

Hyde County, North Carolina

**Financial Statements
And
Independent Auditor's Report**

For the Fiscal Year Ended June 30, 2012

Hyde County, North Carolina
Table of Contents
June 30, 2012

<u>Exhibit</u>		<u>Page</u>
	Financial Section:	
	Independent Auditor's Report	1
	Management's Discussion and Analysis	3
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Assets	11
2	Statement of Activities	12
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
6	Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	16
6	Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - Ocracoke Occupancy Tax Fund	17
6	Statements of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - Hurricane Irene Fund	18
7	Statement of Fund Net Assets - Proprietary Fund	19
8	Statement of Revenues, Expenses, and Charges in Fund Net Assets - Proprietary Funds	20
9	Statement of Cash Flows - Proprietary Funds	21
10	Statement of Fiduciary Net Assets - Fiduciary Funds	22
	Notes to the Financial Statements	23

	<u>Page</u>
Required Supplemental Financial Data:	
Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress	61
Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions	62
Law Enforcement Officers' Special Separation Allowance - Notes to the Required Schedules	62
Other Postemployment Benefits - Schedule of Funding Progress	63
Other Postemployment Benefits - Schedule of Employer Contributions	64
Other Postemployment Benefits - Notes to the Required Schedules	64
Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Ocracoke Occupancy Tax Fund - Budget and Actual	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Hurricane Irene Fund - Budget and Actual	78
Combining Balance Sheet - Non-major Governmental Funds	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-major Governmental Funds	85
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Hydeland Home Health Fund	91
Mattamuskeet Opportunities Fund	92
Revaluation Fund	93
West Quarter District Fund	94
Mainland Occupancy Tax Fund	95
4-H Fund	96
911 Fund	97
Hyde County Senior Center Fund	98

	<u>Page</u>
Evans Road Fire Fund	99
Revolving Loan Fund	100
Capital Reserve Fund	101
CAPS / Personal Care Chore Health Fund	102
HMGP - Hurricane Isabel Elevation Project Fund	103
CDBG Supplemental Assistance Fund	104
CDBG Scattered Site Project Fund	105
CDBG Jumpstart Hyde Project Fund	106
CDBG Program Repayment Fund	107
NCHFAs Single Family Rehabilitation Project Fund	108
CDBG Recovery Fund	109
CDBG TEDG Fund	110
Swan Quarter Water Shed District Fund	111
CDBG Revitalization Strategy Fund	112
CDBG Contingency Fund	113
Qualified School Construction Bond Fund	114
Swan Quarter Community Park Access Fund	115
Swan Quarter Dike Fund	116
Wanchese Seafood Industrial Park Fund	117
Water and Sewer Fund	118
Engelhard Water Treatment Plant Fund	120
Mattamuskeet Lodge Sewer Project Fund	121
Combining Statement of Fiduciary Assets and Liabilities - Agency Fund	122

Other Schedules:

Schedule of Ad Valorem Taxes Receivable	124
Analysis of Current Tax Levy - County-wide Levy	125

Compliance Section:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	126
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and State Single Audit Implementation Act	128
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and State Single Audit Implementation Act	130
Schedule of Findings and Questioned Costs	135
Corrective Action Plan	143
Summary Scheduled of Prior Audit Findings	146
Schedule of Expenditures of Federal and State Awards	147

Financial Section

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Independent Auditor's Report

To the Board of County Commissioners
Hyde County, North Carolina

I 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hyde County's management. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of Hyde County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to me, and my opinion on the financial statements, insofar as it relates to the amounts included for the Hyde County ABC Board is based on the report of the other auditors.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Hyde County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Hurricane Irene Fund, and the Ocracoke Occupancy Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Member American Institute of Certified Public Accountants
Member North Carolina Association of Certified Public Accountants

Management's Discussion and Analysis

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

As management of the Hyde County, we offer readers of the Hyde County's financial statements this narrative overview and analysis of the financial activities of the Hyde County for the fiscal year ended June 30, 2012. 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

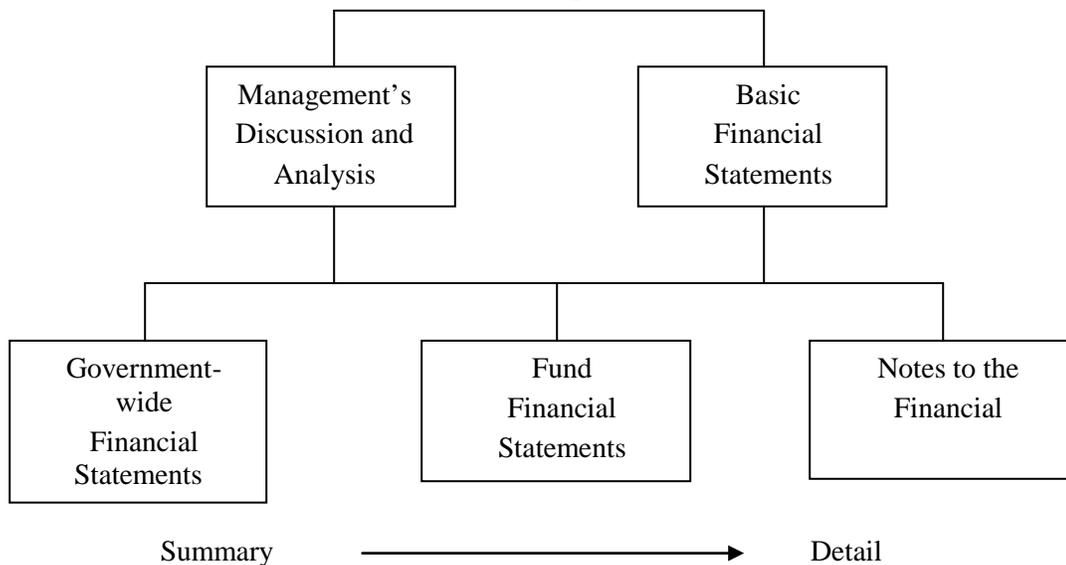
- The assets of the Hyde County exceeded its liabilities at the close of the fiscal year by \$39,854,718 (net assets).
- The government's total net assets decreased by \$1,554,766, primarily due to decreased net assets in the governmental funds.
- At the close of the current fiscal year, the Hyde County's governmental funds reported combined ending fund balances of \$7,243,187, after a net decrease in fund balance of \$3,207,258. Approximately 38.44 percent of this total amount, or \$2,784,182, 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 \$2,784,182, or 22.94 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 the Hyde County.

Required Components of Annual Financial Report

Figure 1



Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012

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 10) 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 statements.

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 supplementary 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety 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 services offered by Hyde County. The only sewer operated by Hyde County is operated and maintained for the benefit of the State prison. The final category is the component unit. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the 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

Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012

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 Assets 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. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets 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 three fiduciary funds, the Social Services Trust fund, the Ocracoke Mosquito fund, and the Fines and Forfeitures fund.

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 on page 23 of this report.

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 on page 61 of this report.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Hyde County exceeded liabilities by \$39,854,718 as of June 30, 2012. The County's net assets increased by \$1,554,766 for the fiscal year ended June 30, 2012. One of the largest portions \$29,572,272 (74.20%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was used to acquire those items. 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 assets \$924,678 (2.32%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,357,768 (31.64%) is unrestricted.

**Government-wide Financial Analysis
Hyde County's Net Assets**

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 10,311,477	\$ 13,490,779	\$ 1,507,509	\$ 1,553,896	\$ 11,818,986	\$ 15,044,675
Capital assets	26,460,096	25,283,878	12,908,888	13,018,098	39,368,984	38,301,976
Total Assets	\$ 36,771,573	\$ 38,774,657	\$ 14,416,397	\$ 14,571,994	\$ 51,187,970	\$ 53,346,651
Long-term liabilities						
outstanding	\$ 7,119,299	\$ 1,167,560	\$ 3,307,753	\$ 3,365,979	\$ 10,427,052	\$ 4,533,539
Other liabilities	754,882	7,410,819	151,318	220,458	906,200	7,631,277
Total Liabilities	\$ 7,874,181	\$ 8,578,379	\$ 3,459,071	\$ 3,586,437	\$ 11,333,252	\$ 12,164,816
Net assets:						
Invested in capital assets,						
net of related debt	\$ 19,924,384	\$ 18,372,495	\$ 9,647,888	\$ 9,702,098	\$ 29,572,272	\$ 28,074,593
Restricted	924,678	1,337,720	-	-	924,678	1,337,720
Unrestricted	8,048,330	10,486,063	1,309,438	1,283,459	9,357,768	11,769,522
Total Net Assets	\$ 28,897,392	\$ 30,196,278	\$ 10,957,326	\$ 10,985,557	\$ 39,854,718	\$ 41,181,835

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

- The County's collection of property taxes by 93.93% compares unfavorably with the State-wide average of 95.79%.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

Hyde County's Changes in Net Assets

Figure 3

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 2,239,016	\$ 2,835,496	\$ 1,644,645	\$ 1,693,370	\$ 3,883,661	\$ 4,528,866
Operating grants and contributions	3,052,475	2,088,612	-	-	3,052,475	2,088,612
Capital grants and contributions	2,561,071	731,505	140,665	1,942,303	2,701,736	2,673,808
General Revenues:						
Property taxes	6,568,474	6,109,108	-	-	6,568,474	6,109,108
Other taxes	2,172,040	2,260,946	-	-	2,172,040	2,260,946
Investment earnings	37,543	213,591	1,054	11,967	38,597	225,558
Other	560,533	31,497	-	-	560,533	31,497
Total Revenues	\$17,191,152	\$14,270,755	\$ 1,786,364	\$ 3,647,640	\$18,977,516	\$17,918,395
Expenses:						
General government	\$ 1,946,201	\$ 2,058,273	\$ -	\$ -	\$ 1,946,201	\$ 2,058,273
Public safety	2,427,739	2,205,548	-	-	2,427,739	2,205,548
Transportation	274,790	118,392	-	-	274,790	118,392
Economic and physical development	1,703,927	1,155,804	-	-	1,703,927	1,155,804
Human services	4,667,163	4,730,367	-	-	4,667,163	4,730,367
Cultural and recreation	152,128	157,899	-	-	152,128	157,899
Environmental protection	5,442,984	1,231,217	-	-	5,442,984	1,231,217
Education	1,665,097	1,565,330	-	-	1,665,097	1,565,330
Interest on long-term debt	120,651	127,834	-	-	120,651	127,834
Water and sewer	-	-	1,774,595	1,733,097	1,774,595	1,733,097
Total Expenses	\$18,400,680	\$13,350,664	\$ 1,774,595	\$ 1,733,097	\$20,175,275	\$15,083,761
Transfers	\$ 40,000	\$ -	\$ (40,000)	\$ -	\$ -	\$ -
Increase (decrease) in net assets	(1,169,528)	920,091	(28,231)	1,914,543	(1,197,759)	2,834,634
Net Assets, beginning as stated	30,196,278	29,218,845	10,985,557	9,071,014	41,181,835	38,289,859
Prior period adjustment	(129,358)	57,342	-	-	(129,358)	57,342
Net Assets, beginning as restated	30,066,920	29,276,187	10,985,557	9,071,014	41,052,477	38,347,201
Net Assets, June 30	\$28,897,392	\$30,196,278	\$10,957,326	\$10,985,557	\$39,854,718	\$41,181,835

Governmental activities. Governmental activities decreased the County's net assets by \$1,298,886. Key elements of this decrease include the expenses due to the recovery from Hurricane Irene.

Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012

Business activities. Business-type activities decreased the County's net assets by \$28,231. Key elements of this decrease include the increase in operating costs over the previous year.

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, unreserved fund balance 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, unassigned fund balance of the General Fund was \$2,784,182, while total fund balance reached \$3,546,414. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.94 percent of total General Fund expenditures, while total fund balance represents 29.22 percent of that same amount.

At June 30, 2012 the governmental funds of Hyde County reported a combined fund balance of \$7,243,187, a 30.69 percent decrease over last year. The primary reason for this decrease is related to the expenditures associated with the Hurricane Irene recovery.

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 assets for the Water and Sewer Fund at the end of the fiscal year amounted to \$1,309,438. The total change in net assets the Water and Sewer Fund was \$(28,231). Other factors concerning the finances of these funds have already been addressed in the discussion of Hyde County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Hyde County's capital assets for its governmental and business – type activities as of June 30, 2012, totals \$39,368,984 (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:

- Donation of the Mattamuskeet ADAP Center
- Construction in progress for the Qualified School Construction Bond Fund.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,292,036	\$ 1,292,036	\$ 57,839	\$ 57,839	\$ 1,349,875	\$ 1,349,875
Buildings and systems	13,205,604	13,075,578	7,623,168	7,907,125	20,828,772	20,982,703
Computer equipment	33,006	25,969	395	1,208	33,401	27,177
Machinery and equipment	426,668	461,626	59,267	74,065	485,935	535,691
Vehicles and motorized equipment	391,502	449,335	58,031	56,161	449,533	505,496
Construction in progress	11,111,117	9,979,332	5,110,188	4,921,699	16,221,305	14,901,031
Total	\$ 26,459,933	\$ 25,283,876	\$ 12,908,888	\$ 13,018,097	\$ 39,368,821	\$ 38,301,973

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

Long-term Debt. As of June 30, 2012, Hyde County had bonded debt outstanding of \$3,261,000, all of which is debt backed by the full faith and credit of the County.

Hyde County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ -	\$ -	\$3,261,000	\$3,316,000	\$ 3,261,000	\$ 3,316,000
Capitalized leases	6,129	23,959	-	-	6,129	23,959
Installment purchase	3,746,770	3,904,432	-	-	3,746,770	3,904,432
Compensated absences	255,272	234,142	46,753	49,979	302,025	284,121
Net pension obligation	102,027	91,111	-	-	102,027	91,111
Other postemployment benefits	226,288	174,182	-	-	226,288	174,182
Qualified school construction bonds	2,782,813	2,982,992	-	-	2,782,813	2,982,992
Total	\$7,119,299	\$7,410,818	\$3,307,753	\$3,365,979	\$10,427,052	\$10,776,797

Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2012

Hyde County's total debt decreased by \$349,745 (3.25 percent) during the past fiscal year, which includes compensated absences and net pension obligation, primarily due to payments made during the year for Qualified school construction bonds and installment purchases.

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 \$74,634,558.

Additional information regarding Hyde County's long-term debt can be found in note III.B.8 beginning on page 50 of this audited financial report.

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.
- Hyde County has seen a precipitous drop in home construction and property sales, mirroring national trends.
- Agriculture, government, 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, NC 27885.

Basic Financial Statements

Hyde County, North Carolina
Statement of Net Assets
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hyde County ABC Board
Assets				
Cash and cash equivalents	\$ 7,710,541	\$ 827,788	\$ 8,538,329	\$ 52,949
Receivables (net)	2,246,938	409,342	2,656,280	-
Due from other governments	353,998	152,183	506,181	-
Inventories	-	-	-	77,103
Restricted cash and cash equivalents	-	118,196	118,196	-
Capital Assets:				
Land, improvements, and construction in progress	12,403,313	5,168,027	17,571,340	-
Other capital assets, net of depreciation	14,056,783	7,740,861	21,797,644	3,886
Total Capital Assets	<u>\$ 26,460,096</u>	<u>\$ 12,908,888</u>	<u>\$ 39,368,984</u>	<u>\$ 3,886</u>
Total Assets	<u>\$ 36,771,573</u>	<u>\$ 14,416,397</u>	<u>\$ 51,187,970</u>	<u>\$ 133,938</u>
Liabilities				
Accounts payable and accrued expenses	\$ 493,651	\$ 33,122	\$ 526,773	\$ 101,052
Unearned revenue	261,231	-	261,231	-
Customer deposits	-	118,196	118,196	-
Long-term liabilities:				
Due within one year	662,877	120,253	783,130	-
Due in more than one year	6,456,422	3,187,500	9,643,922	-
Total Long-term Liabilities	<u>\$ 7,119,299</u>	<u>\$ 3,307,753</u>	<u>\$ 10,427,052</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 7,874,181</u>	<u>\$ 3,459,071</u>	<u>\$ 11,333,252</u>	<u>\$ 101,052</u>
Net Assets				
Invested in capital assets, net of related debt	\$ 19,924,384	\$ 9,647,888	\$ 29,572,272	\$ 3,886
Restricted for:				
State statute	765,114	-	765,114	-
Debt service	104,425	-	104,425	-
Register of Deeds	31,139	-	31,139	-
Other purposes	24,000	-	24,000	17,190
Unrestricted (deficit)	8,048,330	1,309,438	9,357,768	11,810
Total Net Assets	<u>\$ 28,897,392</u>	<u>\$ 10,957,326</u>	<u>\$ 39,854,718</u>	<u>\$ 32,886</u>

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

**Hyde County, North Carolina
Statement of Activities
For the Year Ended June 30, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Hyde County ABC Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 1,946,201	\$ 55,582	\$ -	\$ -	\$ (1,890,619)	\$ -	\$ (1,890,619)	
Public safety	2,427,739	874,598	231,412	-	(1,321,729)	-	(1,321,729)	
Transportation	274,790	50,715	223,856	52,423	52,204	-	52,204	
Economic and physical development	1,703,927	3,218	1,105,191	233,538	(361,980)	-	(361,980)	
Human services	4,667,163	986,801	1,412,701	-	(2,267,661)	-	(2,267,661)	
Cultural and recreation	152,128	15,551	19,434	-	(117,143)	-	(117,143)	
Environmental protection	5,442,984	252,551	59,881	2,155,145	(2,975,407)	-	(2,975,407)	
Education	1,665,097	-	-	119,965	(1,545,132)	-	(1,545,132)	
Interest on long-term debt	120,651	-	-	-	(120,651)	-	(120,651)	
Total Governmental Activities	<u>\$ 18,400,680</u>	<u>\$ 2,239,016</u>	<u>\$ 3,052,475</u>	<u>\$ 2,561,071</u>	<u>\$ (10,548,118)</u>	<u>\$ -</u>	<u>#####</u>	
Business-type Activities:								
Water and sewer	1,774,595	1,644,645	-	140,665	-	10,715	10,715	
Total Business-type Activities	<u>\$ 1,774,595</u>	<u>\$ 1,644,645</u>	<u>\$ -</u>	<u>\$ 140,665</u>	<u>\$ -</u>	<u>\$ 10,715</u>	<u>\$ 10,715</u>	
Total Primary Government	<u>\$ 20,175,275</u>	<u>\$ 3,883,661</u>	<u>\$ 3,052,475</u>	<u>\$ 2,701,736</u>	<u>(10,548,118)</u>	<u>10,715</u>	<u>(10,537,403)</u>	
Component Unit:								
ABC Board	-	-	-	-				9,893
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 9,893</u>
General Revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 6,568,474	\$ -	\$ 6,568,474	\$ -
Local option sales tax					1,597,320	-	1,597,320	-
Other taxes and licenses					574,720	-	574,720	-
Investment earnings, unrestricted					37,543	1,054	38,597	17
Miscellaneous, unrestricted					37,045	-	37,045	3,067
Insurance recovery					295,839	-	295,839	-
Donated assets					191,113	-	191,113	-
Gain on sale of capital assets					36,536	-	36,536	-
Transfers					40,000	(40,000)	-	-
Total General Revenues, Special Items, And Transfers					<u>\$ 9,378,590</u>	<u>\$ (38,946)</u>	<u>\$ 9,111,995</u>	<u>\$ 3,084</u>
Change In Net Assets					(1,169,528)	(28,231)	(1,425,408)	12,977
Net assets, beginning as previously stated					30,196,278	10,985,557	41,181,835	19,909
Prior period adjustment					(129,358)	-	(129,358)	-
Net assets, beginning as restated					<u>30,066,920</u>	<u>10,985,557</u>	<u>41,052,477</u>	<u>19,909</u>
Net Assets, ending					<u>\$ 28,897,392</u>	<u>\$ 10,957,326</u>	<u>\$ 39,854,718</u>	<u>\$ 32,886</u>

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

Hyde County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2012

	Major			Non-Major	Total Governmental Funds
	General	Ocracoke Occupancy Tax	Hurricane Irene Fund	Other Governmental Funds	
Assets					
Cash and cash equivalents	\$4,243,429	\$ 1,057,142	\$ 179,688	\$ 2,230,282	\$ 7,710,541
Receivables, net:					
Property taxes	704,238	-	-	1,362	705,600
Accounts	935,157	780	-	85,703	1,021,640
Other	118,395	-	-	401,303	519,698
Due from other governments	353,998	-	-	-	353,998
Due from (to) other funds	158,356	-	-	(158,356)	-
Total Assets	\$6,513,573	\$ 1,057,922	\$ 179,688	\$ 2,560,294	\$ 10,311,477
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 467,820	\$ 15,667	\$ 581	\$ 9,583	\$ 493,651
Deferred revenue	1,878,984	345,615	-	88,810	2,313,409
Unearned revenue	261,231	-	-	-	261,231
Total Liabilities	\$2,608,035	\$ 361,282	\$ 581	\$ 98,393	\$ 3,068,291
Fund Balances:					
Restricted:					
Stabilization by State Statute	\$ 338,030	\$ 780	\$ -	\$ 426,304	\$ 765,114
Debt service	104,425	-	-	-	104,425
Other purposes	24,000	683,410	179,107	61,789	948,306
Register of Deeds	31,139	-	-	-	31,139
Public safety	-	-	-	173	173
Cultural and recreation	-	-	-	709	709
Economic and physical development	-	-	-	240,421	240,421
Education	-	-	-	-	-
Committed:					
Public safety	-	-	-	233,569	233,569
Human services	-	-	-	1,049,322	1,049,322
Environmental protection	359,124	-	-	-	359,124
Economic and physical development	-	-	-	332,515	332,515
Tax Revaluation	-	-	-	183,147	183,147
Cultural and recreation	-	-	-	17,197	17,197
Assigned:					
Subsequent year's expenditures	264,638	12,450	-	-	277,088
Unassigned:	2,784,182	-	-	(83,245)	2,700,937
Total Fund Balances	\$3,905,538	\$ 696,640	\$ 179,107	\$ 2,461,901	\$ 7,243,186
Total Liabilities And Fund Balances	\$6,513,573	\$ 1,057,922	\$ 179,688	\$ 2,560,294	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,460,096
Liabilities for earned but deferred revenues in fund statements.	2,313,408
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(7,119,298)
Net Assets Of Governmental Activities	\$ 28,897,392

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, 2012

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Ocracoke</u> <u>Occupancy</u> <u>Tax</u>	<u>Hurricane</u> <u>Irene Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	
Revenues					
Ad valorem taxes	\$ 6,504,991	\$ -	\$ -	\$ 19,938	\$ 6,524,929
Local option sales taxes	1,597,320	-	-	-	1,597,320
Other taxes and licenses	141,653	373,812	-	8,960	524,425
Unrestricted intergovernmental	31,497	-	-	-	31,497
Restricted intergovernmental	2,610,642	-	2,217,275	974,294	5,802,211
Permits and fees	73,484	-	-	-	73,484
Sales and services	751,230	5,607	-	737,784	1,494,621
Investment earnings	10,354	1,878	-	25,312	37,544
Miscellaneous	47,620	5,000	-	5,034	57,654
Total Revenues	<u>\$ 11,768,791</u>	<u>\$ 386,297</u>	<u>\$ 2,217,275</u>	<u>\$ 1,771,322</u>	<u>\$ 16,143,685</u>
Expenditures					
Current:					
General government	\$ 1,707,280	\$ -	\$ -	\$ 117,665	\$ 1,824,945
Public safety	3,367,079	-	-	170,647	3,537,726
Environmental protection	1,625,289	-	3,794,158	-	5,419,447
Transportation	224,260	-	-	-	224,260
Economic and physical development	413,082	388,576	-	921,270	1,722,928
Human services	2,464,185	-	-	763,721	3,227,906
Cultural and recreational	43,000	-	-	-	43,000
Intergovernmental:					
Education	1,637,172	-	-	-	1,637,172
Capital outlay	160,094	-	-	1,414,784	1,574,878
Debt service:					
Principal	375,671	-	-	-	375,671
Interest	118,790	-	-	-	118,790
Total Expenditures	<u>\$ 12,135,902</u>	<u>\$ 388,576</u>	<u>\$ 3,794,158</u>	<u>\$ 3,388,087</u>	<u>\$ 19,706,723</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>\$ (367,111)</u>	<u>\$ (2,279)</u>	<u>\$ (1,576,883)</u>	<u>\$ (1,616,765)</u>	<u>\$ (3,563,038)</u>
Other Financing Sources (Uses)					
Transfers from other funds	\$ 2,116,905	\$ -	\$ 2,979,517	\$ 90,396	\$ 5,186,818
Transfers to other funds	(3,637,057)	-	(1,490,500)	(19,261)	(5,146,818)
Proceeds from QZAB	119,965	-	-	-	119,965
Insurance recovery	-	-	266,973	-	266,973
Sale of capital assets	37,340	-	-	20,860	58,200
Total Other Financing Sources And Uses	<u>\$ (1,362,847)</u>	<u>\$ -</u>	<u>\$ 1,755,990</u>	<u>\$ 91,995</u>	<u>\$ 485,138</u>
Net Change In Fund Balance	\$ (1,729,958)	\$ (2,279)	\$ 179,107	\$ (1,524,770)	\$ (3,077,900)
Fund balances, beginning as stated	5,764,854	698,919	-	3,986,672	10,450,445
Prior period adjustment	(129,358)	-	-	-	(129,358)
Fund balances, beginning as restated	<u>5,635,496</u>	<u>698,919</u>	<u>-</u>	<u>3,986,672</u>	<u>10,321,087</u>
Fund balances, ending	<u>\$ 3,905,538</u>	<u>\$ 696,640</u>	<u>\$ 179,107</u>	<u>\$ 2,461,902</u>	<u>\$ 7,243,187</u>

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (3,207,258)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	1,177,022
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Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(804)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	440,635
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	375,671
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(84,152)</u>
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Total changes in net assets of governmental activities	<u><u>\$ (1,298,886)</u></u>
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The notes to the financial statements are an integral part of this statement.

Hyde County, North Carolina
General Fund and Annually Budgeted Major Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 6,414,607	\$ 6,473,486	\$ 6,504,991	\$ 31,505
Local option sales tax	1,379,000	1,379,000	1,597,320	218,320
Other taxes and licenses	100,700	100,700	141,653	40,953
Unrestricted intergovernmental	68,128	68,128	31,497	(36,631)
Restricted intergovernmental	2,237,801	2,774,841	2,610,642	(164,199)
Permits and fees	62,850	62,850	73,484	10,634
Sales and services	843,079	950,145	751,230	(198,915)
Investment earnings	100,000	100,000	8,287	(91,713)
Miscellaneous	5,548	9,140	47,620	38,480
Total Revenues	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>\$ (151,566)</u>
Expenditures				
Current:				
General government	\$ 1,573,607	\$ 1,866,424	\$ 1,714,613	\$ 151,811
Public safety	3,398,296	3,539,171	3,451,442	87,729
Environmental protection	1,022,120	1,614,334	1,631,499	(17,165)
Transportation	201,297	201,297	224,260	(22,963)
Economic and physical development	492,344	685,544	413,612	271,932
Human services	2,866,040	3,035,928	2,525,843	510,085
Cultural and recreational	43,000	43,000	43,000	-
Intergovernmental:				
Education	1,498,568	1,498,568	1,637,172	(138,604)
Debt Service:				
Principal retirement	513,803	515,269	375,671	139,598
Interest and other charges	-	82	118,790	(118,708)
Total Expenditures	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>\$ 863,715</u>
Revenues Over (Under) Expenditures	<u>\$ (397,362)</u>	<u>\$(1,081,327)</u>	<u>\$ (369,178)</u>	<u>\$ 712,149</u>
Other financing sources (uses):				
Transfers from other funds	42,096	609,240	1,876,405	1,267,165
Transfers to other funds	(90,396)	(2,590,396)	(2,590,396)	-
Proceeds from QZAB	55,965	55,965	119,965	64,000
Sale of capital assets	12,000	37,230	37,340	110
Total Other Financing Sources (Uses)	<u>\$ 19,665</u>	<u>\$(1,887,961)</u>	<u>\$ (556,686)</u>	<u>\$1,331,275</u>
Revenues And Other Sources Over (Under)				
Expenditures And Other Uses	\$ (377,697)	\$(2,969,288)	\$ (925,864)	\$2,043,424
Fund balance appropriated	377,697	2,969,288	-	(2,969,288)
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(925,864)</u>	<u>\$ (925,864)</u>
Fund balance, beginning as previously reported			4,601,636	
Prior period adjustment			(129,358)	
Fund balance, beginning as restated			<u>4,472,278</u>	
Fund Balance, ending			<u>\$ 3,546,414</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 2,067	
Transfer from Hurricane Irene Fund			240,500	
Transfer to General Fund			(567,144)	
Transfer to Hurricane Irene Fund			(479,517)	
Fund balance, beginning			<u>1,163,218</u>	
Fund Balance, ending (Exhibit 4)			<u>\$ 3,905,538</u>	

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 Balances -
Budget and Actual - Ocracoke Occupancy Tax Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Other taxes and licenses	\$ 328,800	\$ 328,800	\$ 373,812	\$ 45,012
Sales and services	2,000	2,000	5,607	3,607
Investment earnings	11,000	11,000	1,878	(9,122)
Miscellaneous	5,000	5,000	5,000	-
Total Revenues	<u>\$ 346,800</u>	<u>\$ 346,800</u>	<u>\$ 386,297</u>	<u>\$ 39,497</u>
Expenditures				
Current:				
Economic and physical development	\$ 368,945	\$ 368,945	\$ 388,576	\$ (19,631)
Total Expenditures	<u>\$ 368,945</u>	<u>\$ 368,945</u>	<u>\$ 388,576</u>	<u>\$ (19,631)</u>
Revenues Over (Under) Expenditures	<u>(22,145)</u>	<u>(22,145)</u>	<u>(2,279)</u>	<u>19,866</u>
Fund balance appropriated	22,145	22,145	-	(22,145)
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(2,279)	<u>\$ (2,279)</u>
Fund balance, beginning			698,919	
Fund balance, ending			<u>\$ 696,640</u>	

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 Balances -
Budget and Actual - Hurricane Irene Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Restricted intergovernmental:				
State grants	\$ -	\$ -	\$ 572,618	\$ 572,618
Federal grants	-	-	1,644,657	1,644,657
Total Revenues	\$ -	\$ -	\$ 2,217,275	\$ 2,217,275
Expenditures				
Current:				
Economic and physical development	\$ 2,979,517	\$ 2,979,517	\$ 3,794,158	\$ (814,641)
Total Expenditures	\$ 2,979,517	\$ 2,979,517	\$ 3,794,158	\$ (814,641)
Revenues Over (Under) Expenditures	\$ (2,979,517)	\$ (2,979,517)	\$ (1,576,883)	\$ 1,402,634
Other Financing Sources (Uses):				
Insurance proceeds	\$ -	\$ -	\$ 266,973	\$ 266,973
Transfer from other funds	2,979,517	2,979,517	2,979,517	-
Transfer to other funds	-	-	(1,490,500)	(1,490,500)
Total Other Financing Sources	2,979,517	2,979,517	1,755,990	(1,223,527)
Net Change In Fund Balance	\$ -	\$ -	\$ 179,107	\$ 179,107
Fund balance, beginning			-	
Fund Balance, ending			\$ 179,107	

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

Hyde County, North Carolina
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Sewer Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 827,788
Receivables, net	409,342
Grant receivable	152,183
Restricted cash and cash equivalents	118,196
Total Current Assets	\$ 1,507,509
Noncurrent Assets:	
Capital Assets:	
Land and construction in progress	\$ 5,168,027
Other capital assets, net of depreciation	7,740,861
Total Capital Assets	\$ 12,908,888
Total Assets	\$ 14,416,397
Liabilities	
Current Liabilities:	
Accounts payable	\$ 33,122
Customer deposits	118,196
Compensated absences	46,753
General obligation bonds payable	73,500
Total Current Liabilities	\$ 271,571
Noncurrent Liabilities:	
General obligation bonds payable	\$ 3,187,500
Total Noncurrent Liabilities	\$ 3,187,500
Total Liabilities	\$ 3,459,071
Net Assets	
Invested in capital assets, net of related debt	\$ 9,647,888
Unrestricted	1,309,438
Total Net Assets	\$ 10,957,326

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

Hyde County, North Carolina
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Sewer Fund
Operating Revenues	
Charges for services	\$ 1,597,698
Meter installations	6,526
Miscellaneous	40,421
Total Operating Revenues	\$ 1,644,645
Operating Expenses	
Water and sewer operations	\$ 1,298,094
Depreciation	324,517
Total Operating Expenses	\$ 1,622,611
Operating Income (Loss)	\$ 22,034
Non-operating Revenues (Expenses)	
Interest and investment revenue	\$ 1,054
Interest expense	(151,984)
Total Nonoperating Revenue (Expenses)	\$ (150,930)
Income (Loss) Before Contributions And Transfers	\$ (128,896)
Capital contributions	140,665
Transfer to other funds	(40,000)
Change In Net Assets	\$ (28,231)
Total Net Assets, beginning	10,985,557
Total Net Assets, ending	\$ 10,957,326

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

Hyde County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2012

	<u>Water and Sewer Fund</u>
Cash Flows From Operating Activities:	
Cash received from customers	\$ 1,439,640
Cash paid for goods and services	(664,162)
Cash paid to employees for services	(716,723)
Customer deposits received, net	10,425
Other operating revenue	40,421
Net Cash Provided by Operating Activities	<u>\$ 109,601</u>
Cash Flows From Noncapital and Related Financing Activities:	
Transfer (to) from other funds	<u>\$ (40,000)</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	\$ (215,307)
Principal paid on bond maturities and equipment contracts	(55,000)
Interest paid on bond maturities and equipment contracts	(151,984)
Capital contributions - federal grant	140,665
Net Cash Used by Capital and Related Financing Activities	<u>\$ (281,626)</u>
Cash Flows From Investing Activities:	
Interest on investments	<u>\$ 1,054</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (210,971)
Cash and Cash Equivalents, beginning	<u>1,156,955</u>
Cash and Cash Equivalents, ending	<u><u>\$ 945,984</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	<u>\$ 22,034</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	\$ 324,517
Changes In Assets and Liabilities:	
(Increase) decrease in accounts receivable	(164,584)
Increase (decrease) in accounts payable and accrued liabilities	(79,565)
Increase (decrease) in customer deposits	10,425
Increase (decrease) in accrued vacation pay	(3,226)
Total Adjustments	<u>\$ 87,567</u>
Net Cash Provided by Operating Activities	<u><u>\$ 109,601</u></u>

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

**Hyde County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Total Agency Funds
Assets	
Cash and cash equivalents	\$ 79,249
Taxes receivable	6,353
Total Assets	\$ 85,602
Liabilities	
Miscellaneous liabilities	\$ 8,504
Deferred revenues	6,353
Accounts payable	70,745
Total Liabilities	\$ 85,602
Net Assets	\$ -

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

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

I. Summary of Significant Accounting Policies

The accounting policies of the Hyde 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, legally separate entities 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 27885

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component unit. 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.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. 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 an 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 supplemental information.

Ocracoke Occupancy Tax Fund. This fund accounts for the collection of the occupancy tax and payments to various programs on Ocracoke Island.

Hurricane Irene Fund. This fund accounts for the rehabilitation expenditures of damage associated with Hurricane Irene.

The County reports the following major enterprise fund:

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.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

Nonmajor Funds. The County maintains twenty-eight legally budgeted funds. The Hydeland Home Health Fund, Mattamuskeet Opportunities Fund, Revaluation Fund, West Quarter Fund, Mainland Occupancy Tax Fund, 4-H Fund, E-911 Fund, Hyde County Senior Center Fund, Evans Road Fire Fund, Revolving Loan Fund, CAPS / Personal Care Chore Health Fund, HMGP – Isabel Elevation Project Fund, CDBG Supplemental Assistance Fund, CDBG Scattered Site Project Fund, CDBG SBEA Hyde Project Fund, CDBG Program Repayment Fund, NCHFA Single Family Rehabilitation Project Fund, CDBG Recovery Fund, CDBG – TEDG Fund, Swan Quarter Water Shed District Fund, and CDBG – Revitalization Strategy Fund are reported as nonmajor special revenue funds. The Ocracoke School Fund, Swan Quarter Community Park Fund, Hyde County EMS Facility Fund, County Government Public Safety Center Fund, Swan Quarter Dike Fund, Wanchese Seafood Industrial Park Fund are reported as capital projects funds.

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Hyde County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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 assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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 Fund, the Revaluation Fund, West Quarter District Fund, Mainland Occupancy Tax Fund, Ocracoke Occupancy Tax Fund, 4-H Fund, E-911 Fund, Hyde County Senior Center Fund, Evans Road Fire Fund, Revolving Loan Fund, Capital Reserve Fund, Hydeland Home Health Fund, CAPS/Personal Care Chore Health Fund, Mattamuskeet Opportunities Fund, Swan Quarter Water Shed District Fund and the Enterprise Funds. All annual

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

appropriations lapse at the fiscal year-end. Project ordinances are adopted for the following Capital Projects Funds: Qualified School Construction Bond Fund, Swan Quarter Community Park Access Fund, Swan Quarter Dike Fund, Wanchese Seafood Industrial Park Fund and the following Enterprise Capital Projects Funds, Engelhard Water Treatment Plant Fund, and Mattamuskeet Lodge Sewer Project Fund, which are consolidated with the enterprise operating funds for reporting purposes. Project ordinances are adopted for the following Special Revenue Funds: HMGP-Hurricane Isabel Elevation Project Fund, CDBG Supplemental Assistance Fund, CDBG Scattered Site Project Fund, CDBG SBEA Hyde Project Fund, CDBG Program Repayment Fund, NCHFA Single Family Rehabilitation Project Fund, CDBG Recovery Fund, CDBG - TEDG Fund, CDBG – Revitalization Strategy Fund, CDBG – Contingency Fund, and the Hurricane Irene Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. 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, 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 and the ABC Board 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, and the ABC Board 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 reported at fair value as determined by quoted market prices. The securities of the NCCMT – Cash Portfolio, a 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.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

2. Cash and Cash Equivalents

The County pools moneys 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.

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, 2010. 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. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The cost of the 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. Minimum capitalization cost is \$5,000. 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.

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

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 over their useful lives on a straight-line basis as follows:

Asset Class	Years
Vehicle	5
Equipment	3-10

8. 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 assets.

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

9. Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty 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, proprietary funds, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

The sick leave policies 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 have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

10. Net Assets/Fund Balances

a. Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets 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 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).

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

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

Assigned Fund Balance – portion of fund balance that 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 authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$10,000.

Unassigned Fund Balance -- portion of total 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 policy for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

E. 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 Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$21,654,042 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)	\$32,269,681
Less accumulated depreciation	(5,809,748)
Net Capital Assets	<u>\$26,459,933</u>
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	2,313,408
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	(6,535,712)
Compensated absences	(255,272)
Other postemployment benefits	(328,315)
Total Adjustment	<u><u>\$21,654,042</u></u>

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$2,190,406 as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,047,003
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.	(588,056)
Cost of disposed capital asset not recorded in fund statements	(804)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	375,671
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	(21,130)
Other postemployment benefits	(63,022)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase in deferred tax revenue at end of year	440,744
Total Adjustment	<u><u>\$ 2,190,406</u></u>

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2012, expenditures made in the County’s Swan Quarter Dike Fund exceeded the authorized appropriations by \$88,921 at the functional level. In the County’s Ocracoke Occupancy Tax Fund, expenditures exceeded appropriations at the functional level by \$19,631. In the County’s Hurricane Irene Fund, expenditures exceeded appropriations at the functional level by \$814,641. In the County’s Hyde County Senior Center Fund, expenditures exceeded appropriations at the functional level by \$1,435. In the County’s 4-H Fund, expenditures exceeded appropriations at the functional level by \$139. In the County’s Qualified School Construction Fund, expenditures exceeded appropriations at the functional level by \$39,172. The expenditures made in the County’s General Fund exceeded the authorized appropriations made by the governing board for environmental protection activities, transportation activities, and education activities by \$17,165, \$22,963, and \$138,604, respectively. Management and the Board will more closely review the budget reports to ensure compliance in future years.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

B. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ended June 30, 2012, the County's HMGP – Isabel Elevation Project Fund has a deficit fund balance of \$1,000. The County's Hyde County Senior Center has a deficit fund balance of \$47,084. The Mattamuskeet Opportunities Fund has a deficit fund balance of \$83,511. The County's Qualified School Construction Bond Fund has a deficit fund balance of \$36,160. Management and the Board will more closely review fund balances 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 the 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 the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or 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 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, 2012, the County's deposits had a carrying amount of \$8,548,719 and a bank balance of \$8,974,623. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$297,006 in non-interest bearing deposits and \$8,168,486 in interest bearing deposits was covered by collateral held under the Pooling Method.

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

At June 30, 2012, Hyde County had \$264 cash on hand.

At June 30, 2012, the carrying amount of deposits for Hyde County ABC Board was \$52,799 and the bank balance was \$47,170. All of the bank balance was covered by federal depository insurance.

At June 30, 2012, Hyde County ABC Board had \$150 cash on hand.

2. Investments

At June 30, 2012, the County's investments consisted of \$107,542 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2012, the ABC Board had no investments.

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

In accordance with the general statutes, agriculture, horticulture, and forestland 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 120,957	\$ 6,955	\$ 127,912
2008	120,112	-	120,112
2009	120,112	-	120,112
2010	597,833	-	597,833
2011	642,008	-	642,008
Total	<u>\$ 1,601,022</u>	<u>\$ 6,955</u>	<u>\$ 1,607,977</u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

4. Receivables

Receivables at the government-wide level at June 30, 2012, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 987,655	\$ 1,019,838	\$ 118,395	\$ 2,125,888
Other Governmental	86,483	1,362	401,303	489,148
Total Receivables	<u>\$ 1,091,837</u>	<u>\$ 963,821</u>	<u>\$ 519,698</u>	<u>\$ 2,615,036</u>
Allowance for doubtful accounts	<u>(52,498)</u>	<u>(315,600)</u>	<u>-</u>	<u>(368,098)</u>
Total Governmental Activities	<u><u>\$ 1,039,339</u></u>	<u><u>\$ 655,321</u></u>	<u><u>\$ 519,698</u></u>	<u><u>\$ 2,246,938</u></u>
Business-type Activities				
Water and Sewer Fund	\$ 615,650	\$ -	\$ -	\$ 615,650
Total Receivables	<u>\$ 615,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 615,650</u>
Allowance for doubtful accounts	<u>(206,307)</u>	<u>-</u>	<u>-</u>	<u>(206,307)</u>
Total Business-type Activities	<u><u>\$ 409,343</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 409,343</u></u>

The due from other governments that is owed to the County consisted of the following at June 30, 2012:

Governmental Activities:	
Local Option Sales Tax	\$ 274,477
Department of Revenue	79,521
Total Governmental Activities	<u><u>\$ 353,998</u></u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,292,036	\$ -	\$ -	\$ 1,292,036
Construction in progress	9,979,332	1,413,871	281,925	11,111,278
Total Capital Assets Not Being Depreciated	<u>\$ 11,271,368</u>	<u>\$ 1,413,871</u>	<u>\$ 281,925</u>	<u>\$ 12,403,314</u>
Capital Assets Being Depreciated:				
Buildings	\$ 14,463,483	\$ 473,037	\$ -	\$ 14,936,520
Computer equipment	200,444	21,304	-	221,748
Equipment	861,898	23,469	-	885,367
Vehicles	1,534,462	115,322	69,048	1,580,736
Infrastructure	2,242,157	-	-	2,242,157
Total Capital Assets Being Depreciated	<u>\$ 19,302,444</u>	<u>\$ 633,132</u>	<u>\$ 69,048</u>	<u>\$ 19,866,528</u>
Less Accumulated Depreciation For:				
Buildings	\$ 2,088,194	\$ 298,168	\$ -	\$ 2,386,362
Computer equipment	174,019	14,723	-	188,742
Equipment	391,803	67,101	-	458,904
Vehicles	1,094,051	163,221	68,244	1,189,028
Infrastructure	1,541,867	44,843	-	1,586,710
Total Accumulated Depreciation	<u>\$ 5,289,934</u>	<u>\$ 588,056</u>	<u>\$ 68,244</u>	<u>\$ 5,809,746</u>
Total Capital Assets Being Depreciated, net	<u>14,012,510</u>			<u>14,056,782</u>
Governmental Activity Capital Assets, net	<u>\$ 25,283,878</u>			<u>\$ 26,460,096</u>

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

General government	\$ 177,162
Public safety	289,477
Transportation	50,530
Human services	44,103
Environmental protection	15,708
Economic and physical development	11,076
Total depreciation expense	<u>\$ 588,056</u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Water and Sewer Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 57,839	\$ -	\$ -	\$ 57,839
Construction in progress	4,921,699	188,489	-	5,110,188
Total Capital Assets Not Being Depreciated	<u>\$ 4,979,538</u>	<u>\$ 188,489</u>	<u>\$ -</u>	<u>\$ 5,168,027</u>
Capital Assets Being Depreciated:				
Buildings	\$ 12,856,980	\$ -	\$ -	\$ 12,856,980
Computer equipment	14,617	-	-	14,617
Equipment	264,062	2,546	224	266,384
Vehicles	155,932	24,316	13,440	166,808
Total Capital Assets Being Depreciated	<u>\$ 13,291,591</u>	<u>\$ 26,862</u>	<u>\$ 13,664</u>	<u>\$ 13,304,789</u>
Less Accumulated Depreciation For:				
Buildings	\$ 4,949,855	\$ 283,957	\$ -	\$ 5,233,812
Computer equipment	13,409	813	-	14,222
Equipment	189,997	17,344	224	207,117
Vehicles	99,771	22,446	13,440	108,777
Total Accumulated Depreciation	<u>\$ 5,253,032</u>	<u>\$ 324,560</u>	<u>\$ 13,664</u>	<u>\$ 5,563,928</u>
Total Capital Assets Being Depreciated, net	<u>8,038,559</u>			<u>7,740,861</u>
Water Capital Assets, net	<u>\$ 13,018,097</u>			<u>\$ 12,908,888</u>

Construction Commitments

The government has active construction projects as of June 30, 2012. The projects include the HMGP – Hurricane Isabel Elevation Project, the CDBG Jumpstart Hyde Project, the NCHFA Single Family Rehabilitation Project, the Swan Quarter Community Park Access Project, the Engelhard Water Treatment Plant Project, the Mattamuskeet Lodge Sewer Project, the Swan Quarter Dike Project, the CDBG Recovery Project, the CDBG TEDG 08-T-1903 Project, the CDBG – Revitalization Strategy, the Qualified School Construction Bond Project, and the Wanchese Seafood Industrial Park Project. At June 30, 2012, the government’s commitments with contractors are as follows:

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

Project	Spent-to-date	Remaining Commitment
HMGP - Hurricane Isabel Elevation Project	\$ 1,762,502	\$ 1,217,266
CDBG Jumpstart Hyde Project	429,180	65,820
NCHFA Single Family Rehabilitation Project	188,803	11,197
Swan Quarter Community Park Access Project	94,192	21,208
Engelhard Water Treatment Plant	4,509,018	111,982
Mattamuskeet Lodge Sewer Project	482,197	3,517,803
Swan Quarter Dike Fund	6,816,417	-
CDBG Recovery	299,961	39
CDBG TEDG 08-T-1903	75,000	-
CDBG - Revitalization Strategy	538,717	311,283
Qualified School Construction Bond Project	3,022,164	-
Wanchese Seafood Industrial Park Project	200,456	65,344
Total	<u>\$ 18,418,607</u>	<u>\$ 5,321,942</u>

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Being Depreciated:				
Vehicles	\$ 3,500	\$ -	\$ -	\$ 3,500
Equipment	29,373	-	-	29,373
Total Capital Assets Being Depreciated	<u>32,873</u>	<u>-</u>	<u>-</u>	<u>32,873</u>
Less Accumulated Depreciation For:				
Vehicles	700	700	-	1,400
Equipment	26,255	1,332	-	27,587
Total Accumulated Depreciation	<u>26,955</u>	<u>\$ 2,032</u>	<u>\$ -</u>	<u>28,987</u>
ABC Capital Assets, net	<u>\$ 5,918</u>			<u>\$ 3,886</u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 230,434	\$ 237,235	\$ 467,669
Other Governmental	<u>25,248</u>	<u>581</u>	<u>25,829</u>
Total-governmental Activities	<u>\$ 255,682</u>	<u>\$ 237,816</u>	<u>\$ 493,498</u>
Business-type Activities:			
Water and Sewer Fund	<u>33,122</u>	<u>-</u>	<u>33,122</u>
Total Business-type Activities	<u>\$ 33,122</u>	<u>\$ -</u>	<u>\$ 33,122</u>

2. Pension Plan Obligations and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Hyde County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7% and 7.05%, respectively, of annual covered payroll. The contribution requirements of members and of Hyde County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$311,799, \$276,215, and \$161,212, respectively. The contributions made by the County equaled the required contributions for each year. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2000 were \$0, \$1,412, and \$2,085, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

b. Law Enforcement Officers' Special Separation Allowance

1) Plan Description

Hyde County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	\$ -
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	16
	\$ 16

A separate report was not issued for the plan.

2) Summary of Significant Accounting Policies

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

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

3) Contributions

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

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5-12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 22 years.

Annual required contribution	\$ 12,100
Interest on net pension obligation	4,556
Adjustment to annual required contribution	<u>(5,740)</u>
Annual Pension Cost	\$ 10,916
Contributions made	<u>-</u>
Increase in net pension obligation	10,916
Net pension obligation beginning of year	<u>91,111</u>
Net Pension Obligation End of Year	<u><u>\$ 102,027</u></u>

3 Year Trend Information

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	7,708	0%	80,052
2011	11,059	0%	91,111
2012	10,916	0%	102,027

4) Funded Status and Funding Progress

As of December 31 2009, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$48,232, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$48,232. The covered payroll (annual payroll of active employees covered by the plan) was \$668,839, and the ratio of the UAAL to the covered payroll was 7.21 percent.

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

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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 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. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2012 were \$85,333, which consisted of \$33,567 from the County and \$51,766 from the law enforcement officers.

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.

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

e. Registers of Deed's Supplemental Pension Fund

Plan Description. Hyde County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund 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 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund 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 the Registers of Deeds' Supplemental 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. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012, the County's required and actual contributions were \$490.

f. Other Postemployment Benefit

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, 2009, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	\$ 6	\$ -
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	102	16
	\$ 108	\$ 16

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

Funding Policy. The County pays the cost of coverage for the healthcare benefits paid to qualified retirees based on years of creditable service. The portion paid by the County is based on a graduated scale based on the number of years the employees was with the retirement system. The County pays 30% for 20 years, 60% for 25 years, and 100% for 30 years.

The current ARC rate is 2.17% of annual covered payroll. For the current year, the County contributed \$0 or 0.0% 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 0.0% and 0.0% of covered payroll, respectively. The County's obligation to contribute to the 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	\$ 79,753
Interest on net OPEB obligation	6,967
Adjustment to annual required contribution	6,011
Annual OPEB Cost (Expense)	<u>\$ 92,731</u>
Contributions made	<u>(40,625)</u>
Increase (Decrease) in Net OPEB Obligation	\$ 52,106
Net OPEB Obligation, beginning of year	174,181
Net OPEB Obligation, end of year	<u><u>\$ 226,287</u></u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2012 were as follows:

3 Year Trend Information			
For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 89,574	37.3%	\$ 121,079
2011	\$ 88,775	40.18%	\$ 174,182
2012	\$ 92,731	43.81%	\$ 226,287

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$812,528, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$812,528. The covered payroll (annual payroll of active employees covered by the plan) was \$4,393,975, and the ratio of UAAL to the covered payroll was 18.5 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 the healthcare cost trend. 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 information about the actuarial value of plan assets and 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, 2009, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.75 percent inflation assumption. The medical cost trend rate varied between 10.50 and 5.00 percent. The actuarial value of assets 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 projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2009, was 30 years.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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/Unearned Revenues

The balance in deferred or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 20,369
Taxes receivable, net (General), less penalties	742,384	-
Taxes receivable, net (Special Revenue)	1,362	-
Grant related proceeds (General)	317,597	-
Grant related proceeds (Special Revenue)	345,615	-
Judgement proceeds (General)	-	60,958
QZAB Bond (General)	-	179,904
Accounts Receivable - Patient fees (General)	819,003	-
Accounts Receivable - Patient fees (Special Revenue)	87,448	-
Total	\$ 2,313,409	\$ 261,231

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 \$2 million per occurrence, 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

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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 of 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 finance officer and tax collector are each individually bonded for \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$2,000,000.

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

Hyde County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 not exceeded coverage in any of the past three fiscal 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 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. Operating Lease Commitments

The County has operating leases for the County's four copiers used in various departments throughout the County's operations, which expire through 2013.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

The minimum commitments with initial or remaining terms in excess of one year under operating leases are as follows:

2013	1,778
Total	1,778

6. Long-term Obligations

a. Capital Leases

The County has entered into an agreement to lease certain equipment. The lease agreements qualify as 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.

For Hyde County, the agreement was executed in September 2007 to refinance an existing lease agreement for computer equipment. The new agreement requires 60 equal monthly payments of \$1,547. Under the terms of the agreement, title passes to the County at the end of the lease term.

At June 30, 2012, the County leased vehicles and equipment valued at:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 82,718	\$ 78,583	\$ 4,135
Total	\$ 82,718	\$ 78,583	\$ 4,135

For Hyde County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30	
2013	\$ 6,188
Total Minimum Lease Payments	6,188
Less: amount representing interest	59
Present Value of the Minimum Lease Payments	\$ 6,129

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

b. Qualified Zone Academy Bonds

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

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

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

As authorized by State law [G.S.160A-20 and 153A-158.1], the County financed various property acquisitions and improvements for use by Hyde County Board of Education during the fiscal year ended June 30, 2009 by installment purchase designated as a Qualified Zone Academy Bond. The installment purchase was issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Hyde County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

c. Installment Purchases

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

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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

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

For Hyde County, the future minimum lease payments as of June 30, 2012, including \$2,029,199 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	160,672	137,117
2014	163,808	133,182
2015	167,076	129,116
2016	170,480	124,914
2017	144,244	120,568
2018-2022	493,696	544,212
2023-2027	601,299	430,392
2028-2032	738,051	290,643
2033-2037	898,452	119,055
	3,537,778	2,029,199
QZAB principal payments from interest earned	208,992	-
Total	\$3,746,770	\$2,029,199

d. 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.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

The County's general obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

\$1,650,000 Water Serial Bonds due in annual installments of \$18,500 to \$68,000 in principal through June 1, 2031; interest at 5 percent.	\$ 1,139,500
\$222,000 2009 Water Serial Bonds, series 1995, due in annual installments of \$2,500 - \$10,000 in principal through June 1, 2034, interest at 5.125 percent.	170,500
\$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%	1,420,000
\$631,000 Water Serial Bonds, series 1999, due in annual installments of \$7,000 to \$28,000 in principal through June 2040, interest at 4.375 percent.	<u>531,000</u>
Total	<u><u>\$ 3,261,000</u></u>

Annual debt service requirements to maturity for the County's general obligation bonds and bond anticipation notes are as follows:

Year Ending June 30	Principal	Interest
2013	\$ 73,500	\$ 149,294
2014	76,500	145,803
2015	80,500	142,163
2016	84,500	138,334
2017	88,000	134,316
2018-2022	507,500	604,580
2023-2027	632,500	520,223
2028-2032	599,500	318,283
2033-2037	359,500	207,958
2038-2042	306,000	132,663
2043-2047	309,000	71,060
2048-2050	144,000	9,265
	<u>\$ 3,261,000</u>	<u>\$2,573,942</u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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 0.93 percent through October 2025.

\$ 2,782,813

Year Ending June 30	Governmental-type Activities	
	Principal	Interest
2013	\$ 200,179	\$ 26,063
2014	200,179	24,202
2015	200,179	22,340
2016	200,179	20,478
2017	200,179	18,617
2018-2022	1,000,895	65,158
2023-2026	781,023	18,617
	<u>\$ 2,782,813</u>	<u>\$ 195,475</u>

At June 30, 2012 Hyde County had a legal debt margin of \$75,106,595.

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, 2012:

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
					Balance
Governmental Activities:					
Capitalized leases	\$ 23,959	\$ -	\$ 17,830	\$ 6,129	\$ 6,129
Installment purchase	3,904,432	-	157,662	3,746,770	160,672
Qualified school construction bonds	2,982,992	-	200,179	2,782,813	200,179
Compensated absences	234,142	21,130	-	255,272	255,272
Net pension obligation	91,111	10,916	-	102,027	-
Other postemployment benefits	174,182	52,106	-	226,288	40,625
Total Governmental Activities	<u>\$7,410,818</u>	<u>\$ 84,152</u>	<u>\$ 375,671</u>	<u>\$7,119,299</u>	<u>\$ 662,877</u>
Business-type Activities:					
General obligation debt	\$3,316,000	\$ -	\$ 55,000	\$3,261,000	\$ 73,500
Compensated absences	49,979	-	3,226	46,753	46,753
Total Business-type Activities	<u>\$3,365,979</u>	<u>\$ -</u>	<u>\$ 58,226</u>	<u>\$3,307,753</u>	<u>\$ 120,253</u>

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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 30,2012, consist of the following:

From Water Sewer Fund to the General Fund to assist with administrative expenditures	\$ 40,000
From the General Fund to the Hurricane Irene Fund to assist with clean up costs associated with the Hurricane Irene	2,500,000
From the E-911 Fund to the General Fund to assist with current year expenditures	19,261
From the General Fund to the Revaluation Fund to accumulate resources for the County's upcoming revaluation	25,000
From the General Fund to the Senior Center Fund to assist with current year expenditures	65,396
From the Capital Reserve Fund to the Hurricane Irene Fund to assist with current year capital outlay expenditures associated with the hurricane cleanup	479,517
From the Hurricane Irene Fund to the General Fund for reimbursement of funds to assist with clean up costs associated with Hurricane Irene	1,250,000
From the Hurricane Irene Fund to the Capital Reserve Fund for reimbursement of funds associated with hurricane cleanup capital outlay expenditures	240,500
From the Capital Reserve Fund to the General Fund for the purchase of governmental activities capital outlay expenditures	567,144
	\$ 5,186,818
	\$ 5,186,818

**Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012**

Balances due to/from other funds at June 30, 2012, consist of the following:

From the General Fund to the Swan Quarter Dike Fund for payment of construction costs	\$ 25,000
From the Hyde County Senior Center to the General Fund for payment of expenditures	30,795
From the Mattamuskeet Opportunities Fund to the General Fund for payment of expenditures	81,827
From the CAPS/Personal Care Health Fund to the General Fund for the payment of expenditures	17,754
	\$ 155,376

D. Fund Balance

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

Total fund balance - General Fund	\$ 3,546,414
Less:	
Stabilization by State Statute	338,030
Debt service	104,425
Other purposes	24,000
Register of Deeds	31,139
Appropriated Fund Balance in 2012 budget	264,638
Remaining Fund Balance	\$ 2,784,182

IV. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2012, Hyde County has recognized on-behalf payments for pension contributions made by the state as a revenue and an expenditure of \$52,493 for the 157 volunteer firemen who perform firefighting duties for the County's fire departments and on-behalf payments of \$14,506 as a revenue and an expenditure for the 55 eligible employed rescue squad workers. The volunteers and employees elected to be members of the Firemen and Rescue Workers' Pension Fund, a cost sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

V. 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 \$4,289 to the Council during the fiscal year ended June 30, 2012. The County was the sub recipient of a grant for \$7,680 from the Division of Aging of the North Carolina Department of Aging and Adult Services that was passed through the Council.

VI. 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 that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
					Balance
Governmental Activities:					
Capitalized leases	\$ 23,959	\$ -	\$ 17,830	\$ 6,129	\$ 6,129
Installment purchase	3,904,432	-	157,662	3,746,770	160,672
Qualified school construction bonds	2,982,992	-	200,179	2,782,813	200,179
Compensated absences	234,142	21,130	-	255,272	255,272
Net pension obligation	91,111	10,916	-	102,027	-
Other postemployment benefits	174,182	52,106	-	226,288	40,625
Total Governmental Activities	<u>\$7,410,818</u>	<u>\$ 84,152</u>	<u>\$ 375,671</u>	<u>\$ 7,119,299</u>	<u>\$ 662,877</u>
Business-type Activities:					
General obligation debt	\$3,316,000	\$ -	\$ 55,000	\$3,261,000	\$ 73,500
Compensated absences	49,979	-	3,226	46,753	46,753
Total Business-type Activities	<u>\$3,365,979</u>	<u>\$ -</u>	<u>\$ 58,226</u>	<u>\$3,307,753</u>	<u>\$ 120,253</u>

VII. Summary Disclosure of Significant Commitments and 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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.

VIII. 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 that County to use a portion of the proceeds of its 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, 2012, 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.

IX. School Facilities Finance Act of 1987

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

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

Monies in the fund are allocated to Hyde County on the basis of the average daily membership (ADM) for the Hyde County Board of Education as determined and certified by the State Board of Education. The Office of State Budget and Management established and now maintains an ADM allocation account for the County. At June 30, 2012, the balance of the County's ADM allocation account was \$70,617. The County must match the balance on the basis of one dollar for every three dollars of State funds for financing the school unit's facilities capital needs. The local school technology plan does not require a county match.

This program is also funded in part, using a portion of the lottery funds collected from the NC Education Lottery. Distributions of the lottery money are made based on the County's average daily membership (ADM) and on the tax rate of the County. At June 30, 2012, the balance of the County's Lottery Fund account was \$88,937. The County must match the balance on the basis of one dollar for every three dollars of State funds for financing the school unit's facilities capital needs. The local school technology plan does not require a county match.

Hyde County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2012

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

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

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

The Commission on School Facilities Needs established a priority list of the Counties receiving grants. The Commission on School Facilities Needs has since been abolished. Grants are awarded by the State Board of Education based on the grant priority list. A joint application must be made by the Hyde County Board of Commissioners and the Hyde County Board of Education. At June 30, 2012, the Boards has not submitted a grant application to the Commission on School Facility Needs.

X. Economic Dependence

The County receives a substantial amount of revenue each year from the Hyde County Prison. For the year ended June 30, 2012, revenue from the Hyde County Prison represented 32% of the total Water and Sewer Fund revenues.

XI. Prior Period Adjustments

During the fiscal year ended June 30, 2012, the County determined that deferred revenue in the governmental type activities were understated in the prior year. This adjustment affected the Statement of Net Assets for the governmental type activities and Balance Sheet for the Governmental Funds. Therefore, an adjustment to beginning net assets has been recorded to adjust for the deferred revenues, the net effect of which decreased net assets by \$129,358.

Required Supplemental Financial Data

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2007	-	18,651	18,651	0.0%	432,475	4.31%
12/31/2008	-	27,277	27,277	0.0%	613,944	4.44%
12/31/2009	-	48,232	48,232	0.0%	668,839	7.21%

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

<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	\$ 6,243	0%
2009	5,117	0%
2010	7,708	0%
2011	11,059	0%
2012	12,100	0%

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5%
Projected salary increases*	4.5 - 12.3%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	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	0.0%	3,209,473	23.4%
12/31/2008	-	789,127	789,127	0.0%	3,966,397	19.9%
12/31/2009	-	812,528	812,528	0.0%	4,393,975	18.5%

**Hyde County, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions**

<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 85,993	0%
2010	89,574	0%
2011	79,753	0%
2012	79,753	0%

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	4%
Projected salary increases*	10.50 - 5.00%
*Includes inflation at	3.75%

Combining and Individual Fund Statements and Schedules

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Taxes		\$ 6,417,705	
Interest		87,286	
Total	<u>\$ 6,473,486</u>	<u>\$ 6,504,991</u>	<u>\$ 31,505</u>
Local Option Sales Taxes:			
Article 39 and 44		\$ 595,826	
Article 40 one - half of one percent		313,371	
Article 42 one - half of one percent		301,610	
Medicaid Hold Harmless payment		386,513	
Total	<u>\$ 1,379,000</u>	<u>\$ 1,597,320</u>	<u>\$ 218,320</u>
Other Taxes and Licenses:			
Real estate stamp excise tax		\$ 87,445	
Scrap tire disposal tax		7,104	
White goods disposal tax		67	
Local occupancy tax		42,530	
Franchise tax - cable tv		3,587	
Beer and wine licenses		920	
Total	<u>\$ 100,700</u>	<u>\$ 141,653</u>	<u>\$ 40,953</u>
Unrestricted Intergovernmental:			
Payments in lieu of taxes-outside sources		\$ 6,441	
Beer and wine tax		25,056	
Total	<u>\$ 68,128</u>	<u>\$ 31,497</u>	<u>\$ (36,631)</u>
Restricted Intergovernmental:			
State grants		\$ 989,050	
Federal grants		507,971	
Social service grants - federal and state		1,040,228	
On-behalf of payments - Fire and Rescue		66,999	
Court facility fees		4,731	
ABC bottles taxes		1,663	
Total	<u>\$ 2,774,841</u>	<u>\$ 2,610,642</u>	<u>\$ (164,199)</u>

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Permits and Fees:			
Building permits		\$ 16,159	
Concealed handgun permits		2,530	
Inspection fees		16,708	
Register of deeds		26,635	
Election filing fees		250	
Sheriff fees		9,033	
Private well fees		1,240	
Code enforcement penalties		804	
Homeownership recovery fee		125	
Total	\$ 62,850	\$ 73,484	\$ 10,634
Sales and Services:			
Rents, concessions, and fees		\$ 65,457	
Jail fees		1,656	
Household garbage collection		298,856	
Ambulance and rescue squad fees		356,679	
Health department fees		28,582	
Total	\$ 950,145	\$ 751,230	\$ (198,915)
Investment Earnings	100,000	8,287	(91,713)
Miscellaneous:			
Insurance claims		\$ 28,866	
Donations		500	
Other revenues		18,254	
Total	\$ 9,140	\$ 47,620	\$ 38,480
Total Revenues	\$ 11,918,290	\$ 11,766,724	\$ (151,566)

Expenditures

General Government:

Governing Body:

Salaries and employee benefits	\$ 23,654
Other operating expenditures	2,556
Total	\$ 26,210

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Administration:			
Salaries and employee benefits		\$ 217,093	
Other operating expenditures		327,358	
Capital outlay		15,050	
Total		\$ 559,501	
Elections:			
Salaries and employee benefits		\$ 45,206	
Other operating expenditures		25,599	
Total		\$ 70,805	
Finance:			
Salaries and employee benefits		\$ 123,389	
Other operating expenditures		23,345	
Total		\$ 146,734	
Human Resources:			
Salaries and employee benefits		\$ 57,385	
Other operating expenditures		8,919	
Capital outlay		65	
Total		\$ 66,369	
Taxes:			
Salaries and employee benefits		\$ 144,885	
Other operating expenditures		32,365	
Capital outlay		6,022	
Total		\$ 183,272	
Legal:			
Contracted services		65,379	
Register of Deeds:			
Salaries and employee benefits		\$ 104,830	
Other operating expenditures		39,349	
Capital outlay		484	
Total		\$ 144,663	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Buildings:			
Salaries and employee benefits		\$ 103,650	
Other operating expenditures		278,083	
Total		<u>\$ 381,733</u>	
Court Facilities:			
Other operating expenditures		<u>4,731</u>	
Energy Efficiency Grant:			
Other operating expenditures		65,216	
Total General Government	<u>\$ 1,866,424</u>	<u>\$ 1,714,613</u>	<u>\$ 151,811</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		\$ 167,748	
Other operating expenditures		1,060,684	
Capital outlay		90,937	
Total		<u>\$ 1,319,369</u>	
ABC Rehabilitation:			
Other operating expenditures		<u>1,505</u>	
Jail:			
Salaries and employee benefits		\$ 58,874	
Other operating expenditures		100,613	
Total		<u>\$ 159,487</u>	
Emergency Management:			
Salaries and employee benefits		\$ 83,648	
Other operating expenditures		85,659	
Capital outlay		38,953	
Total		<u>\$ 208,260</u>	
Fire:			
Contracted services		<u>205,637</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Inspections:			
Salaries and employee benefits		\$ 98,839	
Other operating expenditures		20,675	
Capital outlay		500	
Total		<u>\$ 120,014</u>	
Rescue:			
Salaries and employee benefits		\$ 1,074,704	
Other operating expenditures		270,271	
Capital outlay		45,109	
Total		<u>\$ 1,390,084</u>	
Animal Control:			
Contracted services		\$ 25,186	
Other operating expenditures		15,000	
Total		<u>\$ 40,186</u>	
Medical Examiner:			
Other operating expenditures		6,900	
Total Public Safety	<u>\$ 3,539,171</u>	<u>\$ 3,451,442</u>	<u>\$ 87,729</u>
Environmental Protection:			
Solid Waste:			
Salaries and employee benefits		\$ 238,905	
Other operating expenditures		1,392,145	
Capital outlay		449	
Total Environmental Protection	<u>\$ 1,614,334</u>	<u>\$ 1,631,499</u>	<u>\$ (17,165)</u>
Transportation:			
Airport:			
Other operating expenditures		224,260	
Total Transportation	<u>\$ 201,297</u>	<u>\$ 224,260</u>	<u>\$ (22,963)</u>

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		\$ 110,694	
Other operating expenditures		13,771	
Capital outlay		(2,234)	
Total		<u>\$ 122,231</u>	
Community Development:			
Other operating expenditures		30,104	
Total		<u>\$ 30,104</u>	
Agricultural Extension:			
Salaries and employee benefits		\$ 75,989	
Other operating expenditures		14,146	
Capital outlay		1,046	
Total		<u>\$ 91,181</u>	
Swan Quarter Dike Project:			
Capital outlay		14,037	
Total		<u>\$ 14,037</u>	
Juvenile Crime Prevention:			
Other operating expenditures		44,202	
Soil and Water Conservation:			
Salaries and employee benefits		\$ 97,937	
Other operating expenditures		13,920	
Total		<u>\$ 111,857</u>	
Total Economic and Physical Development	<u>\$ 685,544</u>	<u>\$ 413,612</u>	<u>\$ 271,932</u>
Human Services:			
Health:			
Administration:			
Salaries and employee benefits		\$ 96,425	
Other operating expenditures		92,693	
Total		<u>\$ 189,118</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Management Entity:			
Other operating expenditures		4,778	
Communicable Diseases:			
Salaries and employee benefits		\$ 10,067	
Other operating expenditures		1,902	
Capital outlay		1,419	
Total		<u>\$ 13,388</u>	
Immunization:			
Salaries and employee benefits		\$ 2,493	
Other operating expenditures		669	
Total		<u>\$ 3,162</u>	
Medical Assistance:			
Salaries and employee benefits		14,301	
Health Promotions - Risk Reduction:			
Salaries and employee benefits		\$ 9,575	
Other operating expenditures		4,044	
Total		<u>\$ 13,619</u>	
Child Health - State:			
Salaries and employee benefits		\$ 17,487	
Other operating expenditures		3,204	
Capital outlay		-	
Total		<u>\$ 20,691</u>	
Maternal Health - State:			
Salaries and employee benefits		\$ 13,067	
Other operating expenditures		8,772	
Total		<u>\$ 21,839</u>	
Breast and Cervical Cancer:			
Salaries and employee benefits		\$ 4,290	
Other operating expenditures		4,727	
Total		<u>\$ 9,017</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Food and Lodging:			
Other operating expenditures		\$ 2,768	
Capital outlay		-	
Total		<u>\$ 2,768</u>	
Women, Infants, and Children:			
Salaries and employee benefits		\$ 26,006	
Other operating expenditures		1,539	
Total		<u>\$ 27,545</u>	
Environmental Health:			
Salaries and employee benefits		\$ 104,422	
Other operating expenditures		4,277	
Capital outlay		-	
Total		<u>\$ 108,699</u>	
Mosquito Control:			
Salaries and employee benefits		\$ 78,324	
Other operating expenditures		77,964	
Total		<u>\$ 156,288</u>	
Adult Health:			
Salaries and employee benefits		\$ 50,714	
Other operating expenditures		16,087	
Total		<u>\$ 66,801</u>	
Family Planning - State:			
Salaries and employee benefits		\$ 44,545	
Other operating expenditures		24,132	
Capital outlay		-	
Total		<u>\$ 68,677</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Homemaker Home - Health Aid:			
Salaries and employee benefits		\$ 22,685	
Other operating expenses		563	
Total		<u>\$ 23,248</u>	
Child Service Coordinator - State:			
Other operating expenses		<u>1,645</u>	
Kate B. Reynolds Grant:			
Salaries and employee benefits		\$ 46,768	
Other operating expenses		79,681	
Total		<u>\$ 126,449</u>	
Mental Health:			
Other operating expenditures		<u>10,914</u>	
Social Services:			
Medical Assistance Program:			
Salaries and employee benefits		\$ 738,403	
Other operating expenditures		186,585	
Capital outlay		20,770	
Total		<u>\$ 945,758</u>	
SBA Home Loans/Grants:			
Transportation		\$ 4,542	
In-Home chore		18,977	
Total		<u>\$ 23,519</u>	
CAPS - Medicaid:			
Salaries and employee benefits		\$ 36,211	
Other operating expenditures		24,654	
Total		<u>\$ 60,865</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Assistance:			
Special assistance		\$ 37,691	
Medical assistance		2,239	
AFDC assistance		-	
Total		<u>\$ 39,930</u>	
Day Care:			
Salaries and employee benefits		\$ 82,917	
Assistance payments		149,359	
Total		<u>\$ 232,276</u>	
Services:			
State In-home chore		\$ 3,212	
SSBG In-home chore		21,999	
SSBG blind		2,515	
SSBG legal services		2,160	
SSBG transportation		-	
State foster care		6,974	
Summer - crisis intervention		1,766	
Crisis intervention		59,102	
Medicaid transportation		45,807	
IV-E foster care		-	
IV-B adoption assistance		3,632	
General assistance		2,366	
Personal care equipment		134	
Foster care assistance		556	
State foster care clothing		2,200	
Foster care map training		35	
Independent living		-	
Work First Assessment		-	
Domestic Violence		-	
Emergency foster care		1,900	
Assistance payments		274	
AFDC emergency assistance		3,836	
LIEAP		32,600	
Other operating expenditures		7,798	
Total		<u>\$ 198,866</u>	

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Bioterrorism:			
Other operating expenditures		\$ 3,392	
Capital outlay		6,979	
Total		<u>\$ 10,371</u>	
Elderly Nutrition:			
Other operating expenditures		<u>30,320</u>	
Transportation:			
Elderly and disabled		\$ 50,803	
Pregnant women and children		7,677	
Work first transportation		31,080	
Total		<u>\$ 89,560</u>	
Veteran's Services:			
Salaries and employee benefits		\$ 7,609	
Other operating expenditures		1,110	
Total		<u>\$ 8,719</u>	
Private Well Services:			
Salaries and employee benefits		\$ 2,301	
Other operating expenditures		411	
Total		<u>\$ 2,712</u>	
Total Human Services	<u>\$ 3,035,928</u>	<u>\$ 2,525,843</u>	<u>\$ 510,085</u>
Cultural and Recreational:			
Cultural contributions		43,000	
Total Culture and Recreation	<u>\$ 43,000</u>	<u>\$ 43,000</u>	<u>\$ -</u>
Education:			
Public schools - current		\$ 1,324,568	
Public schools - capital outlay		312,604	
Total Education	<u>\$ 1,498,568</u>	<u>\$ 1,637,172</u>	<u>\$ (138,604)</u>

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt Service:			
Capital lease / installment purchase		\$ 119,527	
QSCB bond principal		200,179	
QZAB bond principal		55,965	
Interest and fees		118,790	
Total Debt Service	<u>\$ 515,351</u>	<u>\$ 494,461</u>	<u>\$ 20,890</u>
Total Expenditures	<u>\$ 12,999,617</u>	<u>\$ 12,135,902</u>	<u>\$ 863,715</u>
Revenues Over Expenditures	<u>\$ (1,081,327)</u>	<u>\$ (369,178)</u>	<u>\$ 712,149</u>
Other Financing Sources (Uses)			
Transfers from other funds:			
Special Revenue Funds	\$ 589,240	\$ 1,836,405	\$ 1,247,165
Water and Sewer Fund	20,000	40,000	20,000
Transfers to other funds:			
Special Revenue Funds	<u>(2,590,396)</u>	<u>(2,590,396)</u>	<u>-</u>
Total	<u>\$ (1,981,156)</u>	<u>\$ (713,991)</u>	<u>\$ 1,267,165</u>
Proceeds from QZAB	55,965	119,965	64,000
Sale of capital assets	<u>37,230</u>	<u>37,340</u>	<u>110</u>
Total Other Financing Sources (Uses)	<u>\$ 93,195</u>	<u>\$ (556,686)</u>	<u>\$ 1,331,275</u>
Appropriated Fund Balance	<u>2,969,288</u>	<u>-</u>	<u>(2,969,288)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (925,864)</u>	<u>\$ (925,864)</u>
Fund Balance, beginning as previously reported		4,601,636	
Prior period adjustment		(129,358)	
Fund Balance, beginning as restated		<u>4,472,278</u>	
Fund Balance, ending		<u>\$ 3,546,414</u>	

Hyde County, North Carolina
Ocracoke Occupancy Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other taxes and licenses:			
Occupancy taxes	\$ 328,800	\$ 373,812	\$ 45,012
Investment earnings	11,000	1,878	(9,122)
Sales and services:			
Rent income	2,000	5,607	3,607
Miscellaneous:			
Miscellaneous	-	-	-
Donations	5,000	5,000	-
Total Revenues	<u>\$ 346,800</u>	<u>\$ 386,297</u>	<u>\$ 39,497</u>
 Expenditures			
Economic and physical development	<u>368,945</u>	<u>388,576</u>	<u>(19,631)</u>
 Revenues Over (Under) Expenditures	 \$ (22,145)	 \$ (2,279)	 \$ 19,866
 Fund balance appropriated	 <u>22,145</u>	 <u>-</u>	 <u>(22,145)</u>
 Net Change in Fund Balance	 <u><u>\$ -</u></u>	 <u><u>\$ (2,279)</u></u>	 <u><u>\$ (2,279)</u></u>
 Fund Balance, beginning		 <u>698,919</u>	
Fund Balance, ending		 <u><u>\$ 696,640</u></u>	

Hyde County, North Carolina
Hurricane Irene Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
FEMA grant	\$ -	\$ -	\$ 1,644,657	\$ 1,644,657	\$ 1,644,657
State grants	-	-	572,618	572,618	572,618
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,217,275</u>	<u>\$ 2,217,275</u>	<u>\$ 2,217,275</u>
Expenditures					
Environmental protection	<u>2,979,517</u>	<u>-</u>	<u>3,794,158</u>	<u>3,794,158</u>	<u>(814,641)</u>
Revenues Over (Under) Expenditures	<u>\$ (2,979,517)</u>	<u>\$ -</u>	<u>\$ (1,576,883)</u>	<u>\$ (1,576,883)</u>	<u>\$ 1,402,634</u>
Other Financing Sources (Uses)					
Transfer from other funds	\$ 2,979,517	\$ -	\$ 2,979,517	\$ 2,979,517	\$ -
Transfer to other funds	-	-	(1,490,500)	(1,490,500)	(1,490,500)
Insurance recovery	-	-	266,973	266,973	266,973
Total Other Financing Sources (Uses)	<u>\$ 2,979,517</u>	<u>\$ -</u>	<u>\$ 1,755,990</u>	<u>\$ 1,755,990</u>	<u>\$ (1,223,527)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>179,107</u>	<u>\$ 179,107</u>	<u>\$ 179,107</u>
Fund Balance, beginning			<u>-</u>		
Fund Balance, ending			<u>\$ 179,107</u>		

**Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

Special Revenue Funds

	Hydeland Home Health	Mattamuskeet Opportunities	Revaluation	West Quarter District	Mainland Occupancy Tax
Assets					
Cash and cash equivalents	\$ 1,143,747	\$ -	\$ 183,147	\$ 21,108	\$ 16,225
Accounts receivable, net	62,936	-	-	-	-
Taxes receivable, net	-	-	-	103	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	\$ 1,206,683	\$ -	\$ 183,147	\$ 21,211	\$ 16,225
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 668	\$ 582	\$ -	\$ -	\$ -
Due to other funds	-	82,929	-	-	-
Deferred revenue	64,681	-	-	103	-
Total Liabilities	\$ 65,349	\$ 83,511	\$ -	\$ 103	\$ -
Fund Balances:					
Restricted:					
Reserved by state statute	\$ -	\$ -	\$ -	\$ -	\$ -
Economic and Physical development	-	-	-	-	-
Public Safety	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Other purposes	-	-	-	21,108	16,225
Education	-	-	-	-	-
Committed:					
Public Safety	-	-	-	-	-
Human services	1,141,334	(83,511)	-	-	-
Environmental Protection	-	-	-	-	-
Economic and Physical development	-	-	-	-	-
Tax revaluation	-	-	183,147	-	-
Cultural and recreation	-	-	-	-	-
Assigned:					
Subsequent years' expenditures	-	-	-	-	-
Unassigned					
Total Fund Balances	\$ 1,141,334	\$ (83,511)	\$ 183,147	\$ 21,108	\$ 16,225
Total Liabilities and Fund Balances	\$ 1,206,683	\$ -	\$ 183,147	\$ 21,211	\$ 16,225

**Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

Special Revenue Funds

	4-H	E-911	Hyde County Senior Center	Evans Road Fire	Revolving Loan
Assets					
Cash and cash equivalents	\$ 21,784	\$ 234,721	\$ -	\$ 173	\$ 332,515
Accounts receivable, net	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-
Other receivables	-	-	-	-	385,685
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 21,784</u>	<u>\$ 234,721</u>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 718,200</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,587	\$ 1,152	\$ 571	\$ -	\$ -
Due to other funds	-	-	46,513	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	<u>\$ 4,587</u>	<u>\$ 1,152</u>	<u>\$ 47,084</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Restricted:					
Reserved by state statute	\$ -	\$ -	\$ -	\$ -	\$ 385,685
Economic and Physical development	-	-	-	-	-
Public Safety	-	-	-	173	-
Cultural and recreation	-	-	-	-	-
Other purposes	-	-	-	-	-
Education	-	-	-	-	-
Committed:					
Public Safety	-	233,569	-	-	-
Human services	-	-	-	-	-
Environmental Protection	-	-	-	-	-
Economic and Physical development	-	-	-	-	332,515
Tax revaluation	-	-	-	-	-
Cultural and recreation	17,197	-	-	-	-
Assigned:					
Subsequent years' expenditures	-	-	-	-	-
Unassigned	-	-	(47,084)	-	-
Total Fund Balances	<u>\$ 17,197</u>	<u>\$ 233,569</u>	<u>\$ (47,084)</u>	<u>\$ 173</u>	<u>\$ 718,200</u>
Total Liabilities and Fund Balances	<u>\$ 21,784</u>	<u>\$ 234,721</u>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 718,200</u>

**Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

	Special Revenue Funds				
	CAPS / Personal Care Chore Health	HMGP - Isabel Elevation Project	CDBG Supplemental Assistance	CDBG Scattered Site Project	CDBG SBEA Hyde Project
Assets					
Cash and cash equivalents	\$ 9,275	\$ 1,000	\$ 19,216	\$ -	\$ 198
Accounts receivable, net	22,767	-	-	-	-
Taxes receivable, net	-	-	-	-	-
Other receivables	15,618	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 47,660</u>	<u>\$ 1,000</u>	<u>\$ 19,216</u>	<u>\$ -</u>	<u>\$ 198</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 22	\$ 2,000	\$ -	\$ -	\$ -
Due to other funds	17,754	-	-	-	-
Deferred revenue	22,767	-	-	-	-
Total Liabilities	<u>\$ 40,543</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Restricted:					
Reserved by state statute	\$ 15,618	\$ -	\$ -	\$ -	\$ -
Economic and Physical development	-	(1,000)	19,216	-	198
Public Safety	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Other purposes	-	-	-	-	-
Education	-	-	-	-	-
Committed:					
Public Safety	-	-	-	-	-
Human services	(8,501)	-	-	-	-
Environmental Protection	-	-	-	-	-
Economic and Physical development	-	-	-	-	-
Tax revaluation	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Assigned:					
Subsequent years' expenditures	-	-	-	-	-
Unassigned					
Total Fund Balances	<u>\$ 7,117</u>	<u>\$ (1,000)</u>	<u>\$ 19,216</u>	<u>\$ -</u>	<u>\$ 198</u>
Total Liabilities and Fund Balances	<u>\$ 47,660</u>	<u>\$ 1,000</u>	<u>\$ 19,216</u>	<u>\$ -</u>	<u>\$ 198</u>

**Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

	Special Revenue Funds				
	CDBG Program Repayment	NCHFA Single Family Rehabilitation Project	CDBG Recovery	CDBG - TEDG	Swan Quarter Water Shed District
Assets					
Cash and cash equivalents	\$ 21,790	\$ 1	\$ -	\$ -	\$ 24,456
Accounts receivable, net	-	-	-	-	-
Taxes receivable, net	-	-	-	-	1,259
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 21,790</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,715</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	1,259
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,259</u>
Fund Balances:					
Restricted:					
Reserved by state statute	\$ -	\$ -	\$ -	\$ -	-
Economic and Physical development	21,790	1	-	-	-
Public Safety	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Other purposes	-	-	-	-	24,456
Education	-	-	-	-	-
Committed:					
Public Safety	-	-	-	-	-
Human services	-	-	-	-	-
Environmental Protection	-	-	-	-	-
Economic and Physical development	-	-	-	-	-
Tax revaluation	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Assigned:					
Subsequent years' expenditures	-	-	-	-	-
Unassigned					
Total Fund Balances	<u>\$ 21,790</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,456</u>
Total Liabilities and Fund Balances	<u>\$ 21,790</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,715</u>

Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Capital Project Funds				
	CDBG - Revitalization Strategy	CDBG - Contingency Fund	Total Nonmajor Special Revenue Funds	Qualified School Construction Bond	Swan Quarter Community Park
Assets					
Cash and cash equivalents	\$ 26,747	\$ -	\$ 2,056,104	\$ -	\$ 709
Accounts receivable, net	-	-	85,703	-	-
Taxes receivable, net	-	-	1,362	-	-
Other receivables	-	-	401,303	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 26,747</u>	<u>\$ -</u>	<u>\$ 2,544,472</u>	<u>\$ -</u>	<u>\$ 709</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 9,582	\$ -	\$ -
Due to other funds	-	-	147,196	36,160	-
Deferred revenue	-	-	88,810	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,588</u>	<u>\$ 36,160</u>	<u>\$ -</u>
Fund Balances:					
Restricted:					
Reserved by state statute	\$ -	\$ -	\$ 401,303	\$ -	\$ -
Economic and Physical development	26,747	-	66,952	-	-
Public Safety	-	-	173	-	-
Cultural and recreation	-	-	-	-	709
Other purposes	-	-	61,789	-	-
Education	-	-	-	-	-
Committed:					
Public Safety	-	-	233,569	-	-
Human services	-	-	1,049,322	-	-
Environmental Protection	-	-	-	-	-
Economic and Physical development	-	-	332,515	-	-
Tax revaluation	-	-	183,147	-	-
Cultural and recreation	-	-	17,197	-	-
Assigned:					
Subsequent years' expenditures	-	-	-	-	-
Unassigned	-	-	(47,084)	(36,160)	-
Total Fund Balances	<u>\$ 26,747</u>	<u>\$ -</u>	<u>\$ 2,298,883</u>	<u>\$ (36,160)</u>	<u>\$ 709</u>
Total Liabilities and Fund Balances	<u>\$ 26,747</u>	<u>\$ -</u>	<u>\$ 2,544,471</u>	<u>\$ -</u>	<u>\$ 709</u>

**Hyde County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

	<u>Capital Project Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Swan Quarter Dike</u>	<u>Wanchese Seafood Industrial Park</u>	<u>Total Nonmajor Capital Projects Funds</u>	
Assets				
Cash and cash equivalents	\$ 161,285	\$ 12,184	\$ 174,178	\$ 2,230,282
Accounts receivable, net	-	-	-	85,703
Taxes receivable, net	-	-	-	1,362
Other receivables	-	-	-	401,303
Due from other funds	25,000	-	25,000	25,000
Due from other governments	-	-	-	-
Total Assets	<u>\$ 186,285</u>	<u>\$ 12,184</u>	<u>\$ 199,178</u>	<u>\$ 2,743,650</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 9,583
Due to other funds	-	-	36,160	183,356
Deferred revenue	-	-	-	88,810
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,160</u>	<u>\$ 281,749</u>
Fund Balances:				
Restricted:				
Reserved by state statute	\$ 25,000	\$ -	\$ 25,000	\$ 426,303
Economic and Physical development	161,285	12,184	173,469	240,421
Public Safety	-	-	-	173
Cultural and recreation	-	-	709	709
Other purposes	-	-	-	61,789
Education	-	-	-	-
Committed:				
Public Safety	-	-	-	233,569
Human services	-	-	-	1,049,322
Environmental Protection	-	-	-	-
Economic and Physical development	-	-	-	332,515
Tax revaluation	-	-	-	183,147
Cultural and recreation	-	-	-	17,197
Assigned:				
Subsequent years' expenditures	-	-	-	-
Unassigned	-	-	(36,160)	(83,244)
Total Fund Balances	<u>\$ 186,285</u>	<u>\$ 12,184</u>	<u>\$ 163,018</u>	<u>\$ 2,461,901</u>
Total Liabilities and Fund Balances	<u>\$ 186,285</u>	<u>\$ 12,184</u>	<u>\$ 199,178</u>	<u>\$ 2,743,650</u>

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

Special Revenue Funds

	Hydeland Home Health	Mattamuskeet Opportunities	Revaluation	West Quarter District	Mainland Occupancy Tax
REVENUES					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,871	\$ -
Other taxes and licenses	-	-	-	-	8,960
Restricted intergovernmental	-	-	-	-	-
Sales and services	294,135	170,801	-	-	-
Investment earnings	3,275	-	370	36	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>297,410</u>	<u>170,801</u>	<u>370</u>	<u>3,907</u>	<u>8,960</u>
EXPENDITURES					
Current:					
General government	-	-	-	3,588	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	2,825
Human services	450,220	165,131	-	-	-
Environmental protection	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>450,220</u>	<u>165,131</u>	<u>-</u>	<u>3,588</u>	<u>2,825</u>
Excess (deficiency) of revenues over expenditures	<u>(152,810)</u>	<u>5,670</u>	<u>370</u>	<u>319</u>	<u>6,135</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	25,000	-	-
Transfers to other funds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(152,810)</u>	<u>5,670</u>	<u>25,370</u>	<u>319</u>	<u>6,135</u>
Fund balances, beginning as restated	1,294,144	(89,181)	157,777	20,789	10,090
Fund balances, ending	<u>\$ 1,141,334</u>	<u>\$ (83,511)</u>	<u>\$ 183,147</u>	<u>\$ 21,108</u>	<u>\$ 16,225</u>

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

Special Revenue Funds

	4-H	E-911	Hyde County Senior Center	Evans Road Fire	Revolving Loan
REVENUES					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-
Restricted intergovernmental	-	-	12,374	-	-
Sales and services	20,541	121,763	255	-	-
Investment earnings	-	251	-	-	20,610
Miscellaneous	-	-	1,817	-	-
Total revenues	<u>20,541</u>	<u>122,014</u>	<u>14,446</u>	<u>-</u>	<u>20,610</u>
EXPENDITURES					
Current:					
General government	17,919	-	91,208	-	-
Public safety	-	170,647	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Environmental protection	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	913	-	-	-
Total expenditures	<u>17,919</u>	<u>171,560</u>	<u>91,208</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,622</u>	<u>(49,546)</u>	<u>(76,762)</u>	<u>-</u>	<u>20,610</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	65,396	-	-
Transfers to other funds	-	(19,261)	-	-	-
Sale of capital assets	-	20,860	-	-	-
Total other financing sources and uses	<u>-</u>	<u>1,599</u>	<u>65,396</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,622</u>	<u>(47,947)</u>	<u>(11,366)</u>	<u>-</u>	<u>20,610</u>
Fund balances, beginning as restated	<u>14,575</u>	<u>281,516</u>	<u>(35,718)</u>	<u>173</u>	<u>697,590</u>
Fund balances, ending	<u>\$ 17,197</u>	<u>\$ 233,569</u>	<u>\$ (47,084)</u>	<u>\$ 173</u>	<u>\$ 718,200</u>

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

Special Revenue Funds

	CAPS / Personal Care Chore Health	HMGP - Isabel Elevation Project	CDBG Supplemental Assistance	CDBG Scattered Site Project	CDBG SBEA Hyde Project
REVENUES					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-
Restricted intergovernmental	-	-	-	240,721	153,811
Sales and services	130,289	-	-	-	-
Investment earnings	2	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>130,291</u>	<u>-</u>	<u>-</u>	<u>240,721</u>	<u>153,811</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	240,721	153,811
Human services	148,370	-	-	-	-
Environmental protection	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>148,370</u>	<u>-</u>	<u>-</u>	<u>240,721</u>	<u>153,811</u>
Excess (deficiency) of revenues over expenditures	<u>(18,079)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(18,079)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning as restated	25,196	(1,000)	19,216	-	198
Fund balances, ending	<u>\$ 7,117</u>	<u>\$ (1,000)</u>	<u>\$ 19,216</u>	<u>\$ -</u>	<u>\$ 198</u>

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds			
	CDBG Program Repayment	NCHFA Single Family Rehabilitation Project	CDBG Recovery	CDBG - TEDG
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-
Restricted intergovernmental	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	3,217	-	-	-
Total revenues	3,217	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Environmental protection	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	3,217	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	3,217	-	-	-
Fund balances, beginning as restated	18,573	1	-	-
Fund balances, ending	\$ 21,790	\$ 1	\$ -	\$ -

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

Special Revenue Funds

	Swan Quarter Water Shed District	CDBG Revitalization Strategy	CDBG - Contingency Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Ad valorem taxes	\$ 16,066	\$ -	\$ -	\$ 19,937
Other taxes and licenses	-	-	-	8,960
Restricted intergovernmental	-	504,195	46,465	957,566
Sales and services	-	-	-	737,784
Investment earnings	-	-	-	24,544
Miscellaneous	-	-	-	5,034
Total revenues	<u>\$ 16,066</u>	<u>\$ 504,195</u>	<u>\$ 46,465</u>	<u>\$ 1,753,825</u>
EXPENDITURES				
Current:				
General government	\$ 4,950	\$ -	\$ -	\$ 117,665
Public safety	-	-	-	170,647
Economic and physical development	-	477,448	46,465	921,270
Human services	-	-	-	763,721
Environmental protection	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	913
Total expenditures	<u>\$ 4,950</u>	<u>\$ 477,448</u>	<u>\$ 46,465</u>	<u>\$ 1,974,216</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,116</u>	<u>\$ 26,747</u>	<u>\$ -</u>	<u>\$ (220,391)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	90,396
Transfers to other funds	-	-	-	(19,261)
Sale of capital assets	-	-	-	20,860
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,135</u>
Net change in fund balances	<u>\$ 11,116</u>	<u>\$ 26,747</u>	<u>\$ -</u>	<u>\$ (149,256)</u>
Fund balances, beginning as restated	13,340	-	-	2,427,279
Fund balances, ending	<u><u>\$ 24,456</u></u>	<u><u>\$ 26,747</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,278,023</u></u>

Hyde County, North Carolina
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

Capital Project Funds

	Qualified School Construction Bond	Swan Quarter Community Park	Swan Quarter Dike	Wanchese Seafood Industrial Park	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,937
Other taxes and licenses	-	-	-	-	-	8,960
Restricted intergovernmental	-	-	16,728	-	16,728	974,294
Sales and services	-	-	-	-	-	737,784
Investment earnings	768	-	-	-	768	25,312
Miscellaneous	-	-	-	-	-	5,034
Total revenues	<u>\$ 768</u>	<u>\$ -</u>	<u>\$ 16,728</u>	<u>\$ -</u>	<u>\$ 17,496</u>	<u>\$ 1,771,321</u>
EXPENDITURES						
Current:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,665
Public safety	-	-	-	-	-	170,647
Economic and physical development	-	-	-	-	-	921,270
Human services	-	-	-	-	-	763,721
Environmental protection	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	1,213,415	-	-	200,456	1,413,871	1,414,784
Total expenditures	<u>\$ 1,213,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,456</u>	<u>\$ 1,413,871</u>	<u>\$ 3,388,087</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,212,647)</u>	<u>\$ -</u>	<u>\$ 16,728</u>	<u>\$ (200,456)</u>	<u>\$ (1,396,375)</u>	<u>\$ (1,616,766)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,396
Transfers to other funds	-	-	-	-	-	(19,261)
Sale of capital assets	-	-	-	-	-	20,860
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,995</u>
Net change in fund balances	<u>\$ (1,212,647)</u>	<u>\$ -</u>	<u>\$ 16,728</u>	<u>\$ (200,456)</u>	<u>\$ (1,396,375)</u>	<u>\$ (1,524,771)</u>
Fund balances, beginning as restated	1,176,487	709	169,557	212,640	1,559,393	3,986,672
Fund balances, ending	<u>\$ (36,160)</u>	<u>\$ 709</u>	<u>\$ 186,285</u>	<u>\$ 12,184</u>	<u>\$ 163,018</u>	<u>\$ 2,461,901</u>

Hyde County, North Carolina
Hydeland Home Health Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Sales and services:			
Fees	\$ 380,835	\$ 294,136	\$ (86,699)
Investment earnings	40,000	3,275	(36,725)
Total revenues	<u>\$ 420,835</u>	<u>\$ 297,411</u>	<u>\$ (123,424)</u>
 Expenditures			
Human services	<u>462,363</u>	<u>450,220</u>	<u>12,143</u>
 Revenues Over (Under) Expenditures	 \$ (41,528)	 \$ (152,809)	 \$ (111,281)
 Other Financing (Uses)			
Transfer to other funds:			
General Fund	<u>41,528</u>	<u>-</u>	<u>(41,528)</u>
Total other financing uses	<u>\$ 41,528</u>	<u>\$ -</u>	<u>\$ (41,528)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ (152,809)</u>	 <u>\$ (152,809)</u>
 Fund Balance, beginning		<u>1,294,144</u>	
Fund Balance, ending		<u><u>\$ 1,141,335</u></u>	

Hyde County, North Carolina
Mattamuskeet Opportunities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and service:			
East Behavior Health	\$ 198,808	\$ 170,801	\$ (28,007)
Miscellaneous	-	-	-
Donations	1,000	-	(1,000)
Total revenues	\$ 199,808	\$ 170,801	\$ (29,007)
 Expenditures			
Human services	199,808	165,131	34,677
 Revenues Over (Under) Expenditures	\$ -	\$ 5,670	\$ 5,670
 Net Change in Fund Balance	\$ -	\$ 5,670	\$ 5,670
 Fund Balance, beginning		(89,181)	
Fund Balance, ending		\$ (83,511)	

Hyde County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Investment earnings	\$ 500	\$ 370	\$ (130)
Expenditures			
General government	25,000	-	25,000
Revenues Over (Under) Expenditures	\$ (24,500)	\$ 370	\$ 24,870
Other Financing Sources			
Transfer from General Fund	25,000	25,000	-
Fund balance appropriated	(500)	-	500
Net Change in Fund Balance	<u><u>\$ -</u></u>	25,370	<u><u>\$ 25,370</u></u>
Fund Balance, beginning		<u>157,777</u>	
Fund Balance, ending		<u><u>\$ 183,147</u></u>	

Hyde County, North Carolina
West Quarter District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes	\$ 3,940	\$ 3,871	\$ (69)
Investment earnings	150	36	(114)
Total Revenues	<u>\$ 4,090</u>	<u>\$ 3,907</u>	<u>\$ (183)</u>
Expenditures			
General government	<u>4,090</u>	<u>3,588</u>	<u>502</u>
Net Change in Fund Balance	<u>\$ -</u>	319	<u>\$ 319</u>
Fund alance, beginning		<u>20,789</u>	
Fund Balance, ending		<u>\$ 21,108</u>	

Hyde County, North Carolina
Mainland Occupancy Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other Taxes and Licenses:			
Occupancy taxes	\$ 6,500	\$ 8,960	\$ 2,460
Expenditures			
Economic and physical development	6,500	2,825	3,675
Revenues Over (Under) Expenditures	\$ -	\$ 6,135	\$ 6,135
Fund balance appropriated	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 6,135</u>	<u>\$ 6,135</u>
Fund Balance, beginning		<u>10,090</u>	
Fund Balance, ending		<u><u>\$ 16,225</u></u>	

Hyde County, North Carolina
4-H Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Sales and Services:			
Fees	\$ 17,780	\$ 20,541	\$ 2,761
Expenditures			
Cultural and recreation	17,780	17,919	(139)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,622</u>	<u>\$ 2,622</u>
Fund Balance, beginning		14,575	
Fund Balance, ending		<u>\$ 17,197</u>	

Hyde County, North Carolina
E-911 Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Sales and Services:			
E-911 and wireless charges	\$ 115,000	\$ 121,763	\$ 6,763
Investment earnings	<u>5,000</u>	<u>251</u>	<u>(4,749)</u>
Total revenues	<u>\$ 120,000</u>	<u>\$ 122,014</u>	<u>\$ 2,014</u>
 Expenditures			
Public safety	<u>193,500</u>	<u>171,560</u>	<u>21,940</u>
 Revenues (Under) Expenditures	<u>\$ (73,500)</u>	<u>\$ (49,546)</u>	<u>\$ 23,954</u>
 Other Financing Sources (Uses)			
Transfer to General fund	\$ (19,261)	\$ (19,261)	\$ -
Sale of capital assets	<u>-</u>	<u>20,860</u>	<u>20,860</u>
Total Other financing sources (uses)	\$ (19,261)	\$ 1,599	\$ 20,860
 Fund balance appropriated	92,761	-	(92,761)
 Net Change in Fund Balance	<u><u>\$ -</u></u>	<u>(47,947)</u>	<u>\$ (47,947)</u>
 Fund Balance, beginning		<u>281,516</u>	
Fund Balance, ending		<u><u>\$ 233,569</u></u>	

Hyde County, North Carolina
Hyde County Senior Center Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental:			
Federal and state grants	\$ 22,127	\$ 12,374	\$ (9,753)
Sales and Services:			
Rent income	250	255	5
Miscellaneous:			
Fundraisers	2,000	1,817	(183)
Total Revenues	\$ 24,377	\$ 14,446	\$ (9,931)
Expenditures			
Administration	\$ 46,573	\$ 46,871	\$ (298)
Cultural and recreation	43,200	44,337	(1,137)
Total Expenditures	\$ 89,773	\$ 91,208	\$ (1,435)
Revenues Over (Under) Expenditures	\$ (65,396)	\$ (76,762)	\$ (11,366)
Other Financing Sources (Uses)			
Transfers From Other Funds:			
General Fund	65,396	65,396	-
Revenues and other sources (uses)	\$ -	\$ (11,366)	\$ (11,366)
Net Change in Fund Balance	\$ -	(11,366)	\$ (11,366)
Fund Balance, beginning		(35,718)	
Fund Balance, ending		\$ (47,084)	

Hyde County, North Carolina
Evans Road Fire Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental:			
Federal and state grants	\$ 300,000	\$ -	\$ (300,000)
Expenditures			
Public safety	300,000	-	300,000
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance, beginning		173	
Fund Balance, ending		\$ 173	

Hyde County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 20,610	\$ -
Total Revenues	\$ 28,150	20,610	\$ (7,540)
Expenditures			
Economic and physical development	-	-	-
Net Change in Fund Balance	\$ 28,150	\$ 20,610	\$ (7,540)
Fund Balance, beginning		697,590	
Fund Balance, ending		\$ 718,200	

Hyde County, North Carolina
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Dare County	\$ 886,489	\$ -	\$ (886,489)
Investment earnings	25,000	2,067	(22,933)
Total revenues	\$ 911,489	\$ 2,067	\$ (909,422)
 Other Financing Sources (Uses)			
Transfers From Other Funds:			
Hurricane Irene Fund	\$ -	\$ 240,500	\$ 240,500
Transfers To Other Funds:			
General Fund	(592,143)	(567,144)	24,999
Hurricane Irene Fund	(479,517)	(479,517)	-
Total Other Financing Sources (Uses)	\$ (1,071,660)	\$ (806,161)	\$ 265,499
 Fund balance appropriated	160,171	-	(160,171)
 Net Change in Fund Balance	\$ -	\$ (804,094)	\$ (804,094)
 Fund Balance, beginning		1,163,218	
Fund Balance, ending		\$ 359,124	

Hyde County, North Carolina
CAPS / Personal Care Chore Health Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and Services:			
Fees	\$ 160,000	\$ 130,289	\$ (29,711)
Investment earnings	-	2	2
Total Revenues	\$ 160,000	\$ 130,291	\$ (29,709)
Expenditures			
Human services	160,000	148,370	11,630
Other Financing Sources (Uses)			
Transfers From Other Funds:			
Hydeland Home Health Fund	-	-	-
Net Change in Fund Balance	\$ -	\$ (18,079)	\$ (18,079)
Fund Balance, beginning		25,196	
Fund Balance, ending		\$ 7,117	

Hyde County, North Carolina
HMGP-Hurricane Isabel Elevation Project Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal grants	\$ 2,242,361	\$ 1,323,352	\$ -	\$1,323,352	\$ (919,009)
State	737,407	433,150	-	433,150	(304,257)
Owners' contributions	-	5,000	-	5,000	5,000
Total Revenues	<u>\$ 2,979,768</u>	<u>\$ 1,761,502</u>	<u>\$ -</u>	<u>\$ 1,761,502</u>	<u>\$ (1,218,266)</u>
Expenditures					
Economic and Physical Development:					
Other expenditures	<u>2,979,768</u>	<u>1,762,502</u>	<u>-</u>	<u>1,762,502</u>	<u>1,217,266</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Fund Balance, beginning			<u>(1,000)</u>		
Fund Balance, ending			<u><u>\$ (1,000)</u></u>		

Hyde County, North Carolina
CDBG Supplemental Assistance Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Year	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Restricted Intergovernmental:					
Federal grants	\$ 600,000	\$ 600,000	\$ -	\$600,000	\$ -
Owners contributions	40,036	34,216	-	34,216	(5,820)
Total Revenues	<u>\$ 640,036</u>	<u>\$ 634,216</u>	<u>\$ -</u>	<u>\$634,216</u>	<u>\$ (5,820)</u>
Expenditures					
Economic and Physical Development:					
Clearance	\$ 37,000	\$ 37,000	\$ -	\$ 37,000	\$ -
Relocation	355,000	355,000	-	355,000	-
Rehabilitation	160,000	160,000	-	160,000	-
Administration	48,000	48,000	-	48,000	-
Owner contributions used	40,036	15,000	-	15,000	25,036
Total Expenditures	<u>\$ 640,036</u>	<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$615,000</u>	<u>\$ 25,036</u>
		-			
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 19,216</u>	<u>\$ -</u>	<u>\$ 19,216</u>	<u>\$ 19,216</u>
Fund Balance, beginning			19,216		
Fund Balance, ending			<u>\$19,216</u>		

Hyde County, North Carolina
CDBG Scattered Site Project Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal grants	\$ 400,000	\$ -	\$240,721	\$240,721	\$ (159,279)
Expenditures					
Economic and Physical Development:					
Clearance	\$ 25,000	\$ -	\$ 18,538	\$ 18,538	\$ 6,462
Planning	7,000	-	-	-	7,000
Administration	33,000	-	175,037	175,037	(142,037)
Reconstruction	335,000	-	47,146	47,146	287,854
Total Expenditures	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 240,721</u>	<u>\$ 240,721</u>	<u>\$ 159,279</u>
		-			
Other Financing Sources (Uses)					
Transfers from other funds:					
General Fund	-	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ -</u>		

Hyde County, North Carolina
CDBG Jumpstart Hyde Project Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal	\$ 495,000	\$ 275,567	\$153,811	\$429,378	\$ (65,622)
Expenditures					
Economic and Physical Development:					
Construction and rehabilitation	\$ 284,500	\$ 122,500	\$142,683	\$265,183	\$ 19,317
Capital outlay	136,500	90,000	-	90,000	46,500
Planning	17,000	22,228	3,690	25,918	(8,918)
Administration	57,000	40,641	7,438	48,079	8,921
Total Expenditures	<u>\$ 495,000</u>	<u>\$ 275,369</u>	<u>\$153,811</u>	<u>\$429,180</u>	<u>\$ 65,820</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 198</u>	\$ -	<u>\$ 198</u>	<u>\$ 198</u>
Fund Balance, beginning			<u>198</u>		
Fund Balance, ending			<u>\$ 198</u>		

Hyde County, North Carolina
CDBG Program Repayment Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 3,217	\$ 3,217
Expenditures			
Economic and Physical Development	-	-	3,139
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 3,217</u>	<u>\$ 6,356</u>
Fund Balance, beginning		18,573	
Fund Balance, ending		<u>\$ 21,790</u>	

Hyde County, North Carolina
NCHFA Single Family Rehabilitation Project Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal	\$ 200,000	\$ 188,803	\$ -	\$188,803	\$ (11,197)
Expenditures					
Economic and Physical Development:					
Other expenditures	200,000	188,803	-	188,803	11,197
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fund Balance, beginning			<u>1</u>		
Fund Balance, ending			<u><u>\$ 1</u></u>		

Hyde County, North Carolina
CDBG Recovery Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal grants	\$ 300,000	\$ 299,961	\$ -	\$299,961	\$ (39)
Expenditures					
Economic and Physical Development:					
Construction and rehab	\$ 64,400	\$ 48,582	\$ -	\$ 48,582	\$ 15,818
Administration	20,000	28,979	-	28,979	(8,979)
Relocation	204,400	211,200	-	211,200	(6,800)
Clearance	11,200	11,200	-	11,200	-
Total Expenditures	<u>\$ 300,000</u>	<u>\$ 299,961</u>	<u>\$ -</u>	<u>\$299,961</u>	<u>\$ 39</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			<u>\$ -</u>		
Fund Balance, ending			<u>\$ -</u>		

Hyde County, North Carolina
CDBG-TEDG Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal grants	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -
Total Revenues	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>
Expenditures					
Economic and Physical Development:					
Administration	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -
Planning	67,500	67,500	-	67,500	-
Total Expenditures	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, beginning			<u>\$ -</u>		
Fund Balance, ending			<u>\$ -</u>		

Hyde County, North Carolina
Swan Quarter Water Shed District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 5,000	\$ 16,066	\$ 11,066
Total Revenues	\$ 5,000	\$ 16,066	\$ 11,066
Expenditures			
General Government	\$ 5,000	\$ 4,950	\$ 50
Net Change in Fund Balance	\$ -	\$ 11,116	\$ 11,116
Fund Balance, beginning		13,340	
Fund Balance, ending		\$ 24,456	

Hyde County, North Carolina
CDBG-Revitalization Strategy Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Construction	\$ 850,000	\$ 61,269	\$ 504,195	\$ 565,464	\$ (284,536)
Total Revenues	<u>\$ 850,000</u>	<u>\$ 61,269</u>	<u>\$ 504,195</u>	<u>\$ 565,464</u>	<u>\$ (284,536)</u>
Expenditures					
Capital Outlay:					
Construction	\$ 850,000	\$ 61,269	\$ 477,448	\$ 538,717	\$ 311,283
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,747</u>	<u>\$ 26,747</u>	<u>\$ 26,747</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,747</u>	<u>\$ 26,747</u>	<u>\$ 26,747</u>
Fund Balance, beginning			-		
Fund Balance, ending			<u>\$ 26,747</u>		

Hyde County, North Carolina
CDBG-Contingency Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
State grants	\$ 600,000	\$ -	\$ 46,465	\$ 46,465	\$ (553,535)
Total Revenues	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 46,465</u>	<u>\$ 46,465</u>	<u>\$ (553,535)</u>
Expenditures					
Capital Outlay:					
Construction	\$ 600,000	\$ -	\$ 46,465	\$ 46,465	\$ 553,535
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

Hyde County, North Carolina
Qualified School Construction Bond Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues					
Interest earnings	\$ -	\$ 2,244	\$ 768	\$ 3,012	\$ 3,012
Total Revenues	<u>\$ -</u>	<u>\$ 2,244</u>	<u>\$ 768</u>	<u>\$ 3,012</u>	<u>\$ 3,012</u>
Expenditures					
Capital Outlay: Construction	\$ 2,982,992	\$ 1,808,749	\$ 1,213,415	\$ 3,022,164	\$ (39,172)
Revenues Over (Under) Expenditures	<u>\$ (2,982,992)</u>	<u>\$ (1,806,505)</u>	<u>\$ (1,212,647)</u>	<u>\$ (3,019,152)</u>	<u>\$ (36,160)</u>
Other Financing Sources (Uses):					
Capital loan proceeds	\$ 2,982,992	\$ 2,982,992	\$ -	\$ 2,982,992	\$ -
Total Other Financing Sources (Uses)	<u>\$ 2,982,992</u>	<u>\$ 2,982,992</u>	<u>\$ -</u>	<u>\$ 2,982,992</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,806,505)</u>	<u>\$ (1,212,647)</u>	<u>\$ (36,160)</u>	<u>\$ (36,160)</u>
Fund Balance, beginning			<u>1,176,487</u>		
Fund Balance, ending			<u>\$ (36,160)</u>		

Hyde County, North Carolina
Swan Quarter Community Park Access Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 86,550	\$ 69,981	\$ -	\$69,981	\$ (16,569)
Miscellaneous	-	70	-	70	70
Total Revenues	<u>86,550</u>	<u>70,051</u>	<u>-</u>	<u>70,051</u>	<u>(16,499)</u>
Expenditures					
Capital Outlay:					
Construction	<u>115,400</u>	<u>94,192</u>	<u>-</u>	<u>94,192</u>	<u>21,208</u>
Revenues Over (Under) Expenditures	<u>(28,850)</u>	<u>(24,141)</u>	<u>-</u>	<u>(24,141)</u>	<u>4,709</u>
Other Financing Sources (Uses):					
Transfers from general fund	<u>28,850</u>	<u>24,850</u>	<u>-</u>	<u>24,850</u>	<u>(4,000)</u>
Total Other Financing Sources					
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 709</u></u>	<u><u>-</u></u>	<u><u>\$ 709</u></u>	<u><u>\$ 709</u></u>
Fund Balance, beginning			<u>709</u>		
Fund Balance, ending			<u><u>\$ 709</u></u>		

Hyde County, North Carolina
Swan Quarter Dike Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental	\$ 6,727,496	\$ 6,861,602	\$ 16,728	\$6,878,330	\$ 150,834
Sales and use tax refund	-	124,372	-	124,372	124,372
Total Revenues	<u>\$ 6,727,496</u>	<u>\$ 6,985,974</u>	<u>\$ 16,728</u>	<u>\$7,002,702</u>	<u>\$ 275,206</u>
Expenditures					
Economic and Physical Development:					
Capital outlay	<u>\$ 6,727,496</u>	<u>\$ 6,816,417</u>	<u>\$ -</u>	<u>\$6,816,417</u>	<u>\$ (88,921)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 169,557</u>	<u>\$ 16,728</u>	<u>\$ 186,285</u>	<u>\$ 186,285</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 169,557</u>	<u>\$ 16,728</u>	<u>\$ 186,285</u>	<u>\$ 186,285</u>
Fund Balance, beginning			<u>169,557</u>		
Fund Balance, ending			<u>\$ 186,285</u>		

Hyde County, North Carolina
Wanchese Seafood Industrial Park Fund
Schedule of Revenues, Expenditures, and Changes - Budget and Actual (Non - GAAP)
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Golden Leaf Foundation	\$ 265,800	\$ 212,640	\$ -	\$ 212,640	\$ (53,160)
Total Revenues	<u>\$ 265,800</u>	<u>\$ 212,640</u>	<u>\$ -</u>	<u>\$ 212,640</u>	<u>\$ (53,160)</u>
Expenditures					
Capital Outlay:					
Construction	\$ 265,800	\$ -	\$ 200,456	\$ 200,456	\$ 65,344
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 212,640</u>	<u>\$ (200,456)</u>	<u>\$ 12,184</u>	<u>\$ 12,184</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 212,640</u></u>	<u><u>\$ (200,456)</u></u>	<u><u>\$ 12,184</u></u>	<u><u>\$ 12,184</u></u>
Fund Balance, beginning			<u>212,640</u>		
Fund Balance, ending			<u><u>\$ 12,184</u></u>		

Hyde County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services:			
Water sales		\$ 1,257,099	
Sewer charges		313,901	
Penalties and interest		34,329	
Total	<u>\$ 1,817,783</u>	<u>1,605,329</u>	<u>\$ 212,454</u>
Meter installations	<u>10,000</u>	<u>6,526</u>	<u>(3,474)</u>
Other operating revenues	<u>6,500</u>	<u>10,705</u>	<u>4,205</u>
Total Operating Revenues	<u>\$ 1,834,283</u>	<u>\$ 1,622,560</u>	<u>\$ (211,723)</u>
Nonoperating Revenues:			
Interest earnings	<u>6,000</u>	<u>1,054</u>	<u>(4,946)</u>
Total Revenues	<u>\$ 1,840,283</u>	<u>\$ 1,623,614</u>	<u>\$ (216,669)</u>
Expenditures			
Water Distribution and Sewage Collection:			
Salaries and employee benefits		\$ 687,343	
Supplies		43,226	
Other operating expenditures		566,939	
Computer support		5,862	
Total	<u>\$ 1,498,707</u>	<u>\$ 1,303,370</u>	<u>\$ 195,337</u>
Debt service:			
Interest and other charges		\$ 151,984	
Debt principal		55,000	
Total	<u>\$ 214,035</u>	<u>\$ 206,984</u>	<u>\$ 7,051</u>
Capital outlay	<u>87,541</u>	<u>24,768</u>	<u>62,773</u>
Total Expenditures	<u>\$ 1,800,283</u>	<u>\$ 1,535,122</u>	<u>\$ 265,161</u>
Other Financing Sources (Uses):			
Transfer to other funds:			
General Fund	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>48,492</u>	<u>\$ 48,492</u>

(continued)

Hyde County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and Other Financing Sources Over Expenditures		\$ 48,492	
Reconciling Items:			
Debt principal		\$ 55,000	
Capital outlay		26,818	
Decrease in accrued vacation pay		3,226	
Depreciation		(324,560)	
Engelhard Water Treatment Plant:			
Sales tax refund		22,128	
Capital contributions		140,665	
Total Reconciling Items		<u>\$ (76,723)</u>	
Change In Net Assets		<u><u>\$ (28,231)</u></u>	

Hyde County, North Carolina
Engelhard Water Treatment Plant Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)
From Inception and for the Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal and state grants	\$ 2,800,000	\$ 2,659,336	\$ 140,665	\$ 2,800,001	\$ 1
Investment earnings	-	7,856	-	7,856	7,856
Total Revenues	<u>\$ 2,800,000</u>	<u>\$ 2,667,192</u>	<u>\$ 140,665</u>	<u>\$ 2,807,857</u>	<u>\$ 7,857</u>
Expenditures					
Capital outlay:					
Project Costs	\$ 3,253,476	\$ 3,474,700	\$ 32,244	\$ 3,506,944	\$ (253,468)
Administrative	1,056,528	935,239	25,035	960,274	96,254
Capital outlay	37,800	37,800	-	37,800	-
Contingency	273,196	4,000	118,972	4,000	269,196
Total Expenditures	<u>\$ 4,621,000</u>	<u>\$ 4,451,739</u>	<u>\$ 176,251</u>	<u>\$ 4,509,018</u>	<u>\$ 111,982</u>
Revenues Under Expenditures	<u>\$ (1,821,000)</u>	<u>\$ (1,784,547)</u>	<u>\$ (35,586)</u>	<u>\$ (1,701,161)</u>	<u>\$ 119,839</u>
Other Financing Sources					
Transfers from General Fund	\$ 401,000	\$ 401,000	\$ -	\$ 401,000	\$ -
Sales tax refund	-	14,500	22,085	36,585	36,585
Loan proceeds	1,420,000	1,420,000	-	1,420,000	-
Total Other Financing Sources	<u>\$ 1,821,000</u>	<u>\$ 1,835,500</u>	<u>\$ 22,085</u>	<u>\$ 1,857,585</u>	<u>\$ 36,585</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 50,953</u>	<u>\$ (13,501)</u>	<u>\$ 156,424</u>	<u>\$ 156,424</u>
Fund Balance, beginning			<u>50,953</u>		
Fund Balance, ending			<u>\$ 37,452</u>		

Hyde County, North Carolina
Mattamuskeet Lodge Sewer Project Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)
From Inception and for the Year Ended June 30, 2012

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental:					
Federal and state grants	\$ 4,000,000	\$ 557,543	\$ -	\$ 557,543	\$(3,442,457)
Expenditures - Sewer Project:					
Capital Outlay:					
Planning, design, & administration	\$ 367,000	\$ 355,410	\$ -	\$ 355,410	\$ 11,590
Capital outlay	3,593,000	99,330	12,237	111,567	3,481,433
Administration	40,000	15,220	-	15,220	24,780
Total Expenditures	<u>\$ 4,000,000</u>	<u>\$ 469,960</u>	<u>\$ 12,237</u>	<u>\$ 482,197</u>	<u>\$ 3,517,803</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 87,583</u>	<u>\$ (12,237)</u>	<u>\$ 75,346</u>	<u>\$ 75,346</u>
Other Financing Sources					
Transfer from other funds	<u>\$ -</u>	<u>\$ 325,000</u>	<u>\$ -</u>	<u>\$ 325,000</u>	<u>\$ 325,000</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 412,583</u>	<u>\$ (12,237)</u>	<u>\$ 400,346</u>	<u>\$ 400,346</u>
Fund Balance, beginning			<u>412,583</u>		
Fund Balance, ending			<u>\$ 400,346</u>		

Hyde County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services				
Assets:				
Cash and Cash Equivalents	\$ 6,468	\$ 39,762	\$ 37,754	\$ 8,476
Liabilities:				
Miscellaneous Liabilities	\$ 6,468	\$ 39,762	\$ 37,754	\$ 8,476
Ocracoke Special Mosquito Control Fund				
Assets:				
Cash and cash equivalents	\$ 87,520	\$ 53,001	\$ 87,520	\$ 53,001
Taxes receivable	6,262	53,326	53,235	6,353
Total Assets	<u>\$ 93,782</u>	<u>\$ 106,327</u>	<u>\$ 140,755</u>	<u>\$ 59,354</u>
Liabilities:				
Miscellaneous liabilities	\$ 87,520	\$ 53,001	\$ 87,520	\$ 53,001
Deferred revenues	6,262	53,326	53,235	6,353
Total Liabilities	<u>\$ 93,782</u>	<u>\$ 106,327</u>	<u>\$ 140,755</u>	<u>\$ 59,354</u>
Fines and Forfeitures				
Assets:				
Cash and Cash Equivalents	\$ 155	\$ 35,967	\$ 36,094	\$ 28
Liabilities:				
Miscellaneous Liabilities	\$ 155	\$ 35,967	\$ 36,094	\$ 28
Motor Vehicle Tax				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 1,441	\$ 1,441	\$ -
Liabilities:				
Miscellaneous Liabilities	\$ -	\$ 1,441	\$ 1,441	\$ -

(continued)

Hyde County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Engelhard Municipal Sewer District				
Assets:				
Cash and Cash Equivalents	\$ 8,638	\$ 109,247	\$ 100,141	\$ 17,744
Liabilities:				
Miscellaenous Liabilities	\$ 8,638	\$ 109,247	\$ 100,141	\$ 17,744
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 102,781	\$ 239,418	\$ 262,950	\$ 79,249
Taxes receivable	6,262	53,326	53,235	6,353
Total assets	<u>\$109,043</u>	<u>\$292,744</u>	<u>\$ 316,185</u>	<u>\$ 85,602</u>
Liabilities:				
Miscellaneous liabilities	\$ 6,623	\$ 77,170	\$ 75,289	\$ 8,504
Deferred revenues	6,262	53,326	53,235	6,353
Accounts payable	96,158	162,248	187,661	70,745
Total Liabilities	<u>\$109,043</u>	<u>\$292,744</u>	<u>\$ 316,185</u>	<u>\$ 85,602</u>

Other Schedules

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

Hyde County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections And Credits	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 6,568,767	\$ 6,172,494	\$ 396,273
2010-2011	350,408	-	187,798	162,610
2009-2010	205,241	-	81,710	123,531
2008-2009	97,406	-	30,779	66,627
2007-2008	66,714	-	12,701	54,013
2006-2007	43,137	-	5,721	37,416
2005-2006	34,880	-	3,937	30,943
2004-2005	35,047	-	4,237	30,810
2003-2004	43,661	-	5,410	38,251
2002-2003	48,461	-	3,389	45,072
2001-2002	45,028	-	45,028	0
	\$ 969,983	\$ 6,568,767	\$ 6,553,204	\$ 985,546
Less: allowance for uncollectible accounts:				
				315,600
				100
				800
				\$ 316,500
Ad valorem taxes receivable - net:				
				662,693
				6,353
				\$ 669,046
Ad valorem taxes - General Fund				
				\$ 6,504,991
Reconciling items:				
				(87,286)
				73,173
				19,418
				42,908
				\$ 48,213
				\$ 6,553,204

Hyde County, North Carolina
Analysis of Current Tax Levy
County - wide Levy
For the Fiscal Year Ended June 30, 2012

	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	\$ 1,061,291,333	0.580	\$ 6,491,720	\$ 6,289,704	\$ 202,016
Mosquito tax			53,855	53,001	854
Swan Quarter Water Shed			16,253	16,253	-
West Quarter			3,898	3,898	-
Discoveries	524,376	0.580	3,041	3,041	-
Abatements	(6,424,828)	0.580	(37,264)	(35,619)	(1,645)
Total property valuation	<u>\$ 1,055,390,881</u>				
Net levy			\$ 6,531,503	\$ 6,330,278	\$ 201,225
Uncollected taxes at June 30, 2009			<u>396,273</u>	<u>352,963</u>	<u>43,310</u>
Current year's taxes collected			<u>\$ 6,135,230</u>	<u>\$ 5,977,315</u>	<u>\$ 157,915</u>
Current levy collection percentage			<u>93.93%</u>	<u>94.42%</u>	<u>78.48%</u>

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**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***

To the County Council
Hyde County, North Carolina

I 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 aggregated remaining fund information of the Hyde County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises the Hyde County's basic financial statements, and have issued my report thereon dated December 16, 2012. I conducted my 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.

Internal Control Over Financial Reporting

Management of Hyde County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Hyde County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hyde County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when 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 misstatements on a timely basis. A material weakness is a deficiency, or 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.

My consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, I did not identify any deficiencies in internal control over financial reporting that I consider material weaknesses as defined above. However, I identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses that I consider to be significant deficiencies in internal control over financial reporting, which includes items 12-01, 12-02, 12-03, and 12-04. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hyde County's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 12-05 and 12-06.

The County's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the County's responses and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of Board of County Commissioners, and Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Andrew Hain, CPA". The signature is written in a cursive style.

Farmville, North Carolina
June 19, 2013

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**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**

To the County Council
Hyde County, North Carolina

Compliance

I have audited Hyde County, North Carolina, compliance, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2012. The Hyde County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Hyde County's management. My responsibility is to express an opinion on Hyde County's compliance based on my audit.

I conducted my 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that I 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. An audit includes examining, on a test basis, evidence about the Hyde County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Hyde County's compliance with those requirements.

In my opinion, the Hyde County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 12-05 and 12-06.

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Internal Control Over Compliance

Management of the Hyde County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Hyde County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, I 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 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 combination of deficiencies, in internal over compliance, 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.

My consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider material weaknesses, as defined above. However, I identified certain deficiencies in internal control over compliance that I consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 12-05 and 12-06. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged in governance.

Hyde County's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the County's response and, accordingly, I express no opinion on the response.

This report is intended solely for the information and use of management, others within the organization, members of Board of County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Farmville, North Carolina
June 19, 2013

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**Report On Compliance With Requirements Applicable
To Each Major State Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133
And the State Single Audit Implementation Act**

To the County Council
Hyde County, North Carolina

Compliance

I have audited Hyde County, North Carolina, 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 its major State programs for the year ended June 30, 2012. Hyde County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Hyde County's management. My responsibility is to express an opinion on Hyde County's compliance based on my audit.

I conducted my 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; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Hyde County's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Hyde County's compliance with those requirements.

In my opinion, Hyde County complied, in all material respects, with the 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, 2012.

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Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

Significant Deficiencies

Finding: 12 – 01 Account Reconciliations

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

Condition: The County did not reconcile various general ledger accounts during the fiscal year.

Effect: The County's account receivables, taxes receivables, and account payables were materially incorrect at year end in both the governmental activities and business-type activities.

Cause: At year end, the County did not have a closing process in place to reconcile the various balance sheet items and material income statement accounts. In previous years, the County relied on the auditor to reconcile material balance sheet and income statement items at year end.

Recommendation: The County should reconcile the general ledger accounts to supporting documentation on a periodic basis.

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

Corrective action: The County will implement procedures to reconcile material general ledger accounts on a periodic basis.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

Finding: 12 – 02 Segregation of Duties

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 funds and the 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.
Corrective action:	The County will continue to review procedures to improve internal controls in each department.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

Finding: 12 – 03 USDA Loan Requirement

Criteria: Entities with loans from the United States Department of Agriculture (“USDA”) requiring a savings account should maintain a separate savings account for the required reserve.

Condition: The County has not established a savings account for the required reserve.

Effect: The County has not followed loan requirements established by the USDA.

Cause: The County was unaware of this requirement.

Recommendation: The County should establish a savings account at a bank for the required reserve.

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

Corrective action: The County will establish a savings account at a bank and make the required deposits annually to meet the requirements established by the USDA.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Findings

Finding: 12 – 04 Budget Violation

- 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.
- Condition: Hyde County expended more for the Swan Quarter Dike Fund and Qualified School Construction Bond Fund than appropriated in the capital project budget ordinance in the amount of \$88,921 and \$39,172, respectively. Overexpenditures occurred in the Ocracoke Occupancy Tax Fund, Hurricane Irene Fund, Senior Center Fund, 4-H Fund, and various activities in the General Fund.
- Effect: Monies were spent that had not been appropriated.
- Cause: The County did not properly adopt budget amendments in each fund as revenues were received, change orders occurred during the project, or expenditures were overspent.
- Recommendation: Budget amendments should be adopted when revenues are received that exceed estimated revenues in the budget ordinance prior to expending the funds.
- Views of responsible officials:
The County agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section III – Federal Award Findings and Questioned Costs

Centers for Medicare and Medicaid Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program

CFDA # 93.778

Finding: 12 – 05

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with Medicaid for the Aged, Blind, and Disabled eligibility guidelines, the requirement applicable in this case, the case record should contain documentation that tax records and Register of Deeds were checked to verify if the individual owns property. There also should be evidence that liquid assets were properly verified.

Condition: Three of the files examined did not have tax records or liquid assets that were properly verified.

Questioned Costs: \$0; All eligibility requirements were met upon subsequent review of property records. All recipients were still eligible after the subsequent review.

Context: I examined sixty case records and determined that three applicants did not have evidence that tax records or liquid assets were properly verified.

Effect: Case record was incomplete.

Cause: During its review of files, the department did not verify that the supporting documentation for this program's eligibility guidelines was included in the appropriate case record.

Recommendation: Case records should be reviewed to determine if the eligibility guideline documentation is complete.

Views of responsible officials and planned corrective actions:

The County agrees with the finding and will implement adequate review procedures to ensure that this problem does not recur.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section III – Federal Award Findings and Questioned Costs

Reporting Requirements

Finding: 12 – 06 Data Collection Form

SIGNIFICANT DEFICIENCY

Criteria: Entities required to have a Single Audit performed should complete the Data Collection Form and file it with the Single Audit Clearinghouse within 9 months of the year end.

Condition: The County has not completed a Data Collection Form for the years ended June 30, 2009, 2010, 2011, and 2012.

Questioned Costs: \$0; This is a reporting issue that will be corrected.

Effect: The County has not followed reporting guidelines.

Cause: The County was unaware of this requirement.

Recommendation: The County should complete the Data Collection Form for the fiscal year ended June 30, 2012 as soon as the audit engagement is complete.

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

Corrective action: The County will complete the required Data Collection Form for the fiscal year ended June 30, 2009, 2010, 2011, and 2012.

**Hyde County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012**

Section IV – State Award Findings and Questioned Costs

None reported

**Hyde County, North Carolina
Corrective Action
For the Fiscal Year Ended June 30, 2012**

Section II – Financial Statement Findings

Significant Deficiency

Finding: 12-01

Name of contact person: Barry Swindell, Interim County Manager

Corrective action: The County agrees with the finding 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: 12-02

Name of contact person: Barry Swindell, Interim County Manager

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

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

Finding: 12-03

Name of contact person: Barry Swindell, Interim County Manager

Corrective Action: The County agrees with the finding and will establish a savings account at a bank and make the required deposits annually to meet the requirements established by the USDA.

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

Finding: 12-04

Name of contact person: Barry Swindell, Interim County Manager

Corrective Action: In the future, the Town will prepare budget amendments will be adopted prior to making expenditures that exceed budgeted amounts.

Proposed Completion Date: The board will implement the above procedure immediately.

**Hyde County, North Carolina
Corrective Action
For the Fiscal Year Ended June 30, 2012**

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies

Finding: 12-05

Name of contact person: Barry Swindell, Interim County Manager

Corrective Action: The County agrees with the finding and will implement adequate review procedures to ensure that this problem does not recur.

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

Finding: 12-06

Name of contact person: Barry Swindell, Interim County Manager

Corrective Action: The County agrees with the finding and will complete the required Data Collection Form for the fiscal year ended June 30, 2009, 2010, 2011, and 2012.

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

**Hyde County, North Carolina
Corrective Action
For the Fiscal Year Ended June 30, 2012**

Section IV – State Award Findings and Questioned Costs

None reported.

Hyde County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2012

Finding: 11-1 Account Reconciliations

Status: The County should reconcile the general ledger accounts to supporting documentation on a periodic basis.

Finding: 11-2 Segregation of Duties

Status: Duties are being separated as much as possible and alternative controls are being implemented to compensate for lack of separation. The Board is becoming more involved in providing some of these controls.

Finding: 11-3 USDA Loan Requirement

Status: The County should establish a savings account at a bank for the required reserve.

Finding: 11-4 Medicaid for the Aged, Blind, and Disabled Eligibility Guidelines

Status: Case records should be reviewed to determine if the eligibility guideline documentation is complete.

Finding: 11-5 Data Collection Form

Status: The County should complete the Data Collection Form for the fiscal years ended June 30, 2009, 2010, 2011 and 2012 as soon as the audit engagement is complete.

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
Federal Awards:				
<u>U.S. Dept. of Agriculture</u>				
<u>Food and Nutrition Service</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
<u>Food Stamp Cluster:</u>				
State Administrative Matching Grants for				
the Supplemental Nutrition Assistance Program	10.561	123,214	-	123,214
Total Food Stamp Cluster		<u>123,214</u>	<u>-</u>	<u>123,214</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children (WIC)	10.557	31,549	-	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children (WIC)	10.557	102,413	-	-
<u>Natural Resources Conservation Service</u>				
Passed through N.C. Dept of Agriculture:				
Division of Conservation Planning and Technical Assistance:				
Watershed Protection and Flood Protection	10.904	16,728	-	-
Communities Facilities Loans	10.766	140,665	-	-
Total Natural Resources Conservation Service		<u>157,393</u>		
Total U.S. Dept. of Agriculture		<u>414,569</u>	<u>-</u>	<u>123,214</u>
<u>U.S. Dept. of Housing and Urban Development</u>				
<u>Office of Community Planning and Urban Development</u>				
Passed-through N.C. Dept of Commerce:				
Division of Community Investment and Assistance:				
NC Small Cities CDBG and Neighborhood Stabilization Program	14.228	918,444	-	-
Total Community Development Block Grant Small Cities		<u>918,444</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Housing and Urban Development		<u>918,444</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Election Assistance Commission</u>				
Help America Vote	90.401	701	-	-
Total U.S. Dept. of Election Assistance Commission		<u>701</u>	<u>-</u>	<u>-</u>

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Administration on Aging:</u>				
NC Division of Aging and Adult Services				
Passed through the Albemarle Commission:				
Aging Cluster:				
Special Programs for Aging - Title III	93.045	4,694	-	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
<u>Foster Care and Adoption (Note 3)</u>				
<u>Child Care Development Fund Cluster</u>				
Title IV-E Foster Care - Administration	93.658	12,013	2,224	2,224
Title IV-E Adopt Subsidy and Vendor	93.659	2,059	556	556
Total Foster Care and Adoption (Note 3)		14,072	2,780	2,780
Division of Social Services:				
Adoption / foster care	N/A	1,687	1,379	6,959
TANF	93.658	724		
Permanency planning - Regular	93.645	1,527	-	509
In-home Services	93.667	2,674	500	382
Crisis Intervention Payments	93.658	56,029		
Family Preservation	93.556	93		
CSE Incentive Recovery	93.563	242	-	125
IV-D Administration	96.563	97,367	-	50,159
Tanf Domestic Violence	93.558	2,253	326	-
Work First	93.558	52,696	-	17,550
Low-income energy assistance	93.568	39,097		
Social Services block grant	93.667	46,393	4,604	16,999
Total Administration for Children and Families		300,782	6,809	92,683
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through N.C. Dept. of Health and Human Services:				
Division of Social Services:				
NC Health Choice	93.767	10,403	268	3,085
MA Expansion	93.778	7,078	7,078	-
MA Vehicle Expense	93.778	9,439	5,046	-
Medical Transportation Service	93.778	76,561	19,067	40,878
Medical Assistance	93.778	171,913	-	171,913
Direct Benefit Payments:				
TANF Payments and Penalties	93.558	48,339	-	337
Total Centers for Medicare and Medicaid Services		323,733	31,459	216,213

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Fed. (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	4,458,615	2,697,839	2,163
 <u>Subsized Child Care (Note 3)</u>				
<u>Child Care Development Fund Cluster:</u>				
Division of Social Services:				
Child Care Development Fund - Administration	93.596	60,650	-	-
Division of Child Development:				
Child Care Development Fund Block Grant	93.575	66,123	-	-
Child Care Development Fund - Mandatory	93.596	20,934	-	-
Child Care Development Fund - Match	93.596	13,724	3,315	-
Total Child Care Development Fund Cluster		161,431	3,315	-
Foster Care Title IV-E	93.658	490	-	-
Temporary Assistance For Needy Families	93.558	21,578	-	-
ARRA-Emergency TANF	93.714	2,003	-	-
State Appropriations	N/A	-	7,670	-
TANF-MOE	N/A	-	16,474	-
Total Subsidized Child Care (Note 3)		185,502	27,459	-
Division of Public Health:				
Temporary Assistance for Needy Families	93.558	724	-	-
 <u>U.S. Department of Energy</u>				
Passed through N.C. Dept of Commerce:				
Energy Efficiency and Renewable Energy Information	81.117	34,058	-	-

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Centers for Disease Control</u>				
Passed through N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Immunization Program / Aid to County Funding	93.268	5,168	-	-
Medical Assistance Program	93.778	2,499	964	-
Family Planning Services	93.217	21,005	-	-
Public Health Emergency Preparedness	93.069	45,742	-	-
Prevention - Investigations And Technical Assistance	93.283	1,507	-	-
ARRA-Preventing Healthcare Infections	93.717	2,196	-	-
Comprehensive Breast and Cervical Cancer	93.919	4,970	7,650	-
<u>Health Resources and Services Administration</u>				
Passed through N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Maternal and child health block grant	93.994	32,424	24,320	-
Total U.S. Dept of Health and Human Services		<u>5,437,691</u>	<u>2,799,280</u>	<u>313,839</u>
<u>U.S. Dept. of Homeland Security</u>				
Passed through N.C. Dept of Public Safety:				
Division of Emergency Management:				
Hazard Mitigation Grant Program - Elevation	97.039	-	-	-
Emergency Management Performance Grant	97.042	12,395	-	-
Total U.S. Dept of Homeland Security		<u>12,395</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>				
Passed through N.C. Dept of Public Safety:				
Division of Governor's Crime Commission:				
Edward Byrne Memorial Justice Assistance Grant	16.738	53,538	-	-
<u>U.S. Department of Transportation</u>				
Passed through N.C. Department of Transportation				
Highway Planning and Construction	20.205	52,423	-	-
Airport Improvement Program	20.106	223,855	-	-
Total U.S. Department of Transportation		<u>276,278</u>	<u>-</u>	<u>-</u>
Total federal awards		<u>7,113,616</u>	<u>2,799,280</u>	<u>437,053</u>

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards:				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
Workfirst non-reimbursable		-	-	8,343
County Funded Programs		-	-	460,649
State / County Special Assistance		-	-	9,099
Total Division of Social Services		-	-	478,091
Direct Benefit Payments:				
State / County Special Assistance Domiciliary Care		-	37,207	37,207
CWS Adoption Subsidy		-	10,897	3,632
State Foster Care		-	7,862	7,862
Total Division of Social Service		-	55,966	48,701
Division of Public Health				
General		-	78,014	-
Communicable Disease		-	11,044	-
Tuberculosis		-	1,026	-
Public Health Nurse Training		-	1,000	-
TB Medical Service		-	540	-
Environmental Health		-	4,000	-
WHSF		-	2,958	-
Risk Reduction/Health Promotion		-	5,918	-
Total Division of Public Health		-	104,500	-
Total N.C. Dept of Health and Human Services		-	160,466	526,792
<u>N.C. Dept. of Environmental and Natural Resources</u>				
Division of Soil and Water Conservation:				
Agricultural Cost Share Program		-	3,960	-
Administration		-	51,330	-
Enhancement/Special Projects		-	75	-
Total Division of Soil and Water Conservation		-	55,365	-
Total N.C. Dept of Environment, Health, and Natural Resources		-	55,365	-

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2012

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Fed. (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
<u>N.C. Dept. of Transportation</u>				
Division of Public Transportation:				
Elderly & Disabled Transportation Assistance		-	46,442	-
Rural General Public		-	38,036	-
Work First Transitional / Employment Transportation Asst.		-	5,976	-
Road Elevation		-	190,000	-
Total Dept. of Transportation		<u>-</u>	<u>280,454</u>	<u>-</u>
<u>N.C. Dept. of Administration</u>				
Division of Veteran's Affairs:				
Veterans Service Officer Grant		-	2,000	-
<u>N.C. Dept. of Public Safety</u>				
Division of Emergency Management				
Emergency Management Grant		-	32,375	-
<u>N.C. Dept. of Commerce</u>				
Passed through the N.C. Rural Center:				
Division of Policies and Programs:				
STEP Grant		-	9,360	-
Total N.C. Dept. of Commerce		<u>-</u>	<u>9,360</u>	<u>-</u>
Total State awards		<u>-</u>	<u>540,020</u>	<u>526,792</u>
Total federal and State awards		<u>7,113,616</u>	<u>3,339,300</u>	<u>963,845</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. **Basis of Presentation**
The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Carolina County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the county's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

2. 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.