other funds	(753,390)	-	(753,390)
Insurance Recovery	23,514	-	23,514
Contributions	2,000	-	2,000
Total other financing sources (uses)	(573,500)	-	(573,500)
Net change in fund balances	(429,041)	22,405	(406,636)
Fund balances, beginning	2,669,116	(19,194)	2,649,922
Fund balances, ending	$ 2,240,075	$ 3,211	$ 2,243,286

Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2017

	Special Revenue Funds							
	Ocracoke Occupancy Tax Fund	Hurricane Irene Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center
Assets:								
Cash and cash equivalents	$ 745,201	$ -	$ 2,524	$ 85,977	$ 26,683	$ 17,618	$ 237,874	$ 1,757
Accounts receivable, net	-	-	-	-	-	-	-	-
Taxes Receivable, net	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	0
Due from other governments	-	-	-	-	-	-	-	-
Total assets	$ 745,201	$ -	$ 2,524	$ 85,977	$ 26,683	$ 17,618	$ 237,874	$ 1,757
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	$ 5,929	$ 581	$ 2,524	$ 672	$ -	$ 2,687	$ 3,302	$ 3,030
Due to other funds	-	-	-	-	-	-	-	-
Deferred Inflows of Resources	-	-	-	-	-	-	-	-
Total liabilities	5,929	581	2,524	672	-	2,687	3,302	3,030
Fund Balances:								
Restricted:								
Reserved by State Statute	-	-	-	-	-	-	-	-
Economic and physical development	739,272	-	-	-	-	-	-	-
Other Purposes	-	-	-	85,305	26,683	-	-	-
Committed:								
Public Safety	-	-	-	-	-	-	204,405	-
Economic and physical development	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	14,931	-	-
Assigned:								
Subsequent year's expenditures	-	-	-	-	-	-	30,167	105,557
Unassigned	-	(581)	-	-	-	-	-	(106,830)
Total fund balances	739,272	(581)	-	85,305	26,683	14,931	234,572	(1,273)
Total liabilities, deferred inflows of resources, and fund balances	$ 745,201	$ -	$ 2,524	$ 85,977	$ 26,683	$ 17,618	$ 237,874	$ 1,757

Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2017

	Special Revenue Funds							
	Revolving Loan	CAPS/Personal Care Chore Health	CDBG Revitalization Strategies	Swan Quarter Water Shed District	Homemaker Fund	PDM Program Fund	Hurricane Matthew Fund	Total Non-major Special Revenue Funds
Assets:								
Cash and cash equivalents	$ 341,810	$ -	$ 1,000	$ 90,815	$ 3,866	$ 3,414	$ -	$ 1,558,539
Accounts receivable, net	159	-	-	29	-	-	215,214	215,402
Taxes Receivable, net	-	-	-	543	-	-	-	543
Other Receivables	812,074	-	-	-	-	-	-	812,074
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	$ 1,154,043	$ -	$ 1,000	$ 91,387	$ 3,866	$ 3,414	$ 215,214	$ 2,586,558
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	$ -	$ 36	5,160	$ 672	$ 3,869	$ -	$ -	$ 28,462
Due to other funds	-	-	4,280	-	-	58,249	253,003	315,532
Deferred Inflows of Resources	-	-	-	2,489	-	-	-	2,489
Total liabilities	-	36	9,440	3,161	3,869	58,249	253,003	346,483
Fund Balances:								
Restricted:								
Reserved by State Statute	812,233	-	-	29	-	-	215,214	1,027,476
Economic and physical development	-	-	-	-	-	-	-	739,272
Other Purposes	-	-	-	88,197	-	-	-	200,185
Committed:								
Public Safety	-	-	-	-	-	-	-	204,405
Economic and physical development	341,810	-	-	-	-	-	-	341,810
Cultural and Recreation	-	-	-	-	-	-	-	14,931
Assigned:								
Subsequent year's expenditures	-	-	-	-	-	-	-	135,724
Unassigned	-	(36)	(8,440)	-	(3)	(54,835)	(253,003)	(423,728)
Total fund balances	1,154,043	(36)	(8,440)	88,226	(3)	(54,835)	(37,789)	2,240,075
Total liabilities, deferred inflows of resources, and fund balances	$ 1,154,043	$ -	$ 1,000	$ 91,387	$ 3,866	$ 3,414	$ 215,214	$ 2,586,558

Hyde County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	Ocracoke Occupancy Tax Fund	Hurricane Irene Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center
Revenues:								
Ad valorem taxes	$ -	$ -	$ -	$ 38,686	$ -	$ -	$ -	$ -
Other taxes and licenses	457,410	-	-	-	8,229	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-	11,936
Sales and Services	-	-	88,327	-	-	30,995	113,480	380
Investment earnings	9,739	-	4,989	179	-	-	1,308	-
Miscellaneous	-	-	-	-	-	-	-	2,919
Total revenues	467,149	-	93,316	38,865	8,229	30,995	114,788	15,235
Expenditures:								
Current:								
General government	-	-	143,248	17,933	-	-	-	72,962
Public safety	-	-	-	-	-	-	54,653	-
Economic and physical development	310,283	-	-	-	524	-	-	-
Human Services	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	30,308	-	42,086
Education	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total expenditures	310,283	-	143,248	17,933	524	30,308	54,653	115,048
Excess (deficiency) of revenues over expenditures	156,866	-	(49,932)	20,932	7,705	687	60,135	(99,813)
Other financing sources (uses):								
Transfers from other funds	-	-	1,745	-	-	-	-	100,493
Transfers to other funds	-	(21,844)	(626,521)	-	-	-	(25,593)	(79,432)
Contributions	-	-	-	-	-	-	-	-
Insurance Recovery	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(21,844)	(624,776)	-	-	-	(25,593)	21,061
Net change in fund balances	156,866	(21,844)	(674,708)	20,932	7,705	687	34,542	(78,752)
Fund balances, beginning	582,406	21,263	674,708	64,373	18,978	14,244	200,030	77,479
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning as restated	582,406	21,263	674,708	64,373	18,978	14,244	200,030	77,479
Fund balances, ending	$ 739,272	$ (581)	$ -	$ 85,305	$ 26,683	$ 14,931	$ 234,572	$ (1,273)

Hyde County
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	Revolving Loan	CAPS/Personal Care Chore Health	CDBG Revitalization Strategies	Swan Quarter Water Shed District	Homemaker Fund	PDM Program Fund	Hurricane Matthew Fund	Total Non-major Special Revenue Funds
Revenues:								
Ad valorem taxes	$ -	$ -	$ -	$ 26,809	$ -	$ -	$ -	$ 65,495
Other taxes and licenses	-	-	-	-	-	-	-	465,639
Restricted intergovernmental	90,000	-	-	-	8,687	-	215,213	325,836
Sales and Services	-	28,051	-	-	-	-	-	261,233
Investment earnings	31,033	7	-	-	-	-	-	47,255
Miscellaneous	-	-	-	-	-	-	-	2,919
Total revenues	121,033	28,058	-	26,809	8,687	-	215,213	1,168,377
Expenditures:								
Current:								
General government	-	35,123	-	-	-	-	-	269,266
Public safety	-	-	-	-	-	-	-	54,653
Economic and physical development	38	-	11,440	-	-	-	-	322,285
Human Services	-	-	-	-	13,331	-	-	13,331
Environmental Protection	-	-	-	15,473	-	-	276,516	291,989
Cultural and Recreation	-	-	-	-	-	-	-	72,394
Education	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total expenditures	38	35,123	11,440	15,473	13,331	-	276,516	1,023,918
Excess (deficiency) of revenues over expenditures	120,995	(7,065)	(11,440)	11,336	(4,644)	-	(61,303)	144,459
Other financing sources (uses):								
Transfers from other funds	-	42,701	-	-	9,437	-	-	154,376
Transfers to other funds	-	-	-	-	-	-	-	(753,390)
Contributions	-	-	2,000	-	-	-	-	2,000
Insurance Recovery	-	-	-	-	-	-	23,514	23,514
Debt service	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	42,701	2,000	-	9,437	-	23,514	(573,500)
Net change in fund balances	120,995	35,636	(9,440)	11,336	4,793	-	(37,789)	(429,041)
Fund balances, beginning	1,033,048	(35,672)	1,000	76,890	(4,796)	(54,835)	-	2,669,116
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning as restated	1,033,048	(35,672)	1,000	76,890	(4,796)	(54,835)	-	2,669,116
Fund balances, ending	$ 1,154,043	$ (36)	$ (8,440)	$ 88,226	$ (3)	$ (54,835)	$ (37,789)	$ 2,240,075

Hyde County, North Carolina
Ocracoke Occupancy Tax Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Taxes and Licenses:			
Occupancy tax	$ 361,505	$ 457,410	$ 95,905
Investment Earnings	3,500	9,739	6,239
Sales and Services:			-
Rent Income	-	-	-
Miscellaneous:			-
Donations	-	-	-
Total revenues	365,005	467,149	102,144
Expenditures			
Economic and Physical Development:	365,005	310,283	54,722
Total expenditures	365,005	310,283	54,722
Revenues Over (Under) Expenditures	-	156,866	156,866
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	$ -	156,866	$ 156,866
Fund balance, beginning		582,406	
Fund balance, ending		$ 739,272	

Hyde County
Hurricane Irene Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Closed Project	Actual Total To Date	Variance Positive (Negative)
Revenues:						
FEMA Grant	$ -	$ 2,063,698	$ -	$ -	$ 2,063,698	$ 2,063,698
NC Emergency Management	-	734,143	-	-	734,143	734,143
Total revenues	-	2,797,841	-	-	2,797,841	2,797,841
Expenditures:						
Environmental Protection	-	3,827,372	-	-	3,827,372	(3,827,372)
Total expenditures	-	3,827,372	-	-	3,827,372	(3,827,372)
Revenues Over (Under) Expenditures	-	(1,029,531)	-	-	(1,029,531)	(1,029,531)
Other Financing Sources (Uses)						
Transfer from other funds	-	2,979,517	-	-	2,979,517	(2,979,517)
Transfer to other funds	-	(2,221,511)	(21,844)	-	(2,243,355)	(2,243,355)
Insurance Recovery	-	292,788	-	-	292,788	(292,788)
Total Other Financing Sources (Uses)	-	1,050,794	(21,844)	-	1,028,950	(5,515,660)
Net change in fund balance	$ -	$ 21,263	(21,844)	$ -	$ (581)	$(6,545,191)
Fund balance, beginning			21,263			
Fund balance, ending			$ (581)			

Hyde County
Hydeland Home Health Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	$ 220,000	$ 88,327	$ (131,673)
Investment Earnings	5,500	4,989	(511)
Total revenues	225,500	93,316	(132,184)
Expenditures			
Salaries and Benefits	143,320	57,964	85,356
Other Expenses	170,822	85,284	85,538
Capital Outlay	-	-	-
Total Expenditures	314,142	143,248	170,894
Revenues Over (Under) Expenditures)	(88,642)	(49,932)	38,710
Other Financing Sources (Uses)			
Transfers to other funds	(44,789)	(626,521)	(581,732)
Transfers from other funds	133,431	1,745	(131,686)
Total other financing sources	88,642	(624,776)	(713,418)
Net change in fund balance	$ -	(674,708)	$ (674,708)
Fund balance, beginning		674,708	
Fund balance, ending		$ -	

Hyde County
West Quarter District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	$ 23,940	$ 38,686	$ 14,746
Investment Earnings	150	179	29
Total revenues	24,090	38,865	14,775
Expenditures:			
General Government	24,090	17,933	6,157
Total expenditures	24,090	17,933	6,157
Revenues over (under) expenditures	-	20,932	20,932
Other financing sources (uses):			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	$ -	20,932	$ 20,932
Fund balance, beginning		64,373	
Beginning of year, total		$ 85,305	

Hyde County
Mainland Occupancy Tax Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and licenses:			
Occupancy taxes	$ 11,000	$ 8,229	(2,771)
Total revenues	11,000	8,229	(2,771)
Expenditures:			
Economic and Physical Development	11,000	524	10,476
Total expenditures	11,000	524	10,476
Revenues over (under) expenditures	-	7,705	7,705
Net change in fund balance	$ -	7,705	$ 7,705
Fund balance, beginning		18,978	
Beginning of year, total		$ 26,683	

Hyde County
4-H Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	$ 28,780	$ 30,995	2,215
Total revenues	28,780	30,995	2,215
Expenditures:			
Cultural and Recreation	28,780	30,308	(1,528)
Total expenditures	28,780	30,308	(1,528)
Revenues over (under) expenditures	-	687	687
Other financing sources (uses):			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	$ -	687	$ 687
Fund balance, beginning		14,244	
Beginning of year, total		$ 14,931	

Hyde County
E-911 Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
E-911 and wireless charges	$ 96,912	$ 113,480	$ 16,568
Investment Earnings	1,000	1,308	308
Total revenues	97,912	114,788	16,876
Expenditures:			
Public Safety	102,000	54,653	47,347
Total expenditures	102,000	54,653	47,347
Revenues over (under) expenditures	(4,088)	60,135	64,223
Other financing sources (uses):			
Debt service - principal	-	-	-
Debt service - interest	-	-	-
Transfer from (to) General Fund	(25,593)	(25,593)	-
Fund Balance Appropriated	29,681	-	(29,681)
Total other financing sources (uses)	4,088	(25,593)	(29,681)
Net change in fund balance	$ -	34,542	$ 34,542
Fund balance, beginning		200,030	
Beginning of year, total		$ 234,572	

Hyde County
Hyde County Senior Center Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
Federal and State Grants	$ 15,000	$ 11,936	$ (3,064)
Sales and Services:			
Rent Income	400	380	(20)
Miscellaneous:			
Fundraisers	1,000	2,919	1,919
Total revenues	16,400	15,235	(1,165)
Expenditures			
Administration	81,203	72,962	8,241
Cultural and Recreation	35,790	42,086	(6,296)
Total Expenditures	116,993	115,048	1,945
Revenues Over (Under) Expenditures)	(100,593)	(99,813)	780
Other Financing Sources (Uses)			
Transfers from other funds	100,593	100,493	(100)
Transfers to other funds	(79,432)	(79,432)	-
Total other financing sources	21,161	21,061	(100)
Net change in fund balance	$ (79,432)	(78,752)	$ 680
Fund balance, beginning		77,479	
Fund balance, ending		$ (1,273)	

Hyde County
Revolving Loan Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental	$ -	$ 90,000	$ 90,000
Investment Earnings	-	31,033	31,033
Total revenues	-	121,033	121,033
Expenditures			
Economic and Physical Development	-	38	(38)
Total Expenditures	-	38	(38)
Revenues Over (Under) Expenditures)	-	120,995	120,995
Other Financing Sources (Uses)			
Transfers to General Fund	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	$ -	120,995	$ 120,995
Fund balance, beginning		1,033,048	
Fund balance, ending		$ 1,154,043	

Hyde County
CAPS/Personal Care Chore Health Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and Services:			
Fees	$ 111,400	$ 28,051	$ (83,349)
Investment Earnings	-	7	7
Total revenues	111,400	28,058	(83,342)
Expenditures			
Human Services	-	-	-
Operating	120,822	35,123	85,699
Total Expenditures	120,822	35,123	85,699
Revenues Over (Under) Expenditures)	(9,422)	(7,065)	2,357
Other financing sources (uses):			
Transfer from (to) Other Funds	9,422	42,701	33,279
Total other financing sources	9,422	42,701	33,279
Net change in fund balance	$ -	35,636	$ 35,636
Fund balance, beginning		(35,672)	
Fund balance, ending		$ (36)	

Hyde County
CDBG Revitalization Strategies Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
CDBG Grants	$ 204,243	$ -	$ (204,243)
Total revenues	204,243	-	(204,243)
Expenditures			
Economic and Physical Development	226,937	11,440	215,497
Total Expenditures	226,937	11,440	215,497
Revenues Over (Under) Expenditures)	(22,694)	(11,440)	11,254
Other Financing Sources (Uses)			
Contributions	22,694	2,000	
Transfers from (to) other funds		-	-
Total other financing sources	22,694	2,000	-
Net change in fund balance	$ -	(9,440)	$ 11,254
Fund balance, beginning		1,000	
Fund balance, ending		$ (8,440)	

Hyde County
Swan Quarter Water Shed District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem taxes	$ 20,000	$ 26,809	$ 6,809
Total revenues	20,000	26,809	6,809
Expenditures			
Environmental Protection	20,000	15,473	4,527
Total Expenditures	20,000	15,473	4,527
Net change in fund balance	$ -	11,336	$ 11,336
Fund balance, beginning		76,890	
Fund balance, ending		$ 88,226	

Hyde County
Homemaker Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental	$ -	$ 8,687	$ 8,687
Total revenues	-	8,687	8,687
Expenditures			
Human Services	34,473	13,331	21,142
Total Expenditures	34,473	13,331	21,142
Revenues Over (Under) Expenditures)	(34,473)	(4,644)	29,829
Other Financing Sources (Uses)			
Transfers from (to) other funds	34,473	9,437	(25,036)
Total other financing sources	34,473	9,437	(25,036)
Net change in fund balance	$ -	4,793	$ 4,793
Fund balance, beginning		(4,796)	
Fund balance, ending		$ (3)	

Hyde County
PDM Program Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
PDM Grant	$ -	$ 447,849	$ -	$ 447,849	$ 447,849
Hazard Mitigation Grant		189,101	-	189,101	189,101
Owners Contribution		74,100	-	74,100	74,100
Total revenues	-	711,050	-	711,050	711,050
Expenditures:					
Economic and Physical Development:					
Planning	-	765,885	-	765,885	(765,885)
Total expenditures	-	765,885	-	765,885	(765,885)
Net Change in Fund Balance	$ -	$ (54,835)	-	$ (54,835)	$ (54,835)
Fund balance, beginning			(54,835)		
Fund balance, ending			$ (54,835)		

Hyde County
Hurricane Matthew Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Closed Project	Actual Total To Date	Variance Positive (Negative)
Revenues:						
FEMA Grant	344,877	$ -	161,410	$ -	$ 161,410	$ (183,467)
NC Emergency Management	114,959	-	53,803	-	53,803	(61,156)
Total revenues	459,836	-	215,213	-	215,213	(244,623)
Expenditures:						
Environmental Protection	486,350	-	276,516	-	276,516	209,834
Total expenditures	486,350	-	276,516	-	276,516	209,834
Revenues Over (Under) Expenditures	(26,514)	-	(61,303)	-	(61,303)	(34,789)
Other Financing Sources (Uses)						
Transfer from other funds	-	-	-	-	-	-
Transfer to other funds	-	-	-	-	-	-
Insurance Recovery	26,514	-	23,514	-	23,514	3,000
Total Other Financing Sources (Uses)	26,514	-	23,514	-	23,514	3,000
Net change in fund balance	$ -	$ -	(37,789)	$ -	$ (37,789)	$ (31,789)
Fund balance, beginning			-			
Fund balance, ending			$ (37,789)			

CAPITAL PROJECT FUNDS

Hyde County
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2017

	Capital Project Funds	
	Airport Grant Fund	Total Non-major Capital Project Funds
Assets:		
Cash and cash equivalents	$ -	$ -
Accounts receivable, net	66,165	66,165
Taxes Receivable, net	-	-
Other Receivables	-	-
Due from other funds	-	-
Due from other governments	-	-
Total assets	$ 66,165	$ 66,165
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	$ 16,280	$ 16,280
Due to other funds	46,674	46,674
Deferred Inflows of Resources	-	-
Total liabilities	62,954	62,954
Fund Balances:		
Restricted:		
Transportation	-	-
Subsequent year's expenditures	16,000	16,000
Unassigned	(12,789)	(12,789)
Total fund balances	3,211	3,211
Total liabilities, deferred inflows of resources, and fund balances	$ 66,165	$ 66,165

Hyde County
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2017

	Capital Project Funds	
	Airport Grant Fund	Total Non-major Capital Project Funds
Revenues:		
Ad valorem taxes	$ -	$ -
Other taxes and licenses	-	-
Restricted Intergovernmental	107,975	107,975
Sales and Services	-	-
Investment Earnings	-	-
Miscellaneous	8,550	8,550
Total revenues	116,525	116,525
Expenditures:		
Current:		
General government	-	-
Public Safety	-	-
Economic and Physical Development	-	-
Human Services	-	-
Environmental Protection	-	-
Cultural and Recreation	-	-
Education	-	-
Capital Outlay	94,120	94,120
Total expenditures	94,120	94,120
Excess (deficiency) of revenues over expenditures	22,405	22,405
Other financing sources (uses):		
Transfers from other funds	-	-
Transfers to other funds	-	-
Insurance Recovery	-	-
Sale of capital assets	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	22,405	22,405
Fund balances, beginning	(19,194)	(19,194)
Fund balances, ending	$ 3,211	$ 3,211

Hyde County, North Carolina
Airport Grant Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental - State Grant	$ 144,000	$ 38,055	$ 107,975	$ 146,030	$ 2,030
Miscellaneous - Local Match	16,000	110,805	8,550	119,355	103,355
Total revenues	160,000	148,860	116,525	265,385	105,385
Expenditures:					
Capital Outlay:					
Airport Improvements	160,000	168,054	94,120	262,174	(102,174)
Total expenditures	160,000	168,054	94,120	262,174	(102,174)
Net change in fund balance	$ -	$ (19,194)	22,405	$ 3,211	$ 3,211
Fund balance, beginning			(19,194)		
Fund balance, ending			$ 3,211		

ENTERPRISE FUNDS

Hyde County, North Carolina
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for Services:			
Water sales	$ 1,316,921	$ 1,327,589	$ 10,668
Sewer charges	285,000	301,987	16,987
Penalties and Interest	23,000	22,820	(180)
Meter Installations	10,000	18,400	8,400
Other operating revenues	8,000	3,635	(4,365)
Total operating revenues	1,642,921	1,674,431	16,807
Nonoperating revenues:			
Interest Earnings	4,000	8,684	4,684
Total nonoperating revenues	4,000	8,684	4,684
Total revenues	1,646,921	1,683,115	21,491
Expenditures:			
Water distribution and Sewage Collection:			
Salaries and employee benefits	762,377	669,999	92,378
Other operating expenditures	614,990	542,619	72,371
Computer support	6,000	6,477	(477)
Total water distribution and sewage collection	1,383,367	1,219,095	164,272
Debt Service:			
Interest and Other Charges	100,174	100,173	1
Debt Principal	131,380	131,380	-
Total debt service	231,554	231,553	1
Capital outlay	32,000	515,442	(483,442)
Total expenditures	1,646,921	1,966,090	(319,169)
Revenues over (under) expenditures	-	(282,975)	(297,678)
Other financing sources (uses):			
Transfer from (to) other funds			
USDA Reserve	-	-	-
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	-	-	-
Revenues and other financing sources (uses) over (under) expenditures	$ -	(282,975)	$ (297,678)

Hyde County, North Carolina
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources (uses) over (under) expenditures		(282,975)	
Reconciling items:			
Debt principal		131,380	
Capital outlay		515,442	
Increase in deferred outflows of resources - pensions		112,113	
Increase in net pension liability		(137,051)	
Decrease in deferred inflows of resources - pensions		12,864	
Decrease in accrued interest payable		1,909	
Decrease in accrued vacation payable		2,739	
Increase in other post employment benefits		(15,808)	
Depreciation		(414,719)	
Total reconciling items		208,869	
Change in net position		$ (74,106)	

Hyde County
Mattamuskeet Lodge Sewer Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Completed Project	Actual Total To Date	Variance Positive (Negative)
Revenues:						
Restricted intergovernmental:						
Federal and State Grants	$ 4,000,000	$ 557,543	$ -	$ -	$ 557,543	$ (3,442,457)
Tot Total revenues	4,000,000	557,543	-	-	557,543	(3,442,457)
Expenditures:						
Capital Outlay:						
Planning, design and administration	367,000	355,410	-	-	355,410	11,590
Capital outlay	3,593,000	111,568	-	-	111,568	3,481,432
Administration	40,000	15,220	-	-	15,220	24,780
Total expenditures	4,000,000	482,198	-	-	482,198	3,517,802
Revenues over (under) expenditures	-	75,345	-	-	75,345	75,345
Other financing sources (uses):						
Transfer from other funds	-	325,000	-	-	325,000	325,000
Revenues and other financing sources (uses) over (under) expenditures	$ -	$ 400,345	-	$ -	$ 400,345	$ 400,345
Fund Balance, beginning			400,345			
Fund Balance, ending			$ 400,345			

AGENCY FUNDS

Hyde County
Agency Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2017

	Beginning Balance June 30, 2016	Additions	Deductions	Ending Balance June 30, 2017
Social Services				
Assets:				
Cash and cash equivalents	$ 8,932	$ -	$ 4,564	$ 4,368
Liabilities:				
Miscellaneous Liabilities	$ 8,932	$ -	$ 4,564	$ 4,368
Ocracoke Special Mosquito Control Fund				
Assets:				
Cash and cash equivalents	$ 998	$ 26,029	$ -	$ 27,027
Receivables	1,236	491	-	1,727
Total Assets:	$ 2,234	$ 26,520	$ -	$ 28,754
Liabilities:				
Miscellaneous Liabilities	$ 998	$ 25,930	$ -	$ 26,928
Deferred Revenues	1,236	589	-	1,825
	$ 2,234	$ 26,519	$ -	$ 28,753
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	$ 1,841	$ (143)	$ -	$ 1,698
Receivables	1,492	81	-	1,573
Total Assets:	$ 3,333	$ (62)	$ -	$ 3,271
Liabilities:				
Miscellaneous Liabilities	$ 3,333	$ (62)	$ -	$ 3,271
Engelhard Municipal Sewer District				
Assets:				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Liabilities:				
Miscellaneous Liabilities	$ -	$ -	$ -	$ -
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	$ 11,771	$ 25,886	$ 4,564	$ 33,093
Receivables	2,728	572	-	3,300
Total assets	$ 14,499	$ 26,458	$ 4,564	$ 36,393
Liabilities:				
Miscellaneous liabilities	$ 13,263	$ 25,868	$ 4,564	$ 34,567
Deferred Revenues	1,236	589	-	1,825
Total liabilities	$ 14,499	$ 26,457	$ 4,564	$ 36,392

OTHER SCHEDULES

Hyde County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2017

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections And Credits	Uncollected Balance June 30, 2017
2016-2017		$ 7,128,537	$ 6,781,130	347,407
2015-2016	304,073	-	157,690	146,383
2014-2015	176,039	-	54,775	121,264
2013-2014	122,166	-	46,093	76,073
2012-2013	91,291	-	15,218	76,073
2011-2012	63,300	-	11,376	51,924
2010-2011	55,895	-	7,104	48,791
2009-2010	50,346	-	5,251	45,095
2008-2009	33,965	-	3,488	30,477
2007-2008	33,933	-	8,340	25,593
2006-2007	24,686	-	24,686	-
	$ 955,694	$ 7,128,537	$ 7,115,151	$ 969,080

Less: allowance for uncollectible accounts:	
General Fund	403,760
Ad valorem taxes receivable - net:	
General Fund	$ 565,320

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 7,440,540
Reconciling items:	
Interest Collected	(87,835)
Discoveries and Adjustments	(262,240)
Taxes written off	24,686
Total reconciling items	(325,389)
Total collections and credits	$ 7,115,151

Hyde County
Analysis of Current Tax Levy
County-wide Levy
June 30, 2017

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate:	$ 1,116,797,656	0.64	$ 7,147,505	$ 6,872,669	$ 274,836
Discoveries:	107,969	0.64	691	691	-
Abatements:	(3,071,719)	0.64	(19,659)	(19,659)	-
Total property valuation	$ 1,113,833,906				
Net levy			7,128,537	6,853,701	274,836
Uncollected taxes at June 30, 2017			304,073	304,073	-
			-		
Current year's taxes collected			$ 6,824,464	$ 6,549,628	$ 274,836
Current levy collection percentage			95.73%	95.56%	100.00%

Compliance Section

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Hyde County basic financial statements, and have issued our report thereon dated February 28, 2018. Our report includes a reference to other auditors who audited the financial statements of Hyde County ABC Board, as described in our report on Hyde County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Hyde County ABC Board were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considere the deficiencies described in the accompanying schedule of findings and reesponses to be a material weakness [17-01].

A siginficant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies [17-02, 17-03, 17-04].

Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
February 28, 2018

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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Hyde County's major federal programs for the year ended June 30, 2017. Hyde County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion on Medicaid

As described in the accompanying schedule of findings and questioned costs, Hyde County did not comply with requirements regarding CFDA 93.778 Medicaid as described in finding numbers and 17-05 for Documentation of Real Propery, and 17-06Documentation of Liquid Assets. Compliance with such requirements is necessary, in our opinion, for Hyde County to comply with the requirements applicable to that program.

Qualified Opinion on Medicaid

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Hyde County complied in all material in all material respects, with the types of compliance requirements referred to above that could have a direct and material efect on Medicaid for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accopmanying schedule of findings and questioned costs as items 17-03 and 17-04. Our opinion on each major federal program is not modified with respect to these matters.

Hyde County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Hyde County's response was no subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 17-03 and 17-04 to be material weaknesses.

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
February 28, 2018

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CONSULTANTS AND TAX ADVISORS

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

Independent Auditors' Report

To the Board of County Commissioners
Hyde County, North Carolina

Report on Compliance for Each Major State Program

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Hyde County's major state programs for the year ended June 30, 2017. Hyde County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Hyde County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
February 28, 2018

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

CFDA #	Program Name
93.778	Title XIX Medicaid

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

Auditee qualified as low-risk auditee?	___ yes	X no

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2017

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	____ yes	_X_ no
• Significant deficiency(s) identified	____ yes	_X_ none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	____ yes	_X_ no

Identification of major State programs:

Program Name

E911 Consolidation Grant

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2017

Section II - Financial Statement Findings

Finding: 17-01* ** **Reconciliation of Records**

MATERIAL WEAKNESS

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

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

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

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

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

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

*** This is a repeat finding.

Finding: 17-02* ** **Segregation of Duties**

SIGNIFICANT DEFICIENCY

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

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

Effect: Transactions could be mishandled.

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

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

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

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2017

Section II - Financial Statement Findings

Finding: 17-03* ** **Budget Violation**

SIGNIFICANT DEFICIENCY

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

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

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

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

Recommendation: A budget should be prepared for each fund.

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

*** This is a repeat finding.

Finding: 17-04* ** **Deficit Fund Balance**

SIGNIFICANT DEFICIENCY

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

Condition: The County has five funds with a negative fund balance: Hurricane Irene Fund, CAPS/Personal Care Chore Health, CDBG Revitalization Strategies, PDM Program Fund, and Hurricane Matthew Fund.

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

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

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

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

*** This is a repeat finding.

Hyde County
Schedule of Findings and Questioned Costs
June 30, 2017

Section III - Federal Award Findings and Questioned Costs

Finding: 17-05 **Real Property Owned**

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

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

Condition: Proof of verification of property checks were not present in 25 files.

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

Context: There were 105 adult Medicaid files reviewed, there were 25 cases that did not contain documentation of the verification with the tax records or the Register of Deeds.

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

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

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

Views of responsible officials: The DSS Director agrees with 9 of the findings.

Finding: 17-06 **Liquid Assets**

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Criteria: Medicaid for Aged, Blind and Disabled case records should not contain documentation that liquid assets were verified and whether countable or non-countable for purposes of determining eligibility. Liquid assets can include cash, bank accounts, certificates of deposits, securities, or any asset which can be converted to cash. The record should contain verification of liquid assets and whether countable or non-countable for the purposes of eligibility. The countable reserves are then compared to and must be below the State-provided reserve limits for the particular Medicaid program. Most Medicaid for Families and Children do not require resource verification but if required, it is similar to that in the Medicaid for Aged, Blind and Disabled rules.

Condition: Of the files tested, there were 15 errors noted in 105 files.

Questioned Cost: There were questioned costs of $9,001 on these cases.

Context: There were 105 adult Medicaid files that included certifications/ recertifications of benefits examined. There were 15 errors noted.

Effect: Filed are incomplete/incorrect and do not support reserve calculations. Vehicles may be excluded that are not used for transportation. Cars may also be excluded that are in the applicant's possession. The exclusion of these vehicles could lead to someone receiving Medicaid that is not eligible.

Cause: Ineffective case review process, incomplete documentation, and incorrect application of rules for what is countable or non-countable for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. Workers should also be retrained on what is countable and non-countable for purposes of determining eligibility with regards to reserve / liquid asset calculation. If vehicles are not in a client's possession but there are hits on the OLV, documentation should be obtained from the client that the car was junked, in someone else's possession, etc. and that statement signed by the client.

Views of responsible officials: The DSS Director agrees with 1 of the 15 errors noted.

Hyde County
Corrective Actions
June 30, 2017

Section II - Financial Statement Findings

Finding: 17-01

Name of Contact Person:	William Rich, County Manager
Corrective Action:	The County agrees with this finding and will implement procedures and processes to reconcile material general ledger accounts on a periodic basis.
Proposed Completion Date:	The board will implement this procedure immediately.

Finding: 17-02

Name of Contact Person:	William Rich, County Manager
Corrective Action:	The County agrees with this finding and will segregate duties as much as possible and alternative controls will be used to compensate for lack of segregation of duties.
Proposed Completion Date:	The board will implement this procedure immediately.

Finding: 17-03

Name of Contact Person:	William Rich, County Manager
Corrective Action:	The County agrees with this finding and proper budgets will be approved in the future.
Proposed Completion Date:	The board will implement this procedure immediately.

Finding: 17-04

Name of Contact Person:	William Rich, County Manager
Corrective Action:	The County agrees with this finding and will be more aware of future spending to ensure that these funds do not absorb the General Fund unassigned fund balance in the future.
Proposed Completion Date:	The board will implement this procedure immediately.

Hyde County
Corrective Actions
June 30, 2017

Section III - Federal Award Findings and Questioned Costs

Finding: 17-05

Name of Contact Person:	Laurie Potten, Director; Ilis Clayton, Supervisor
Corrective Action:	Supervisors perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. This corrective action is ongoing.
Proposed Completion Date:	Ongoing (June 2018)

Finding: 17-06

Name of Contact Person:	Laurie Potten, Director; Ilis Clayton, Supervisor
Corrective Action:	Supervisors perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. This corrective action is ongoing.
Proposed Completion Date:	Ongoing (June 2018)

Hyde County
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2017

Finding:	16-01 Account Reconciliations
Status:	Repeated as 17-01.
Finding:	16-02 Segregation of Duties
Status:	Repeated as 17-02.
Finding:	16-03 Budget Violation
Status:	Repeated as 17-03.
Finding:	16-04 Deficit Fund Balance
Status:	Repeated as 17-04.
Finding:	16-05 Data Collection Form
Status:	The County has filed the Data Collection form for the preceeding two years, which is our required lookback period. There are older years that were never filed, but they fall outside of our required lookback period now, so we have removed the finding from the current list of findings.

HYDE COUNTY FEDERAL & STATE AWARDS
Schedule of Expenditures of
Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
U.S. Dept. of Agriculture						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants						
for the Supplemental Nutrition Asst. Prg.	10.561		$ 139,021	$ -	$ -	$ 139,021
Fraud	10.561		749	-	-	749
Total Supplemental Nutrition Assist Program Cluster			139,770	-	-	139,770
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program						
for Women, Infants and Children	10.557		27,128	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program						
for Women, Infants and Children	10.557		42,387	-	-	-
Total Division of Public Health			69,515	-	-	-
Total U.S. Dept. of Agriculture			209,285	-	-	139,770
US Dept of Health and Human Services						
Division of Aging and Adult Services						
Passed-through Albemarle Commission						
Special Programs for the Aging Title IIIB						
Grants for Supportive Services and Senior Centers	93.044		5,981	9,883	-	-
Special Programs for the Aging Title IIIC						
Nutrition Services	93.045		15,590	25,763	-	-
Total Aging Cluster			21,571	35,646	-	-
Division of Social Services						
Temporary Assistance Needy Family Cluster						
Temporary Assistance for Needy Families -Admin	93.558		12,493	-	-	5,462
Temporary Assistance for Needy Families - Services	93.558		33,044	-	-	12,117
TANF / Work First Direct Benefit Payments	93.558		20,613	-	-	-
Total TANF Cluster			66,150	-	-	17,579
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		1,204	1,416		467
Foster Care	93.658		721	-	-	168
Total Foster Care and Adoption Cluster			1,925	1,416	-	635
Child Support Enforcement	93.563		74,973	-	-	38,652
Low-Income Home Energy Assistance						
Administration	93.568		4,399	-	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		27,509	-	-	-
Crisis Intervention Program	93.568		25,406	-	-	-
Total Low-Income Energy Assistance			57,314	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning - Families for Kids	93.645		3,043	-	-	1,015
Total Stephanie Tubbs Jones Child Welfare Services			3,043	-	-	1,015
SSBG - Other Service and Training	93.667		34,468	4,278	-	12,916
Division of Aging and Adult Services						
Divison of Social Services						
SSBG - State In Home Service Fund	93.667		3,999	-	-	571

Division of Child Development and Early Education					
Subsidized Child Care:					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Fund - Administration	93.596	29,225	-	-	-
Division of Child Development:					
Child Care and Development Block Grant- Discretionary	93.575	32,777	-	-	-
Child Care and Development Block Grant - Mandatory	93.596	10,300	-	-	-
Child Care and Development Block Grant - Match	93.596	15,635	6,955	-	-
Total Child Care Development Fund Cluster		87,937	6,955	-	-
Temporary Assistance for Needy Families	93.558	9,465	-	-	-
ARRA - Emergency Contingency Fund for Foster Care Title IV-E	93.658	704	352	-	-
State Appropriations	N/A	-	390	-	-
TANF-MOE	N/A	-	27,565	-	-
Total Subsidized Child Care Cluster		98,106	35,262	-	-
Passed-through the N.C. Department of Health and Human Services					
Division of Medical Assistance:					
Direct Benefit Payments					
Title XIX - Medicaid	93.778	4,814,088	2,704,250	-	-
Division of Social Services					
Administration					
Medical Assistance Program	93.778	415,379	25,583	-	143,397
Total Medical Assistance Program		5,229,467	2,729,833	-	143,397
Direct Benefits Payments					
State Children's Insurance Program					
N. C. Health Choice	93.767	84,480	211	-	-
Division of Social Services					
Administration					
State Children's Insurance Program					
NC Health Choice	93.767	11,435	13	-	-
Total State Children's Insurance Program NC Health Choice		95,915	224	-	-
Family Preservation	93.556	2,907	-	-	-
Passed through N.C. Department of Health and Human Services:					
Division of Public Heath					
Hospital Preparedness Program (HPP) and Public Emerg Preparedness (PHEP) Aligned Cooperative Agreements	93.074	34,696	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	46	-	-	-
Immunization Grants	93.268	1,755	-	-	-
Immunization - Preventive Public Health Funds (PPHF)	93.539	2,485	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	26,708	-	-	-
HIV Prevention Activities Heath Department Based	93.940	1,610	-	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	601	-	-	-
Administration of Children and Families					
Passed through N.C. Department of Health					
Division of Social Services					
Temporary Assistance for Needy Families	93.558	966	-	-	-
Health Resources and Services Administration					
Passed through N.C. Department of Health and Human Services					
Department of Public Health					
Maternal and Child Health Services Block Grant	93.994	27,052	20,292	-	-
Office of Population Affairs					
Passed through N.C. Department of Health and Human					
Office of Population Affairs					
Family Planning Services	93.217	15,727	-	-	-
Total U. S. Department of Health and Human Services		5,801,484	2,826,951	-	214,765

U. S. Department of Education						
Passed through N.C. Department of Health and Human Services						
Infant and Toddlers Disabilities						
Race to the Top - Early Learning Challenge	84.412		18,613	-	-	-
Total U. S. Department of Education			18,613	-	-	-
U.S. Dept. of Homeland Security						
Passed through the NC Dept. of Public Safety						
Division of Emergency Management						
Disaster Grants - Public Assistance (Presidentally Declared Disasters)	97.036		161,410	-	-	-
Emergency Management - Performance Grants	97.042		53,803	-	-	-
Total U.S. Dept. of Homeland Security			215,213	-	-	-
U. S. Department of Transportation						
Passed through the N.C. Department of Transportation						
Hyde County Block 42	20.106	36237.57.10.1	37,611	-	-	-
Hyde County New Beacon Construction	20.106	36237.57.12.1	6,678	-	-	-
Hyde CountyTerminal Area Drainage Construction	20.106	36237.57.12.2	36,092	-	-	-
16-ED-025 Hyde Co Health Department Capital	20.513	51001.49.3.1	6,840	855	-	-
17-ED-025 Hyde Co Health Department Capital	20.513	51001.49.4.3	24,790	2,821	-	-
Total U. S. Department of Transportation			112,011	3,676	-	-
Total Federal Awards			$ 6,356,606	$ 2,830,627	$ -	$ 354,535
State Awards:						
N.C. Dept. of Health and Human Services						
Division of Public Health:						
Maternal Health (HMHC)			-	2,666	-	-
General Communicable Disease Control			-	11,044	-	-
HIV/STD State			-	100	-	-
HIV/STD SSBG Aid			-	400	-	-
Breast and Cervical Cancer Program			-	6,079	-	-
Sexually Transmitted Diseases			-	20	-	-
Public Health Nursing			-	400	-	-
Women's Health Service Fund			-	3,214	-	-
Tuberculosis			-	1,026	-	-
Child Health			-	645	-	-
General Aid to Counties			-	71,630	-	-
TB Medical Services			-	540	-	-
HMHC Family Planning			-	3,168	-	-
TOTAL PUBLIC HEALTH			-	100,932	-	-
Division of Social Services:						
SC/SA Domiciliary Care - Direct Benefit Payment		N/A	-	38,380	-	38,380
State Child Welfare/CPS/CS LD		N/A	-	1,259	-	-
SAA/SAD HB1030		N/A	-	1,598		1,598
Work First Non Reimbursable		N/A	-	-	-	30,614
County Funded Programs		N/A	-	-	-	276,187
AFDC Incent/Program Integrity		N/A	-	259	-	-
CWS Adopt Subsidy & Vendor - Direct Benefit Payment		N/A	-	1,426	-	475
Non-Allocating County Cost		N/A	-	-	-	35,772
TOTAL DIVISION OF SOCIAL SERVICES			-	42,922	-	383,026
Division of Aging and Adult Services:						
Senior Center General Purpose			-	3,625	-	-
TOTAL DIVISION OF AGING			-	3,625	-	-
Total N.C. Dept. Health and Human Services			-	147,479	-	383,026
N.C. Dept. of Veterans Affairs						
Veteran Grant		N/A	-	2,130	-	-
N.C. Dept. of Transportation						
Pass-through to Hyde Interagency Transportation:						
Elderly and Handicapped Transportation Assistance		36220.10.7.1	-	48,334	-	-
ROAP EDTAP		36228.22.7.1	-	43,299	-	-
ROAP Employment		36236.11.6.1	-	4,317	-	-
Total N. C. Department of Transportation			-	95,950	-	-
N.C. Dept. of Environmental Quality						
Division of Waster Management - Electronics Mgt			-	417	-	-
Division of Waste Management - Scrap Tire Fund			-	7,498	-	-
Division of Waste Management - Recycling Grant			-	14,208	-	

Soil and Water Conservation		-	3,600	-	-
Total N.C. Dept. of Environmenal Quality		-	25,723	-	-
N.C. Dept. of Public Safety					
Office of Juvenile Justice Youth Services:					
Juvenile Crime Prevention Program	N/A	-	51,898	-	-
Total N.C Dept. of Public Safety		-	51,898	-	-
N.C. Department of Commerce					
Building Reuse Grant		-	63,107	-	-
N.C. Department of Justice					
Safe Roads Act		-	503	-	-
N.C. Department of Public Instruction					
Public School Building Capital Fund (Lottery)		-	55,965	55,965	-
Total N.C. Department of Public Instruction		-	55,965	55,965	-
N.C. 911 Board Emergency PSAP Center					
E911 Consolidation Grant (DTH-RECC)		-	717,189	-	-
Total N.C. 911 Board Emergency PSAP Center		-	717,189	-	-
Total State Awards		$ -	$ 1,159,944	$ 55,965	$ 383,026
Total Federal and State Awards		$ 6,356,606	$ 3,990,571	$ 55,965	$ 737,561

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Federal and State Awards (SEFSA) includes the Federal and State grant activity of Hyde County under the programs of the federal government and the State of North Carolina for the year ended June 30, 3017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Hyde County, it is not intended to and does not present the financial position, changes in nets assets or cash flows of Hyde County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modifies accrual basis of accounting, Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Hyde County has elected not to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

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