

HYDE COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2019

HYDE COUNTY, NORTH CAROLINA  
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June 30, 2019

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## FINANCIAL SECTION



## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Hyde County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise Hyde County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Hyde County ABC Board, which represents 89.06 percent, 83.95 percent, and 71.28 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hyde County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Ocracoke Township Tourism Development Authority and Hyde County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

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

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

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information Hyde County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Fund Schedule of County Contributions, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

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

*Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 21, 2020 on our consideration of Hyde County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Hyde County's internal control over financial reporting and compliance.

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

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

Whiteville, NC

July 21, 2020

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

As management of Hyde County, we offer readers of Hyde County's financial statements this narrative overview and analysis of the financial activities of Hyde County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

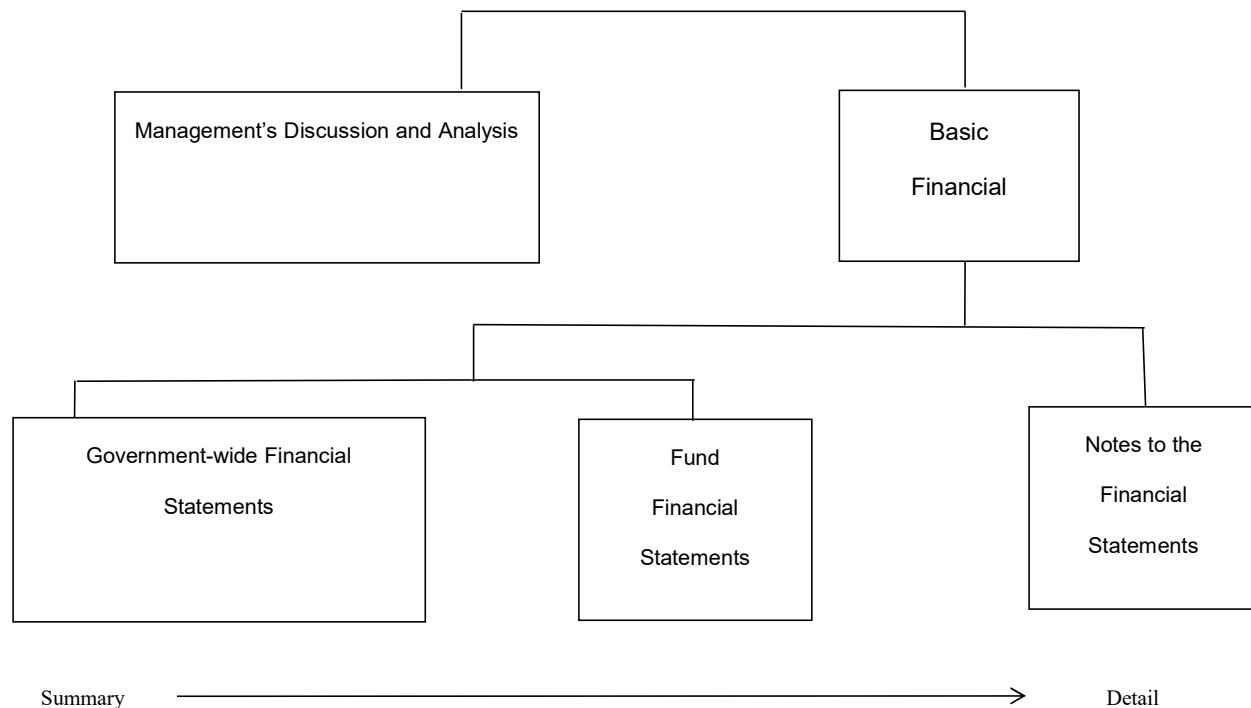
**Financial Highlights**

- The assets and deferred outflows of resources of Hyde County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$34,969,739. (Net Position)
- The government's total net position decreased by \$2,010,945, due to decreases in net position in both the governmental and the business-type activities.
- As of the close of the current fiscal year, Hyde County's governmental funds reported combined ending fund balances of \$7,342,146, a decrease of \$1,246,188 in comparison with the prior year. Approximately 35.86 percent of this total amount, or \$2,632,995 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 \$2,943,892, or 22.43 percent of total general fund expenditures for the fiscal year.

**Overview of the Financial Statements**

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

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



**Basic Financial Statements**

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

**Hyde County, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

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

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

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

#### **Government-wide Financial Statements**

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

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

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

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

#### **Fund Financial Statements**

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

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

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

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

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

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

**Hyde County, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

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

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$34,969,739 as of June 30, 2019. The County's net position decreased by \$2,010,945 for the fiscal year ended June 30, 2019. One of the largest portions, 80.74%, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Hyde County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hyde County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Hyde County's net position, \$33,531,055 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,203,820 is unrestricted.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 10,449,489	\$ 11,090,600	\$ 1,119,248	\$ 1,289,753	\$ 11,568,737	\$ 12,380,353
Capital assets	23,072,813	23,622,423	10,212,159	10,596,693	33,284,972	34,219,116
Total assets	33,522,302	34,713,023	11,331,407	11,886,446	44,853,709	46,599,469
 Total deferred outflows of resources	 1,170,752	 819,070	 137,658	 95,866	 1,308,410	 914,936
 Long-term liabilities outstanding	 6,851,795	 6,960,450	 2,808,542	 2,892,205	 9,660,337	 9,852,655
Other liabilities	1,053,494	692,942	209,044	209,337	1,262,538	902,279
Total liabilities	7,905,289	7,653,392	3,017,586	3,101,542	10,922,875	10,754,934
 Total deferred inflows of resources	 256,350	 241,095	 13,155	 11,365	 269,505	 252,460
 Net position:						
Net investment in capital assets	20,499,335	20,688,158	7,735,529	7,980,779	28,234,864	28,668,937
Restricted	3,471,613	3,587,566	59,442	51,834	3,531,055	3,639,400
Unrestricted	2,560,467	3,361,882	643,353	836,792	3,203,820	4,198,674
Total net position	\$ 26,531,415	\$ 27,637,606	\$ 8,438,324	\$ 8,869,405	\$ 34,969,739	\$ 36,507,011

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

- The County's property taxes collection percentage of 96.18% is lower than the State-wide average of 99.82%, and is higher than the prior year rate of 93.60%.

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Hyde County Changes in Net Position  
Figure 3**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 580,496	\$ 505,980	\$ 1,591,821	\$ 1,647,356	\$ 2,172,317	\$ 2,153,336
Operating grants and contributions	3,102,820	3,063,285	-	-	3,102,820	3,063,285
Capital grants and contributions	-	161,153	-	-	-	161,153
General revenues:						
Property taxes	7,441,942	7,057,622	-	-	7,441,942	7,057,622
Other taxes	2,234,492	2,123,852	-	-	2,234,492	2,123,852
Investment Earnings	122,533	70,222	13,026	2,646	135,559	72,868
Other	240,713	296,061	-	-	240,713	296,061
Total revenues	13,722,996	13,278,175	1,604,847	1,650,002	15,327,843	14,928,177
Expenses:						
General government	2,263,597	2,351,892	-	-	2,263,597	2,351,892
Public safety	4,165,948	4,213,367	-	-	4,165,948	4,213,367
Transportation	148,478	141,522	-	-	148,478	141,522
Economic and physical development	1,929,606	1,401,315	-	-	1,929,606	1,401,315
Human services	3,054,541	2,663,915	-	-	3,054,541	2,663,915
Cultural and recreation	112,631	120,159	-	-	112,631	120,159
Environmental Protection	1,608,673	1,379,640	-	-	1,608,673	1,379,640
Education	1,887,361	2,015,949	-	-	1,887,361	2,015,949
Interest on long-term debt	132,025	107,069	-	-	132,025	107,069
Water and sewer	-	-	2,035,928	1,856,874	2,035,928	1,856,874
Transfers	-	(281,571)	-	281,571	-	-
Total expenses	15,302,860	14,113,257	2,035,928	2,138,445	17,338,788	16,251,702
Increase (decrease) in net position	(1,579,864)	(835,082)	(431,081)	(488,443)	(2,010,945)	(1,323,525)
Net position, beginning	27,637,606	28,841,582	8,869,405	9,591,687	36,507,011	38,433,269
Restatements and Prior Period Adjustment	-	(368,894)	-	(233,839)	-	(602,733)
Net position, beginning, restated	27,637,606	28,472,688	8,869,405	9,357,848	36,507,011	37,830,536
net position, ending	\$ 26,057,742	\$ 27,637,606	\$ 8,438,324	\$ 8,869,405	\$ 34,496,066	\$ 36,507,011

**Governmental activities.** Governmental activities decreased the County's net position by \$1,579,864. Key elements of this decrease are substantial increases of expenses in the Economic and Physical Development and Environmental Protection functions.

**Business-type activities.** Business-type activities decreased the County's net position by \$431,081. Key elements of this decrease are expenditures continue to exceed water revenues.

#### **Financial Analysis of the County's Funds**

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

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

The General Fund is the chief operating fund of Hyde County. At the end of the current fiscal year, Hyde County's fund balance available in the General Fund was \$2,943,892 while total fund balance reached \$5,115,444. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 22.43 percent of total General Fund expenditures, while total fund balance represents 38.97 percent of that same amount.

At June 30, 2019, the governmental funds of Hyde County reported a combined fund balance of \$7,342,146, a 14.51 percent decrease under last year. The primary reason for this decrease was expenses continuing to exceed revenues in the governmental activities.



**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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

**Proprietary Funds.** Hyde County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position for the Water and Sewer Fund at the end of the fiscal year amounted to \$643,353. The total change in net position for the Water and Sewer Fund was (\$431,081).

**Capital Asset and Debt Administration**

**Capital assets.** Hyde County's capital assets for its governmental and business – type activities as of June 30, 2019, totals \$33,284,972 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

\* Purchase of Vehicles and Equipment.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 2,295,075	\$ 2,295,075	\$ 57,839	\$ 57,839	\$ 2,352,914	\$ 2,352,914
Construction in Progress	419,325	1,598,549	-	-	419,325	1,598,549
Buildings	14,069,818	14,446,078	-	-	14,069,818	14,446,078
Computer Equipment	266	2,407	-	-	266	2,407
Equipment	1,198,120	131,534	16,657	23,149	1,214,777	154,683
Vehicles	255,304	396,824	68,860	60,741	324,164	457,565
Infrastructure	4,834,905	5,225,629	10,068,803	10,454,964	14,903,708	15,680,593
<b>Total</b>	<b>\$ 23,072,813</b>	<b>\$ 24,096,096</b>	<b>\$ 10,212,159</b>	<b>\$ 10,596,693</b>	<b>\$ 33,284,972</b>	<b>\$ 34,692,789</b>

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, 2019, Hyde County had total bonded debt outstanding of \$3,754,108 all of which is debt backed by the full faith and credit of the County.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General obligation bonds	\$ -	\$ -	\$ 1,180,630	\$ 1,299,914	\$ 1,180,630	\$ 1,299,914
Revenue Bonds	-	-	1,296,000	1,316,000	1,296,000	1,316,000
Installment Purchase	2,573,478	2,934,265	-	-	2,573,478	2,934,265
Capital leases	111,993	163,269	-	-	111,993	163,269
Compensated Absences	347,687	324,703	57,267	57,132	404,954	381,835
Net Pension Liability (LERS)	1,434,970	988,489	171,580	118,194	1,606,550	1,106,683
Total Pension Liability (LEOSA)	147,667	130,553	-	-	147,667	130,553
OPEB Liability	834,744	817,735	103,065	100,965	937,809	918,700
Qualified School Construction Bonds	1,401,256	1,601,436	-	-	1,401,256	1,601,436
<b>Total</b>	<b>\$ 6,851,795</b>	<b>\$ 6,960,450</b>	<b>\$ 2,808,542</b>	<b>\$ 2,892,205</b>	<b>\$ 9,660,337</b>	<b>\$ 9,852,655</b>

Hyde County's total debt decreased by \$192,318 (1.95%) during the past fiscal year, primarily due to principal payments on existing general obligation bonds of \$360,787 and \$119,284, in the governmental activities and business-type activities, respectively. Additionally, there were repayments on qualified school construction bonds in the amount of \$200,180. No new capital leases were issued, and capital lease payments were made in the amount of \$51,276. Various other repayments were made to revenue bond debt.

**Hyde County, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

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 \$73,446,265.

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

**Economic Factors and Next Year's Budgets and Rates**

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

Tourism is a major economic contributor to Hyde County especially on Ocracoke Island, which was named America's #1 beach in 2007 and America's #2 beach in 2019 and 2020.

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

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

**Budget Highlights for the Fiscal Year Ending June 30, 2020**

Governmental Activities: Property taxes \$7,266,485. The County will use these increases in revenue to finance programs currently in place.

Budgeted expenditures in the general fund are expected to decrease approximately 13 percent to \$14,082,134. The largest increments are in employee compensation, including funding compensation and benefits adjustments.

Business-Type Activities: The water and sewer rates in the County will increase by \$1, primarily to cover increased costs of operations and infrastructure maintenance. General operating expenses will decrease by 10.36% to \$1,600,000.

**Requests for Information**

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

BASIC  
FINANCIAL STATEMENTS

**Hyde County, North Carolina**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Units		Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Hyde County ABC Board	Ocracoke TDA	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,657,594	\$ 768,716	\$ 8,426,310	\$ 202,312	\$ 38,504	\$ 8,667,126
Receivables, net:						
Property Taxes	527,776	-	527,776	-	-	527,776
Accounts	322,638	148,937	471,575	-	-	471,575
Other	1,219,343	-	1,219,343	-	-	1,219,343
Interest	33,513	-	33,513	-	-	33,513
Due from other governments	335,128	-	335,128	-	-	335,128
Internal balances	-	-	-	-	-	-
Inventories	-	-	-	94,298	-	94,298
Prepaid items	-	-	-	2,656	-	2,656
Restricted cash and cash equivalents	346,067	201,595	547,662	-	-	547,662
Net pension asset - ROD	7,430	-	7,430	-	-	7,430
Capital assets:						
Land, improvements, and construction in progress	2,714,400	57,839	2,772,239	-	-	2,772,239
Other capital assets, net of depreciation	20,358,413	10,154,320	30,512,733	14,329	-	30,527,062
Total capital assets	23,072,813	10,212,159	33,284,972	14,329	-	33,299,301
Total assets	33,522,302	11,331,407	44,853,709	313,595	38,504	45,205,808
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension deferrals	817,180	136,698	953,878	8,699	-	962,577
OPEB deferrals	7,773	960	8,733	-	-	8,733
LEOSSA deferrals	13,639	-	13,639	-	-	13,639
Contributions to pension plan in current year	332,160	-	332,160	-	-	332,160
Total deferred outflows of resources	1,170,752	137,658	1,308,410	8,699	-	1,317,109
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	981,217	43,086	1,024,303	121,232	1,600	1,147,135
Liabilities to be paid from restricted assets	-	142,153	142,153	-	-	142,153
Accrued interest payable	72,277	23,805	96,082	-	-	96,082
Long-term liabilities:						
Compensated absences	347,687	57,267	404,954	-	-	404,954
Net pension liability - LGERS	1,434,970	171,580	1,606,550	7,829	-	1,614,379
Net pension liability - LEOSSA	147,667	-	147,667	-	-	147,667
Net OPEB liability	834,744	103,065	937,809	-	-	937,809
Due within one year	297,994	143,867	441,861	-	-	441,861
Due in more than one year	3,788,733	2,332,763	6,121,496	-	-	6,121,496
Total long-term liabilities	6,851,795	2,808,542	9,660,337	7,829	-	9,668,166
Total liabilities	7,905,289	3,017,586	10,922,875	129,061	1,600	11,053,536
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	37,285	-	37,285	-	-	37,285
Other Deferred Inflows	97,268	-	97,268	-	-	97,268
Pension deferrals	40,933	4,836	45,769	183	-	45,952
LEOSSA deferrals	13,489	-	13,489	-	-	13,489
OPEB deferrals	67,375	8,319	75,694	-	-	75,694
Total Deferred Inflows of Resources	256,350	13,155	269,505	183	-	269,688
<b>NET POSITION</b>						
Net investment in capital assets	20,499,335	7,735,529	28,234,864	14,329	-	28,249,193
Restricted for:						
Stabilization by State Statute	2,248,153	-	2,248,153	-	-	2,248,153
Debt Service	206,825	-	206,825	-	-	206,825
Register of deeds	48,473	-	48,473	-	-	48,473
Economic and physical development	759,802	-	759,802	-	-	759,802
Other purposes	208,360	59,442	267,802	24,983	36,904	329,689
Unrestricted (deficit)	2,560,467	643,353	3,203,820	153,738	-	3,357,558
Total net position	\$ 26,531,415	\$ 8,438,324	\$ 34,969,739	\$ 193,050	\$ 36,904	\$ 35,199,693

**Hyde County  
Statement of Activities  
June 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Hyde County ABC Board	Ocracoke Township TDA	Total Reporting Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government					
					Governmental Activities	Business-type Activities	Total			
Primary government:										
Governmental Activities:										
General government	\$ 2,263,597	\$ 40,204	\$ 12,221	\$ -	\$ (2,211,172)	\$ -	\$ (2,211,172)	\$ -	\$ -	\$ (2,211,172)
Public safety	4,165,948	360,518	111,988	-	(3,693,442)	-	(3,693,442)	-	-	(3,693,442)
Transportation	148,478	113,822	16,708	-	(17,948)	-	(17,948)	-	-	(17,948)
Environmental Protection	1,608,673	14,178	605,991	-	(988,504)	-	(988,504)	-	-	(988,504)
Economic and physical development	1,929,606	-	190,078	-	(1,739,528)	-	(1,739,528)	-	-	(1,739,528)
Human services	3,054,541	462	2,165,834	-	(888,245)	-	(888,245)	-	-	(888,245)
Cultural and recreation	112,631	51,312	-	-	(61,319)	-	(61,319)	-	-	(61,319)
Education	1,887,361	-	-	-	(1,887,361)	-	(1,887,361)	-	-	(1,887,361)
Interest/Fees on long-term debt	132,025	-	-	-	(132,025)	-	(132,025)	-	-	(132,025)
Total governmental activities	15,302,860	580,496	3,102,820	-	(11,619,544)	-	(11,619,544)	-	-	(11,619,544)
Business-type activities:										
Water and Sewer	2,035,928	1,591,821	-	-	-	(444,107)	(444,107)	-	-	(444,107)
Total business-type activities	2,035,928	1,591,821	-	-	-	(444,107)	(444,107)	-	-	(444,107)
	<u>\$ 17,338,788</u>	<u>\$ 2,172,317</u>	<u>\$ 3,102,820</u>	<u>\$ -</u>	<u>(11,619,544)</u>	<u>(444,107)</u>	<u>(12,063,651)</u>	<u>-</u>	<u>-</u>	<u>(12,063,651)</u>
Component Units:										
Hyde County ABC Board	\$ 826,852	\$ 857,011	\$ -	\$ -				30,159	-	30,159
Ocracoke Township TDA	277,028	-	-	-				-	(277,028)	(277,028)
Total Component Units	<u>\$ 1,103,880</u>	<u>\$ 857,011</u>	<u>\$ -</u>	<u>\$ -</u>				<u>30,159</u>	<u>(277,028)</u>	<u>(246,869)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					7,441,942	-	7,441,942	-	-	7,441,942
Local option sales tax					1,565,254	-	1,565,254	-	-	1,565,254
Other taxes and licenses					669,238	-	669,238	-	345,858	1,015,096
Investment earnings, unrestricted					122,533	13,026	135,559	1,130	-	136,689
Miscellaneous, unrestricted					231,472	-	231,472	171	-	231,643
Gain/(loss) on disposal of assets					9,241	-	9,241	-	-	9,241
Transfers					-	-	-	-	-	-
Total general revenues					10,039,680	13,026	10,052,706	1,301	345,858	10,399,865
Change in net position					(1,579,864)	(431,081)	(2,010,945)	31,460	68,830	(1,910,655)
Net position, beginning					27,637,606	8,869,405	36,507,011	161,590	(31,926)	36,636,675
Prior Period Adjustment (see Note V)					473,673	-	473,673	-	-	473,673
Net position, beginning, restated					28,111,279	8,869,405	36,980,684	161,590	(31,926)	37,110,348
Net position, ending					\$ 26,531,415	\$ 8,438,324	\$ 34,969,739	\$ 193,050	\$ 36,904	\$ 35,199,693

**Hyde County  
Balance Sheet  
Governmental Funds  
June 30, 2019**

	<b>Major</b>		<b>Non-major</b>	
	<b>General Fund</b>	<b>Revolving Loan Fund</b>	<b>Governmental Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,207,148	\$ 234,778	\$ 1,215,668	\$ 7,657,594
Restricted Cash	346,067	-	-	346,067
Receivables, net:				
Property Taxes	524,397	-	3,379	527,776
Accounts	321,444	-	1,194	322,638
Other	42,453	1,176,890	-	1,219,343
Due from other governments	335,128	-	-	335,128
Due from other funds	361,190	-	9,854	371,044
Total assets	<u>\$ 8,137,827</u>	<u>\$ 1,411,668</u>	<u>\$ 1,230,095</u>	<u>\$ 10,779,590</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 930,725	\$ -	\$ 50,492	\$ 981,217
Due to other funds	9,854	-	361,190	371,044
Total liabilities	<u>940,579</u>	<u>-</u>	<u>411,682</u>	<u>1,352,261</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Prepaid taxes	37,285	-	-	37,285
Property taxes receivable	524,397	-	3,379	527,776
Other deferred income	1,520,122	-	-	1,520,122
Total Deferred Inflows of Resources	<u>2,081,804</u>	<u>-</u>	<u>3,379</u>	<u>2,085,183</u>
Fund balances:				
Restricted:				
Stabilization by State Statute	1,060,215	1,176,890	11,048	2,248,153
Debt Service	206,825	-	-	206,825
Other Purposes	-	-	208,360	208,360
Register of Deeds	48,473	-	-	48,473
Economic and physical development	-	234,778	759,802	994,580
Capital outlay	-	-	34,584	34,584
Committed:				
Public Safety	-	-	49,761	49,761
Environmental Protection	231,176	-	27,035	258,211
Economic and physical development	-	-	-	-
Tax Revaluation	114,891	-	-	114,891
Cultural and Recreation	-	-	35,341	35,341
Assigned:				
Subsequent year's expenditures	509,972	-	-	509,972
Unassigned	2,943,892	-	(310,897)	2,632,995
Total fund balances	<u>5,115,444</u>	<u>1,411,668</u>	<u>815,034</u>	<u>7,342,146</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 8,137,827</u></u>	<u><u>\$ 1,411,668</u></u>	<u><u>\$ 1,230,095</u></u>	<u><u>\$ 10,779,590</u></u>

**Hyde County  
Balance Sheet  
Governmental Funds  
June 30, 2019**

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

Total Fund Balance - Governmental Funds		\$ 7,342,146
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,861,935	
Less accumulated depreciation	<u>(11,789,122)</u>	
Net capital assets		23,072,813
Net pension asset (Register of Deeds)		7,430
Deferred outflows of resources:		
Contributions to the pension plan in the current fiscal year		
LGERS		328,178
ROD		3,982
OPEB		7,773
Pension related deferrals		
LGERS		815,064
ROD		2,116
LEOSSA		13,639
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements		33,513
Deferred inflows of resources reported in the government-wide statements but not in the fund statements		
Deferred inflows of resources for taxes receivable		527,776
Deferred inflows of resources for other items		1,422,854
Pension deferrals		
LGERS		(40,447)
ROD		(486)
LEOSSA		(13,489)
OPEB		(67,375)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:		
Compensated absences	(347,687)	
OPEB liability	(834,744)	
Total pension liability - LEOSSA	(147,667)	
Net pension liability - LGERS	(1,434,970)	
Bonds, leasing, and installment financing	(4,086,727)	
Accrued interest payable	<u>(72,277)</u>	<u>(6,924,072)</u>
Net position of governmental activities		<u><u>\$ 26,531,415</u></u>

**Hyde County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>Major</b>		<b>Non-Major</b>	
	<b>General Fund</b>	<b>Revolving Loan Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 7,396,393	\$ -	\$ 61,411	\$ 7,457,804
Local option sales taxes	1,565,254	-	-	1,565,254
Other taxes and licenses	180,052	-	489,186	669,238
Unrestricted intergovernmental	149,168	-	-	149,168
Restricted intergovernmental	2,454,136	-	387,581	2,841,717
Permits and fees	90,734	-	-	90,734
Sales and services	445,776	-	43,986	489,762
Investment earnings	67,327	39,234	15,972	122,533
Miscellaneous	65,051	-	17,253	82,304
Total revenues	<u>12,413,891</u>	<u>39,234</u>	<u>1,015,389</u>	<u>13,468,514</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,969,468	-	118,335	2,087,803
Public safety	3,571,747	-	212,461	3,784,208
Transportation	97,434	-	-	97,434
Environmental protection	1,054,895	-	531,871	1,586,766
Economic and physical development	790,730	28	767,337	1,558,095
Human services	2,911,145	-	-	2,911,145
Cultural and recreational	51,000	-	61,631	112,631
Education	2,035,369	-	-	2,035,369
Capital outlay	-	-	11,638	11,638
Debt Service:				
Principal retirement	403,247	-	-	403,247
Interest and fees	135,606	-	-	135,606
Total expenditures	<u>13,020,642</u>	<u>28</u>	<u>1,703,273</u>	<u>14,723,943</u>
Excess (deficiency) of revenues over expenditures	<u>(606,751)</u>	<u>39,206</u>	<u>(687,884)</u>	<u>(1,255,429)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	106,846	106,846
Transfers to other funds	(106,846)	-	-	(106,846)
Sale of assets	9,241	-	-	9,241
Total other financing sources (uses)	<u>(97,605)</u>	<u>-</u>	<u>106,846</u>	<u>9,241</u>
Net change in fund balance	<u>(704,356)</u>	<u>39,206</u>	<u>(581,038)</u>	<u>(1,246,188)</u>
Fund balances, beginning	<u>5,819,800</u>	<u>1,372,462</u>	<u>1,396,072</u>	<u>8,588,334</u>
Fund balances, ending	<u>\$ 5,115,444</u>	<u>\$ 1,411,668</u>	<u>\$ 815,034</u>	<u>\$ 7,342,146</u>



**Hyde County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**June 30, 2019**

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

Net change in fund balances - total governmental funds	\$ (1,246,188)
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	17,813
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.	(1,041,096)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	
LGERS	328,178
ROD	3,982
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	7,773
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	403,247
QZAB Transfer	208,996
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	3,582
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(22,984)
Pension expense	
LGERS	(410,633)
ROD	(4,850)
LEOSSA	(19,588)
OPEB plan expense	(53,337)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at year end	(31,744)
Increase (Decrease) in accrued interest receivable at year end	15,882
Increase (Decrease) in other deferred inflows of resources - at end of year	261,103
Change in net position of governmental activities	<u>\$ (1,579,864)</u>

**Hyde County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Fund**  
**June 30, 2019**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 7,340,435	\$ 7,340,435	\$ 7,396,393	\$ 55,958
Local option sales tax	1,580,000	1,670,000	1,565,254	(104,746)
Other taxes and licenses	141,062	281,938	180,052	(101,886)
Unrestricted intergovernmental	158,250	158,250	149,168	(9,082)
Restricted intergovernmental	2,335,049	5,124,820	2,454,136	(2,670,684)
Permits and fees	166,485	88,975	90,734	1,759
Sales and services	394,900	483,285	445,776	(37,509)
Investment earnings	20,000	50,000	62,864	12,864
Miscellaneous	216,360	32,453	65,051	32,598
Total revenues	<u>12,352,541</u>	<u>15,230,156</u>	<u>12,409,428</u>	<u>(2,820,728)</u>
<b>Expenditures:</b>				
Current:				
General government	2,370,227	2,082,655	1,969,468	113,187
Public safety	3,594,747	3,596,691	3,571,747	24,944
Transportation	93,000	101,000	97,434	3,566
Environmental Protection	1,017,196	1,077,712	1,054,895	22,817
Economic and physical development	528,999	3,017,741	790,730	2,227,011
Human services	3,067,065	3,486,070	2,911,145	574,925
Cultural and recreational	52,000	52,000	51,000	1,000
Education	1,999,458	2,079,458	2,035,369	44,089
Debt Service	271,038	543,117	538,853	4,264
Total expenditures	<u>12,993,730</u>	<u>16,036,445</u>	<u>13,020,642</u>	<u>3,015,803</u>
Revenues over (under) expenditures	<u>(641,189)</u>	<u>(806,289)</u>	<u>(611,214)</u>	<u>195,075</u>
Other financing sources (uses):				
Transfers from other funds	248,163	248,163	-	(248,163)
Transfers to other funds	(116,946)	(116,846)	(116,846)	-
Sale and lease of assets	-	165,000	9,241	(155,759)
Fund Balance Appropriated	509,972	509,972	-	(509,972)
Total other financing sources (uses)	<u>641,189</u>	<u>806,289</u>	<u>(107,605)</u>	<u>(913,894)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(718,819)</u>	<u>\$ (718,819)</u>
Fund balance, beginning of year			<u>5,488,196</u>	
Fund balance, end of year			<u>\$ 4,769,377</u>	
<b>Reconciliation to Fund Balance</b>				
A legally budgeted Capital Reserve Fund and Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings - Capital Reserve Fund			\$ 2,644	
Investment Earnings - Revaluation Fund			1,819	
Transfer from general fund			10,000	
Beginning Balance - Capital Reserve Fund			228,532	
Beginning Balance - Revaluation Fund			<u>103,072</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 5,115,444</u>	

**Hyde County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Fund**  
**June 30, 2019**

	Revolving Loan Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	39,234	39,234
Miscellaneous	-	-	-	-
Total revenues	-	-	39,234	39,234
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Environmental Protection	-	-	-	-
Economic and physical development	-	-	28	(28)
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Education	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	-	-	28	(28)
Revenues over (under) expenditures	-	-	39,206	39,206
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale and lease of assets	-	-	-	-
Fund Balance Appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	39,206	\$ 39,206
Fund balance, beginning of year			1,372,462	
Fund balance, end of year			\$ 1,411,668	

**Hyde County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 768,716
Accounts receivable, net	148,937
Grant receivable	-
Restricted cash and cash equivalents	201,595
Total current assets	<u>1,119,248</u>
Noncurrent assets:	
Capital assets:	
Land and Construction in Progress	57,839
Other capital assets, net of depreciation	10,154,320
Total capital assets	<u>10,212,159</u>
Total noncurrent assets	<u>10,212,159</u>
Total assets	<u><u>\$ 11,331,407</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	\$ 136,698
OPEB deferrals	960
Total deferred outflows of resources	<u>137,658</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts Payable and Miscellaneous Liabilities	43,086
Accrued interest payable	23,805
General obligation bonds payable	143,867
Total current liabilities	<u>210,758</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer Deposits	142,153
Compensated absences	57,267
Net pension liability	171,580
OPEB liability	103,065
General obligation bonds payable	2,332,763
Total noncurrent liabilities	<u>2,806,828</u>
Total liabilities	<u>3,017,586</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	4,836
OPEB deferrals	8,319
Total deferred inflows of resources	<u>13,155</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,735,529
Restricted:	
Debt Service	59,442
Unrestricted	643,353
Total net position	<u><u>\$ 8,438,324</u></u>

**Hyde County**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Water and Sewer Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,475,490
Meter Installations	15,407
Other operating revenues	<u>100,924</u>
Total operating revenues	<u>1,591,821</u>
<b>OPERATING EXPENSES</b>	
Water and Sewer Operations	1,532,549
Depreciation	<u>413,194</u>
Total operating expenses	<u>1,945,743</u>
Operating income (loss)	<u>(353,922)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and investment revenue	13,026
Transfers in (out)	-
Interest Expense	<u>(90,185)</u>
Total nonoperating revenues (expenses)	<u>(77,159)</u>
Change in net position	<u>(431,081)</u>
Total net position, beginning	8,869,405
Total net position, ending	<u><u>\$ 8,438,324</u></u>

**Hyde County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Water and Sewer Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,491,969
Cash paid for goods and services	(837,230)
Cash paid to employees for services	(685,466)
Customer deposits received, net	7,485
Other operating revenue	100,924
Net cash provided by operating activities	<u>77,682</u>
<b>Cash flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(28,660)
Principal paid on bond maturities and equipment contracts	(139,284)
Interest paid on bond maturities and equipment contracts	(92,197)
Transfers in (out)	-
Net cash used by capital and related financing activities	<u>(260,141)</u>
<b>Cash flows from Investing Activities:</b>	
Interest on investments	<u>13,026</u>
Net increase (decrease) in cash and cash equivalents	(169,433)
Cash and cash equivalents, beginning	1,139,744
Cash and cash equivalents, ending	<u>\$ 970,311</u>
<b>Reconciliation of operating income to net cash provided by Operating Activities</b>	
Operating income (loss)	<u>\$ (353,922)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	413,194
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	1,072
Deferred outflows of resources for pensions	(42,924)
Deferred outflows of resources - OPEB	1,132
Increase (decrease) in:	
Accounts payable and accrued liabilities	(5,766)
Customer deposits	7,485
Net pension liability	53,386
Total OPEB liability	2,100
Deferred inflows of resources for pensions	(604)
Deferred inflows of resources - OPEB	2,394
Compensated absences	135
Total adjustments	<u>431,604</u>
Net cash provided by (used in) operating activities	<u>\$ 77,682</u>

**Hyde County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Total Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 57,720
Taxes Receivable	3,280
Total assets	<u>61,000</u>
<b>Liabilities and Net Position</b>	
Liabilities:	
Miscellaneous Liabilities and Accounts Payable	59,217
Deferred Revenues	1,847
Total liabilities	<u>61,064</u>
<b>Net position:</b>	
Assets held in trust	<u><u>\$ (64)</u></u>

**Hyde County**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019**

**I. Summary Of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**Component Unit:** Hyde County ABC Board

**Reporting Method:** Discrete

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

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

**Component Unit:** Ocracoke Tourism Development Authority

**Reporting Method:** Discrete

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

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

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.



The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

#### D. Budgetary Data

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

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

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

##### 1. Deposits and Investments

All deposits of the County, ABC Board, and Tourism Development Authority (TDA) are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, ABC Board, and TDA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, ABC Board, and TDA 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, ABC Board, and TDA 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 majority of the County's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

## 2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Hyde County ABC Board consider demand deposits and investments with a maturity date of 90 days or less at time of purchase to be cash and cash equivalents.

## 3. Restricted Assets

Money in the Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. In addition, the County has a Capital Reserve Fund that is consolidated with the General Fund and that cash balance is shown as restricted as well. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. USDA loan agreement also requires the County to restrict funds for future debt service payments.

### Governmental Activities

General Fund	Tax Revaluation	\$	114,891
General Fund	Capital Reserve		231,176
Total Governmental Activities		\$	<u>346,067</u>

### Business-Type Activities

Water and Sewer Fund	Customer Deposits	\$	142,153
Water and Sewer Fund	Restricted per USDA		59,442
Total Business-Type Activities		\$	<u>201,595</u>

## 4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

## 5. Allowance for Doubtful Accounts

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

## 6. Inventories and Prepaid Items

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

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

## 7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Minimum capitalization costs are \$5,000.

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

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

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

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

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

#### 8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - pension and OPEB related deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet this criterion for this category - prepaid taxes, other deferred items, and other OPEB or pension related deferrals.

#### 9. Long-term Obligations

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

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

#### 10. Compensated Absences

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

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

## 11. Net Position/Fund Balances

### a. Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

### b. Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to maintain intact.

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

**Restricted for Stabilization by State Statute** - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

**Restricted for Capital Outlay** - portion of fund balance that is restricted by revenue source for capital projects.

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

**Committed for Public Safety** - portion of fund balance that is committed for public safety.

**Committed for Human Services** - portion of fund balance that is committed for human services.

**Committed for Environmental Protection** - portion of fund balance that is committed for environmental protection.

**Committed for Economic and Physical Development** - portion of fund balance that is committed for economic and physical development.

**Committed for Tax Revaluation** - portion of fund balance that is committed for tax revaluation.

Committed for Cultural and Recreation - portion of fund balance that is committed for culture and recreation.

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

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

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

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

#### 12. Defined Benefit Cost-Sharing Plans

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

### 13. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. The net adjustment of \$19,189,269 consists of several elements as follows:

Capital Assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 34,861,935
Less accumulated depreciation	(11,789,122)
Net Capital Assets	<u>23,072,813</u>
Accrued interest receivable	33,513
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,950,630
Deferred outflows related to pensions	830,819
Net pension asset	7,430
Contributions to the pension plan in the current fiscal year	339,933
Benefit payments and pension administration costs for LEOSSA	-
Pension related deferrals	(121,797)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(4,086,727)
Accrued interest payable	(72,277)
Compensated absences	(347,687)
Net Pension Liability - LGERS	(1,434,970)
Net Pension Liability - LEOSSA	(147,667)
Total OPEB Liability	<u>(834,744)</u>
Total Adjustment	<u><u>\$ 19,189,269</u></u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$333,677) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 17,813
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.	(1,041,096)
Gain (Loss) on disposal of assets during the year	-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	612,243
New debt issued during the year	-
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	332,160
Contributions and administrative costs for OPEB for the current fiscal year are not included on the Statement of Activities	7,773
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	(22,984)
OPEB Expense	(53,337)
Increase in Net Pension Obligation	-
County's portion of collective pension expense	(435,071)
Accrued interest expense	3,582
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in deferred inflows of resources - taxes receivable - at end of year	(31,744)
Increase (Decrease) in accrued interest receivable - at end of year	15,882
Increase (Decrease) in deferred inflows of resources - at year end	261,103
Total Adjustment	<u><u>\$ (333,676)</u></u>

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

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

For the fiscal year ending June 30, 2019, the following funds reported deficit fund balances:

Hydeland Home Health	\$ 112
Hyde County Senior Center	1,495
Hurricane Matthew Fund	40,965
2015 FMA Program	21,982
2016 FMA Program	32,726
CDBG Disaster Recovery	6,465
Hurricane Irene HMGP	191,363
CDBG Neighborhood Revitalization	14,595

Management will review these funds and make the necessary transfers to clear up the deficits. The Board will more closely review fund balances to ensure compliance in future years.



#### B. Budget Violation

In accordance with section 159-8(a), each local government shall operate under an annual balanced budget ordinance. Estimated revenues and appropriations were not budgeted for one major fund, the Revolving Loan Fund and one non-major fund, the E-911 Fund. Management and the Board will more closely review fund budgets to ensure compliance in future years.

General Fund actual departmental expenditures exceeded the departmental budgeted amounts for Tax, Register of Deeds, FEMA, Medical Examiners, Planning, and Transportation. Additionally, the 4-H Fund and E-911 Fund actual expenditures exceeded the budgeted expenditures.

#### C. Contractual Violations

Based on bond covenants associated with the Revenue bonds, the net revenues for the fiscal year should be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to meet annual debt service obligation bonds and installment financing obligations, if any. The ratio was not met for the current year.

The County will review billings and collections and make changes with rate structures as necessary to ensure that they are in compliance in the future.

#### D. Timeliness of Audit

The audit report was issued 8 months after the required due date of October 31, 2019. The County experienced significant hurricane damage. Finance staff was dislocated for several months while trying to obtain federal assistance to help citizens rebuild, so they did not have time to reconcile the records.

### III. Detail Notes On All Funds

#### A. Assets

##### 1. Deposits

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

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

At June 30, 2019 the County's deposits had a carrying amount of \$8,975,426 and a bank balance of \$9,522,684. Of the carrying amount \$314 was cash on hand. Of the bank balance, \$250,000 was covered by FDIC; the remaining \$9,272,684 was covered by collateral and held under the Pooling Method.

At June 30, 2019, the carrying amount of deposits for Hyde County ABC Board was \$201,762 and the bank balance was \$194,545. All of the bank balance was covered by federal depository insurance.

At June 30, 2019, the carrying amount of deposits for Ocracoke TDA was \$38,504 and the bank balance was \$38,504. All of the bank balance was covered by federal depository insurance.

##### 2. Investments

As of June 30, 2019, the County's investments consisted of \$115,198 in the North Carolina Capital Management Trust Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The County has no policy on credit risk.

At June 30, 2019, the ABC Board and Ocracoke TDA had no investments.

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

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

Year Levied	Tax	Interest	Total
2016	856,612	280,541	1,137,153
2017	876,774	208,234	1,085,008
2018	1,400,669	206,599	1,607,268
2019	1,535,132	88,270	1,623,402
	<u>\$ 4,669,187</u>	<u>\$ 783,643</u>	<u>\$ 5,452,830</u>

### 4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental activities:					
General	\$ 321,444	\$ 867,997	\$ 335,128	\$ 42,453	\$ 1,567,022
Other Governmental	1,194	3,379	-	-	4,573
Total receivables	322,638	871,376	335,128	42,453	1,571,595
Allow. for doubtful accounts	-	(343,600)	-	-	(343,600)
Total governmental activities	<u>\$ 322,638</u>	<u>\$ 527,776</u>	<u>\$ 335,128</u>	<u>\$ 42,453</u>	<u>\$ 1,227,995</u>
Business-type activities:					
Water & Sewer	\$ 318,844	\$ -	\$ -	\$ -	\$ 318,844
Total receivables	318,844	-	-	-	318,844
Allow. for doubtful accounts	(169,907)	-	-	-	(169,907)
Total business-type activities	<u>\$ 148,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,937</u>

Due from other governments that is owed to the County consists of the following at June 30, 2019:

Governmental Activities:	
Local Option Sales Tax	\$ 278,917
Department of Revenue	56,211
Total	<u>\$ 335,128</u>

## 5. Capital Assets

### *Primary Government*

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,295,075	\$ -	\$ -	\$ 2,295,075
Construction in Progress	1,598,549	11,638	(1,190,862)	419,325
Total capital assets not depreciated	3,893,624	11,638	(1,190,862)	2,714,400
Capital assets being depreciated:				
Buildings	18,864,785	-	-	18,864,785
Computer Equipment	298,643	-	-	298,643
Equipment	978,984	1,197,037	-	2,176,021
Vehicles	1,667,012	-	(15,201)	1,651,811
Infrastructure	9,156,275	-	-	9,156,275
Total capital assets being depreciated	30,965,699	1,197,037	(15,201)	32,147,535
Less accumulated depreciation for:				
Buildings	4,418,707	376,260	-	4,794,967
Computer Equipment	296,236	2,141	-	298,377
Equipment	847,450	130,451	-	977,901
Vehicles	1,270,188	141,520	(15,201)	1,396,507
Infrastructure	3,930,646	390,724	-	4,321,370
Total accumulated depreciation	10,763,227	1,041,096	(15,201)	11,789,122
Total capital assets being depreciated, net	20,202,472	155,941	-	20,358,413
Governmental activities capital assets, net	\$ 24,096,096	\$ 167,579	\$ (1,190,862)	\$ 23,072,813

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

Governmental Activities:	
General government	\$ 170,783
Public safety	326,285
Transportation	51,044
Human Services	53,409
Environmental Protection	11,440
Education	60,988
Economic and Physical Development	367,147
Total depreciation expense	<u>\$ 1,041,096</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Water and Sewer Fund:				
Capital assets not being depreciated:				
Land	\$ 57,839	\$ -	\$ -	\$ 57,839
Construction in Progress	-	-	-	-
Total capital assets not depreciated	57,839	-	-	57,839
Capital assets being depreciated:				
Infrastructure	17,967,168	-	-	17,967,168
Computer Equipment	14,917	-	-	14,917
Equipment	299,101	-	-	299,101
Vehicles	255,695	28,660	-	284,355
Total capital assets being depreciated	18,536,881	28,660	-	18,565,541
Less accumulated depreciation for:				
Infrastructure	7,512,204	386,161	-	7,898,365
Computer Equipment	14,917	-	-	14,917
Equipment	275,952	6,492	-	282,444
Vehicles	194,954	20,541	-	215,495
Total accumulated depreciation	7,998,027	413,194	-	8,411,221
Total capital assets being depreciated, net	10,538,854	(384,534)	-	10,154,320
Water and Sewer capital assets, net	\$ 10,596,693	\$ (384,534)	\$ -	\$ 10,212,159

#### *Construction Commitments*

The government does not have any active construction projects as of June 30, 2019.

#### *Discretely Presented Component Unit*

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net
Building Improvements	5 - 10 Years	\$ 2,230	\$ 106	\$ 2,124
Equipment	3 - 10 Years	43,610	31,405	12,205
Vehicle	5 Years	17,986	17,986	-
		\$ 63,826	\$ 63,826	\$ 14,329

#### B. Liabilities

##### 1. Payables

Payables at the government-wide level at June 30, 2019, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	\$ 930,725	\$ 50,492	\$ 981,217
Other Governmental	72,277	-	72,277
Total governmental activities	\$ 1,003,002	\$ 50,492	\$ 1,053,494
Business-type activities:			
Water and Sewer Fund	\$ 66,891	\$ -	\$ 66,891
Total business-type activities	\$ 66,891	\$ -	\$ 66,891

## 2. Pension Plan Obligations and Other Postemployment Obligations

### a. Local Governmental Employees' Retirement System

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

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.84% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$367,418 for the year ended June 30, 2019.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2019, the County reported a liability of \$1,606,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.0677%, which was a decrease of 0.004720% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$459,732. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 247,852	\$ 8,317
Changes of assumptions	426,316	-
Net difference between projected and actual earnings on pension plan investments	220,532	-
Changes in proportion and differences between County contributions and proportionate share of contributions	17,822	36,966
County contributions subsequent to the measurement date	367,418	-
Total	<u>\$ 1,279,940</u>	<u>\$ 45,283</u>

\$367,418 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2020	\$ 432,577
2021	271,713
2022	40,475
2023	122,476
2024	-
Thereafter	-
	<u>\$ 867,241</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Health Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGRS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,859,072	\$ 1,606,550	\$ (275,693)

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

b. Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018 the Separation Allowance membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	14
Total	<u>14</u>

### **Summary of Significant Accounting Policies**

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

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

### **Actuarial Assumptions**

Inflation	2.50 percent
Salary Increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.64 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2018.

### **Mortality Rate**

*Deaths After Retirement (Healthy):* Mortality rates are based on the RP-2014 Total Data Set for Health Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

*Deaths Before Retirement:* RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

*Deaths After Retirement (Beneficiary):* RP-2014 Health Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

*Deaths After Retirement (Disabled):* RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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

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

At June 30, 2019, the County reported a total pension liability of \$147,667. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For year ended June 30, 2019, the County recognized pension expense of \$19,588.



	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,108	\$ 5,649
Changes of assumptions	9,531	7,840
County benefit payments and plan administrative expenses made subsequent to the measurement date	-	-
Total	\$ 13,639	\$ 13,489

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 148
2021	148
2022	148
2023	148
2024	(222)
Thereafter	(220)

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 162,963	\$ 147,667	\$ 133,766

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

	2019
Beginning balance	\$ 130,553
Service Cost	15,315
Interest on the total pension liability	4,125
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	4,836
Changes of assumptions or other inputs	(7,162)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 147,667</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

Contributions for the year ended June 30, 2019 were \$37,843, which consisted of \$30,334 from the County and \$7,509 from the employees.

d. Register of Deeds' Supplemental Pension Fund

*Plan Description.* also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,982 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$7,430 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2018, the County's proportion was 0.0449%, which was an increase of 0.000659% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$4,850. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65	\$ 339
Changes of assumptions	349	-
Net difference between projected and actual earnings on pension plan investments	1,184	-
Changes in proportion and differences between County Contributions and proportionate	518	147
County contributions subsequent to the measurement date	3,982	-
Total	<u>\$ 6,098</u>	<u>\$ 486</u>

\$3,982 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2020	\$ 750
2021	348
2022	349
2023	183
2024	-
Thereafter	-
Total	<u>\$ 1,630</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 5,858	\$ 7,430	\$ 8,756

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 1,606,550	\$ 7,430	\$ 147,667	\$ 1,761,647
Proportion of the Net Pension Liability (Asset)	0.06772%	0.04486%	n/a	
Total Pension Liability	-	-	\$ 147,667	\$ 147,667
Pension Expense	\$ 459,732	\$ 4,850	\$ 19,588	\$ 484,170

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 247,852	\$ 65	\$ 4,108	\$ 252,025
Changes of assumptions	426,316	349	9,531	436,196
Net difference between projected and actual earnings on pension plan investments	220,532	1,184	-	221,716
Changes in proportion and differences between County contributions and proportionate share of contributions	17,822	518	-	18,340
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	367,418	3,982	-	371,400
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 8,317	\$ 339	\$ 5,649	\$ 14,305
Changes of assumptions	-	-	7,840	7,840
Changes in proportion and differences between County contributions and proportionate share of contributions	36,966	147	-	37,113

f. **Other Post Employment Benefits**

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

Membership of the Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

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

**Total OPEB Liability**

The County's total OPEB liability of \$937,809 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability was measured in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Discount rate	3.89%
Healthcare cost trend rate	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

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

#### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2018</b>	\$ 918,700
<b>Changes for the year</b>	
Service cost	58,362
Interest	32,090
Changes of benefit terms	-
Difference between expected and actual experience	(3,932)
Changes in assumptions or other inputs	(32,527)
Benefit payments	(34,884)
<b>Net changes</b>	<u>19,109</u>
<b>Balance at June 30, 2019</b>	<u><u>\$ 937,809</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease	Discount Rate (3.89%)	1% Increase
Total OPEB Liability	\$ 1,040,628	\$ 937,809	\$ 847,129

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

	1% Decrease	Healthcare cost trend rate	1% Increase
Total OPEB Liability	\$ 823,232	\$ 937,809	\$ 1,077,630

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$59,922. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,391
Changes of assumptions	-	65,303
Benefit payments and administrative costs made subsequent to the measurement date	8,733	-
Total	\$ 8,733	\$ 75,694

\$8,733 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$ (14,680)
2021	(14,680)
2022	(14,680)
2023	(14,680)
2024	(12,729)
Thereafter	(4,245)

g. Other Employment Benefits

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

### 3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension-difference between expected and actual experience		
LGRS	\$ 247,852	\$ 8,317
Register of Deeds	65	339
LEOSSA	4,108	5,649
OPEB	-	10,391
Changes of assumptions		
LGRS	426,316	-
Register of Deeds	349	-
LEOSSA	9,531	7,840
OPEB	-	65,303
Pension - difference between projected and actual investment earnings		
LGRS	220,532	-
Register of Deeds	1,184	-
Pension - change in proportion and difference between employer contributions and proportionate share of contributions		
LGRS	17,822	36,966
Register of Deeds	518	147
Contributions to pension plan in 2018-2019 fiscal year		
LGRS	367,418	-
Register of Deeds	3,982	-
LEOSSA	-	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	8,733	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
QZAB Bond (General)	-	97,268
Prepaid taxes not yet earned (General)	-	37,285
Taxes receivable, net (General), less penalties	-	524,397
Taxes receivable, net(Special Revenue)	-	3,379
Accounts Receivable - Patient fees (General)	-	321,444
Accounts Receivable - Patient fees (Special Revenue)	-	1,194
Other Deferrals - Various Grants (General)	-	1,100,216
Other Deferrals - Various Grants (Special Revenue)	-	-
Total	<u>\$ 1,308,410</u>	<u>\$ 2,220,135</u>

### 4. Risk Management

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



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

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

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

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

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

## 5. Long-Term Obligations

### a. Capital Leases

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

Capital lease agreement(s) at June 30, 2019 are comprised of the following:

Serviced by the General Fund:

Lease of a 3 2017 Dodge Chargers and a 2018 Ram 1500 truck for the Sheriff's Department, entered into on January 12, 2018 in the amount of \$112,397, payable in 4 annual installments of \$30,736 including interest at a rate of 6.33% through January 12, 2021.

\$ 56,093

Lease of a 2017 Ford F-150 truck for the Health Department, entered into on August 28, 2017 in the amount of \$34,159, payable in 60 monthly installments of \$649 including interest at a rate of 5.45% through July 28, 2022.

22,049

Lease of a Chevy Silverado truck for the Drainage Department, entered into on July 31, 2017 in the amount of \$21,173, payable in 39 monthly installments of \$543 including interest at a rate of 0.00% through Oct, 2020.

9,324

Lease of a Chevy Silverado truck for the Soil and Water Conservation Department, entered into on July 31, 2017 in the amount of \$21,173, payable in 39 monthly installments of \$543 including interest at a rate of 0.00% through Oct, 2020.

9,324

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

15,203

Total Serviced by the General Fund

\$ 111,993

Future minimum lease payments of June 30, 2019 were as follows:

Year Ending June 30	Principal	Interest
2020	\$ 53,677	\$ 5,290
2021	50,144	2,741
2022	7,526	259
2023	646	3
2024	-	-
Total	<u>\$ 111,993</u>	<u>\$ 8,293</u>

At June 30, 2019, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Vehicle	<u>\$ 223,952</u>	<u>\$ 82,938</u>	<u>\$ 141,014</u>

b. Installment Purchases

Serviced by the General Fund:

Default terms consist of requiring immediate payment of the balance due. The property stands as collateral for the loan.

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

Total Serviced by the General Fund

\$ 2,573,479

\$ 2,573,479

For Hyde County, the future installment purchase payments as of June 30, 2019, including \$1,154,407 of interest, are:

Year Ending June 30	Principal	Interest
2020	\$ 97,815	\$ 109,010
2021	101,907	104,831
2022	106,169	100,476
2023	110,610	95,938
2024	115,237	91,210
2025-2029	652,661	377,909
2030-2034	801,103	226,202
2035-2039	587,976	48,831
Total	<u>\$ 2,573,478</u>	<u>\$ 1,154,407</u>

c. General Obligation Indebtedness

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

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

\$ 1,180,630

The County's general obligation bonds payable at June 30, 2019 are comprised of the following individual issue:

Year Ending June 30	Principal	Interest
2020	\$ 122,867	\$ 32,940
2021	126,355	29,512
2022	129,244	25,986
2023	132,541	22,380
2024	133,236	18,682
2025-2029	536,387	37,454
Total	<u>\$ 1,180,630</u>	<u>\$ 166,954</u>

At June 30, 2019, Hyde County had a legal debt margin of approximately \$73,446,265. The County has no authorized but unissued bonds at June 30, 2019.

d. Revenue Bonds

\$1,420,000 Water and Sewer Bonds, series 2011, due in annual installments of \$16,000 to \$ 1,296,000  
\$74,000 in principal through June 2050, interest at 4.25%.

The County is not in compliance with the covenants as to rates, fees, rentals, and charges in Section 5.02 of the Bond Order, authorizing the issuance for the Water and Sewer Revenue Bonds, Series 2011. Section 5.02 of the Bond Order requires the debt service coverage ratio to be no less than 100% of the debt service requirement excluding revenue bonds plus 110% of the revenue bonds debt service requirement.

Operating Revenues	\$ 1,591,821	
Operating Expenses*	<u>1,532,549</u>	
Operating Income	59,272	
Nonoperating Revenues (Expenses)	<u>(21,229)</u>	
Income available for debt service	38,043	
Debt service, principal and interest paid (Revenue bond only)	\$ 75,930	
Debt service, principal and interest paid (debt excluding revenue bonds)		\$ 155,552
Debt Service Ratio	50.10%	24.46%
Requirement Percentage	110.00%	100.00%

\*Per rate covenants, this does not include depreciation expense of \$413,194

\*\*Does not include revenue bond interest paid of \$55,930

The future payments of the revenue bonds are as follows:

Year Ending June	Principal	Interest
2020	\$ 21,000	\$ 55,080
2021	22,000	54,188
2022	23,000	53,252
2023	24,000	52,275
2024	25,000	51,255
2025-2029	140,000	239,488
2030-2034	172,000	207,145
2035-2039	212,000	167,365
2040-2044	261,000	118,362
2045-2049	322,000	57,928
2050-2054	74,000	3,145
	<u>\$ 1,296,000</u>	<u>\$ 1,059,483</u>

e. Qualified School Construction Bonds

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

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

\$ 1,401,256

Year Ending June	Governmental-Type Activities	
	Principal	Interest
2020	\$ 200,179	\$ 13,032
2021	200,179	11,170
2022	200,179	9,308
2023	200,179	7,447
2024	200,179	5,585
2025-2029	400,361	5,585
	<u>\$ 1,401,256</u>	<u>\$ 52,127</u>

f. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental activities:					
Installment Purchase	\$ 2,934,265	\$ -	\$ 360,787	\$ 2,573,478	\$ 97,815
Qualified School Construction Bond	1,601,436	-	200,180	1,401,256	200,179
Capital Leases	163,269	-	51,276	111,993	-
Compensated absences	324,703	44,961	21,977	347,687	-
Net pension liability (LGERS)	988,489	446,481	-	1,434,970	-
Total pension liability (LEOSSA)	130,553	17,114	-	147,667	-
Total OPEB liability	817,735	17,009	-	834,744	-
Total	<u>\$ 6,960,450</u>	<u>\$ 525,565</u>	<u>\$ 634,220</u>	<u>\$ 6,851,795</u>	<u>\$ 297,994</u>
Business-type activities:					
General obligation debt	\$ 1,299,914	\$ -	\$ 119,284	\$ 1,180,630	\$ 122,867
Revenue bonds debt	1,316,000	-	20,000	1,296,000	21,000
Compensated absences	57,132	135	-	57,267	-
Net pension liability (LGERS)	118,194	53,386	-	171,580	-
Total OPEB liability	100,965	2,100	-	103,065	-
Total	<u>\$ 2,892,205</u>	<u>\$ 55,621</u>	<u>\$ 139,284</u>	<u>\$ 2,808,542</u>	<u>\$ 143,867</u>

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

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019, consist of the following:

From the General Fund to the Hyde County Senior Center Fund to provide resources	\$ 106,846
Total	<u>\$ 106,846</u>

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

Balances due to/from other funds at June 30, 2019, consist of the following:

From the PDM Program Fund to the General Fund for the payment of expenditures	\$ 58,249
From the Hurricane Matthew Fund to the General Fund for the payment of expenditures	40,965
From the 2015 FMA Program Fund to the General Fund for the payment of expenditures	21,982
From the 2016 FMA Program Fund to the General Fund for the payment of expenditures	32,726
From the CDBG Disaster Recovery Fund to the General Fund for the payment of expenditures	6,465
From the Hurricane Irene HMGP Fund to the General Fund for the payment of expenditures	191,363
From the CDBG Neighborhood Revitalization Fund to the General Fund for the payment of expenditures	9,440
Total	<u>\$ 361,190</u>

**D. Fund Balance**

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

Total fund balance - General Fund	\$ 5,115,444
Less:	
Stabilization by State Statute	1,060,215
Debt Service	206,825
Other Purposes	-
Register of Deeds	48,473
Tax Revaluation	114,891
Environmental Protection	231,176
Appropriated Fund Balance in 2020 budget	509,972
Remaining fund balance	<u>\$ 2,943,892</u>

**IV. Jointly Governed Organization**

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$4,863 to the Council during the fiscal year ended June 30, 2019. The County was the sub recipient of a grant for \$39,223 from the Division of Aging of the North Carolina Department of Aging and Adult Services that was passed through the Council.

**V. Summary Disclosure of Significant Contingencies**

**A. Federal and State Assisted Programs**

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**B. Employment Security Benefits**

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

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

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2019, 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.

**VII. Economic Dependence**

The County receives a substantial amount of revenue each year from the Hyde County Prison. For the year ended June 30, 2019, revenue from the Hyde County Prison represented 40% of the total Water and Sewer Fund revenues.

**VIII. Date of Management Evaluation**

Management has evaluated subsequent events through July 21, 2020, the date on which the financial statements were available to be issued.

**IX. Prior Period Adjustment**

The County had previously expensed costs associated with an EMS project that were not properly segregated into a separate capital project fund. An adjustment of \$473,673 was posted to capitalize those expenses.

## **Required Supplemental Financial Data**

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

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

Schedule of County Contributions (LGERS)

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

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEOSSA)

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

Schedule of Changes in the Total OPEB Liability and Related Ratios

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

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.06772%	0.07244%	0.07654%	0.07425%	0.07055%	0.07180%
County's proportion of the net pension liability (asset) (\$)	\$ 1,606,550	\$1,106,683	\$ 1,624,435	\$ 333,230	\$ (416,066)	\$ 865,466
County's covered payroll	\$ 4,515,135	\$4,645,928	\$ 4,658,555	\$ 4,766,419	\$ 3,992,844	\$ 3,992,844
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.58%	23.82%	34.87%	6.99%	-10.42%	21.68%
Plan fiduciary net position as a percentage of the total pension liability**	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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



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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 367,418	\$ 347,144	\$ 344,227	\$ 319,087	\$ 338,226	\$ 319,589
Contributions in relation to the contractually required contribution	367,418	347,144	344,227	319,087	338,226	319,589
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 4,635,108	\$ 4,515,135	\$ 4,645,928	\$ 4,658,555	\$ 4,766,419	\$ 3,992,844
Contributions as a percentage of covered payroll	7.93%	7.69%	7.41%	6.85%	7.10%	8.00%

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportionate share of the net pension liability (%)	0.0449%	0.0442%	0.0467%	0.0464%	0.0398%	0.0403%
County's proportionate share of the net pension liability (\$)	\$ (7,430)	\$ (8,270)	\$ (8,722)	\$ (10,764)	\$ (9,019)	\$ (9,330)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 3,982	\$ 3,824	\$ 3,689	\$ 3,421	\$ 3,492	\$ 3,492
Contributions in relation to contractually required contribution	3,982	3,824	3,689	3,421	3,492	3,492
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**Hyde County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2019\***

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning Balance	\$ 130,553	\$ 108,057	\$ 94,161
Service Cost	15,315	12,591	13,572
Interest on the total pension liability	4,125	4,171	3,362
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	4,836	(8,345)	-
Changes of assumptions or other inputs	(7,162)	14,079	(3,038)
Benefit payments	-	-	-
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 147,667</u>	<u>\$ 130,553</u>	<u>\$ 108,057</u>

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

**Hyde County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 147,667	\$ 130,553	\$ 108,057
Covered payroll	640,649	643,429	660,554
Total pension liability as a percentage of covered payroll	23.05%	20.29%	16.36%

Notes to the schedules:

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

**Hyde County, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 58,362	\$ 63,506
Interest	32,090	27,223
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,932)	(9,976)
Changes of assumptions	(32,527)	(53,250)
Benefit payments	(34,884)	(26,216)
<b>Net change in total OPEB liability</b>	<u>19,109</u>	<u>1,287</u>
<b>Total OPEB Liability, beginning</b>	<u>918,700</u>	<u>917,413</u>
<b>Total OPEB Liability, ending</b>	<u><u>\$ 937,809</u></u>	<u><u>\$ 918,700</u></u>
 <b>Covered payroll</b>	 \$ 4,266,460	 \$ 4,266,460
<b>Total OPEB liability as a percentage of covered payroll</b>	21.98%	21.53%

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2019	3.89%
2018	3.56%

## Combining and Individual Fund Statements and Schedules

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**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$ 7,253,885	\$ 7,286,822	\$ 32,937
Interest	86,550	109,571	23,021
Total	<u>7,340,435</u>	<u>7,396,393</u>	<u>55,958</u>
Local option sales tax:			
Article 39 and 44	720,000	772,968	52,968
Article 40 one - half of one percent	440,000	414,980	(25,020)
Article 42 one - half of one percent	390,000	371,846	(18,154)
Medicaid Hold Harmless Payment	120,000	5,460	(114,540)
Total	<u>1,670,000</u>	<u>1,565,254</u>	<u>(104,746)</u>
Other taxes & licenses:			
Real estate stamp excise tax	68,750	76,274	7,524
Scrap tire disposal tax	7,000	7,640	640
White goods disposal tax	1,500	1,705	205
Solid waste disposal tax	4,250	4,808	558
Local occupancy tax	175,838	65,051	(110,787)
Franchise Tax - cable tv	3,100	2,177	(923)
Beer and wine licenses	21,500	22,397	897
Total	<u>281,938</u>	<u>180,052</u>	<u>(101,886)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes-outside sources	133,250	125,550	(7,700)
Beer and wine tax	25,000	23,618	(1,382)
Total	<u>158,250</u>	<u>149,168</u>	<u>(9,082)</u>
Restricted intergovernmental:			
State Grants	1,789,773	813,179	(976,594)
Social Service Grants - federal and state	1,287,110	1,090,615	(196,495)
Other grants	2,035,937	540,285	(1,495,652)
Court facility fees	10,000	7,805	(2,195)
ABC Bottles taxes	2,000	2,252	252
Total	<u>5,124,820</u>	<u>2,454,136</u>	<u>(2,670,684)</u>
Permits and fees:			
Building Permits	25,000	13,375	(11,625)
Concealed handgun permits	3,000	3,185	185
Inspection Fees	25,085	42,698	17,613
Register of Deeds	20,500	20,920	420
Election filing fees	100	-	(100)
Sheriff Fees	11,500	9,703	(1,797)
Private well fees	2,790	140	(2,650)
Code Enforcement Penalties	1,000	713	(287)
Total	<u>88,975</u>	<u>90,734</u>	<u>1,759</u>



**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Sales and services:			
Rents, Concessions, and Fees	128,785	111,359	(17,426)
Jail Fees	16,500	1,310	(15,190)
Household Garbage Collection	5,000	10,301	5,301
Ambulance and Rescue Squad Fees	300,000	289,534	(10,466)
Airport Gas Sales	33,000	33,272	272
Total	483,285	445,776	(37,509)
Investment earnings:	50,000	62,864	12,864
Miscellaneous:			
Insurance Claims	14,000	30,771	16,771
Donations	-	350	350
Other Revenues	18,453	33,930	15,477
Total	32,453	65,051	32,598
Total revenues	15,230,156	12,409,428	(2,820,728)
<b>Expenditures:</b>			
<b>General Government:</b>			
Governing Body:			
Salaries and employee benefits	24,417	24,364	53
Other operating expenditures	8,800	5,281	3,519
Total	33,217	29,645	3,572
Administration:			
Salaries and employee benefits	226,430	164,144	62,286
Other operating expenditures	463,410	444,112	19,298
Capital outlay	80,000	97,020	(17,020)
Total	769,840	705,276	64,564
IT:			
Salaries and employee benefits	60,644	62,903	(2,259)
Other operating expenditures	48,500	33,418	15,082
Total	109,144	96,321	12,823

**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Elections:			
Salaries and employee benefits	50,865	49,565	1,300
Other operating expenditures	49,699	47,032	2,667
Capital Outlay	-	-	-
Total	100,564	96,597	3,967
Finance:			
Salaries and employee benefits	106,505	103,570	2,935
Other operating expenditures	33,600	32,264	1,336
Total	140,105	135,834	4,271
Human Resources:			
Salaries and employee benefits	58,115	57,980	135
Capital Outlay	-	-	-
Total	68,738	67,150	1,588
Taxes:			
Salaries and employee benefits	144,421	140,856	3,565
Other operating expenditures	47,500	56,708	(9,208)
Total	191,921	197,564	(5,643)
Legal:			
Contracted Services	75,000	72,129	2,871
Total	75,000	72,129	2,871
Register of Deeds:			
Salaries and employee benefits	107,563	106,312	1,251
Other operating expenditures	78,625	82,535	(3,910)
Total	186,188	188,847	(2,659)
Public Buildings:			
Salaries and employee benefits	131,698	112,995	18,703
Other operating Expenditures	266,240	263,564	2,676
Total	397,938	376,559	21,379
Court Facilities:			
Other operating expenditures	10,000	3,546	6,454
Total	10,000	3,546	6,454
<b>Total General Government</b>	<b>2,082,655</b>	<b>1,969,468</b>	<b>113,187</b>

**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Public Safety:</b>			
Sheriff:			
Salaries and employee benefits	960,237	865,598	94,639
Other operating expenditures	269,313	255,649	13,664
Total	1,229,550	1,121,247	108,303
ABC Rehabilitation:			
Other operating expenditures	2,000	2,192	(192)
Total	2,000	2,192	(192)
FEMA			
Salaries and employee benefits	-	101,175	(101,175)
Other operating expenditures	-	18,513	(18,513)
Total	-	119,688	(119,688)
Jail:			
Other operating expenditures	196,250	196,390	(140)
Total	196,250	196,390	(140)
Emergency Management:			
Salaries and employee benefits	93,041	83,238	9,803
Other operating expenditures	89,350	79,842	9,508
Total	182,391	163,080	19,311
Fire:			
Contracted Services	234,116	232,567	1,549
Inspections:			
Salaries and employee benefits	72,476	67,444	5,032
Other operating expenditures	64,800	56,898	7,902
Total	137,276	124,342	12,934
Rescue:			
Salaries and employee benefits	1,130,089	1,118,130	11,959
Other operating expenditures	482,019	486,111	(4,092)
Total	1,612,108	1,604,241	7,867
Medical Examiner:			
Other operating expenditures	3,000	8,000	(5,000)
Total	3,000	8,000	(5,000)
<b>Total Public Safety</b>	<b>3,596,691</b>	<b>3,571,747</b>	<b>24,944</b>

**Hyde County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Environmental Protection:</b>			
Solid Waste:			
Salaries and employee benefits	302,763	293,652	9,111
Other operating expenditures	708,970	696,642	12,328
Capital outlay	1,000	761	239
Total	<u>1,012,733</u>	<u>991,055</u>	<u>21,678</u>
Drainage:			
Salaries and employee benefits	59,043	58,710	333
Other operating expenditures	3,600	3,531	69
Capital outlay	2,336	1,599	737
Total	<u>64,979</u>	<u>63,840</u>	<u>1,139</u>
<b>Total Environmental Protection</b>	<u>1,077,712</u>	<u>1,054,895</u>	<u>22,817</u>
<b>Transportation:</b>			
Airport:			
Other operating expenditures	101,000	97,434	3,566
<b>Total Transportation</b>	<u>101,000</u>	<u>97,434</u>	<u>3,566</u>
<b>Economic and Physical Development:</b>			
Planning:			
Salaries and employee benefits	64,089	75,081	(10,992)
Other operating expenditures	96,900	94,851	2,049
Total	<u>160,989</u>	<u>169,932</u>	<u>(8,943)</u>
Agricultural Extension:			
Salaries and employee benefits	99,216	85,099	14,117
Other operating expenditures	40,380	33,902	6,478
Capital outlay	8,000	8,502	(502)
Total	<u>147,596</u>	<u>127,503</u>	<u>20,093</u>

**Hyde County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Swan Quarter Dike Project:			
Capital Outlay	80,000	-	80,000
Juvenile Crime Prevention:			
Salaries and employee benefits	19,377	17,779	1,598
Other operating expenditures	35,546	32,847	2,699
Total	54,923	50,626	4,297
Soil and Water Conservation:			
Salaries and employee benefits	112,042	111,686	356
Other operating expenditures	1,717,353	256,519	1,460,834
Total	1,829,395	368,205	1,461,190
Ocracoke Tram	744,838	74,464	670,374
<b>Total Economic and Physical Development</b>	<b>3,017,741</b>	<b>790,730</b>	<b>2,227,011</b>
<b>Human Services:</b>			
Health:			
Administration:			
Salaries and employee benefits	184,916	179,269	5,647
Other operating expenditures	151,093	129,376	21,717
Capital Outlay	29,050	23,876	5,174
Total	365,059	332,521	32,538
Public Management Entity:			
Salaries and employee benefits	5,885	4,747	1,138
Other operating expenditures	9,509	5,694	3,815
Total	15,394	10,441	4,953
Communicable Diseases:			
Salaries and employee benefits	25,133	24,341	792
Other operating expenditures	5,735	4,767	968
Total	30,868	29,108	1,760
Immunization:			
Salaries and employee benefits	4,145	3,931	214
Other operating expenditures	2,648	1,676	972
Total	6,793	5,607	1,186

**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Health Promotions-Risk Reduction:			
Salaries and Employee Benefits	34,770	33,566	1,204
Other Operating Expenditures	7,418	2,960	4,458
Total	42,188	36,526	5,662
Child Health-State:			
Salaries and Employee Benefits	63,615	63,130	485
Other operating expenditures	7,328	5,194	2,134
Capital Outlay	8,630	10,655	(2,025)
Total	79,573	78,979	594
Maternal Health-State:			
Salaries and Employee Benefits	50,769	50,285	484
Other operating expenditures	12,977	11,568	1,409
Capital Outlay	12,293	11,716	577
Total	76,039	73,569	2,470
Breast and Cervical Cancer:			
Salaries and Employee Benefits	3,705	3,803	(98)
Other operating expenditures	8,085	7,591	494
Total	11,790	11,394	396
Food and Lodging:			
Salaries and Employee Benefits	42,780	41,813	967
Other operating expenditures	5,284	2,916	2,368
Total	48,064	44,729	3,335
Women, Infants and children:			
Salaries and Employee Benefits	23,567	23,434	133
Other operating expenditures	3,767	2,775	992
Total	27,334	26,209	1,125
Pregnancy Care Management:			
Salaries and Employee Benefits	12,037	12,263	(226)
Other operating expenditures	1,202	363	839
Total	13,239	12,626	613

**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Environmental Health:			
Salaries and Employee Benefits	29,144	29,135	9
Other operating expenditures	32,213	29,191	3,022
Total	61,357	58,326	3,031
Adult Health:			
Salaries and Employee Benefits	83,423	83,399	24
Other operating expenditures	35,300	32,128	3,172
Total	118,723	115,527	3,196
Family Planning - State:			
Salaries and Employee Benefits	112,685	111,762	923
Other operating expenditures	27,079	22,681	4,398
Total	139,764	134,443	5,321
Child Service Coordinator - State:			
Salaries and Employee Benefits	12,637	12,876	(239)
Other operating expenditures	538	230	308
Total	13,175	13,106	69
Mental Health - Navigator			
Salaries and employee benefits	111,769	33,364	78,405
Other operating expenditures	63,622	41,153	22,469
Capital outlay	6,000	3,985	2,015
Total	181,391	78,502	102,889
KBR Interpreter:			
Salaries and employee benefits	56,950	59,830	(2,880)
Other operating expenditures	7,640	1,502	6,138
Capital outlay	200	-	200
Total	64,790	61,332	3,458
Mental Health:			
Other operating expenditures	10,915	10,914	1
Total	10,915	10,914	1

**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Social Services:			
Medical Assistance Program:			
Salaries and Employee Benefits	793,169	691,569	101,600
Other operating expenditures	298,161	210,879	87,282
Total	1,091,330	902,448	188,882
SBA Home Loans/Grants:			
Transportation	4,777	4,770	7
In-Home Chore	44,443	38,715	5,728
Total	49,220	43,485	5,735
CAPS - Medicaid:			
Salaries and Employee Benefits	12,791	10,376	2,415
Other operating expenditures	17,500	7,250	10,250
Total	30,291	17,626	12,665
Public Assistance:			
Special Assistance	60,000	39,698	20,302
Medical Assistance	12,500	6,898	5,602
Total	72,500	46,596	25,904
Day Care:			
Salaries and Employee Benefits	58,168	58,285	(117)
Other operating expenditures	21,832	-	21,832
Total	80,000	58,285	21,715
Mattamuskeet Opportunities:			
Salaries and Employee Benefits	81,321	61,939	19,382
Other operating expenditures	56,570	51,206	5,364
Total	137,891	113,145	24,746
Primary Care Telemedicine:			
Salaries and Employee Benefits	99,630	73,686	25,944
Other operating expenditures	50,370	3,494	46,876
Total	150,000	77,180	72,820
Triple P Program:			
Other operating expenditures	-	41	(41)
Total	-	41	(41)



**Hyde County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Family Connects:			
Salaries and Employee Benefits	-	41	(41)
Other operating expenditures	-	41	(41)
Total	-	82	(82)
Vidant Health Promotion:			
Salaries and Employee Benefits	11,624	11,388	236
Other operating expenditures	7,474	3,430	4,044
Total	19,098	14,818	4,280
PH Famers Market:			
Other operating expenditures	1,001	-	1,001
Total	1,001	-	1,001
Services:			
SSBG In-Home Chore	24,543	19,259	5,284
SSBG Blind	3,000	1,922	1,078
SSBG Transportation	400	281	119
SSBG Legal Services	15,000	12,688	2,312
Crisis Intervention	33,645	32,494	1,151
Medicaid transportation	72,000	68,109	3,891
State Foster Care	16,480	18,496	(2,016)
IV-A adoption assistance	2,731	-	2,731
IV-E Foster Care	90,710	97,876	(7,166)
General assistance	3,000	969	2,031
Personal Care equipment	1,000	-	1,000
200% of poverty	5,000	-	5,000
AFDC emergency assistance	5,000	300	4,700
Hyde County Transit	16,000	9,729	6,271
LIEAP	48,696	43,900	4,796
Other operating expenditures	19,400	10,140	9,260
Total	356,605	316,163	40,442

**Hyde County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Bioterrorism:</b>			
Salaries and Employee Benefits	29,793	28,076	1,717
Other operating expenditures	10,402	10,324	78
Total	40,195	38,400	1,795
<b>Elderly Nutrition:</b>			
Other operating expenditures	51,423	39,223	12,200
Total	51,423	39,223	12,200
<b>Transportation:</b>			
Elderly and Disabled	81,285	90,117	(8,832)
Work first transportation	5,505	-	5,505
Other	-	11,536	(11,536)
Total	86,790	101,653	(14,863)
<b>Veteran's Services:</b>			
Salaries and Employee Benefits	9,080	5,728	3,352
Other operating expenditures	1,400	171	1,229
Total	10,480	5,899	4,581
<b>Private Well Services:</b>			
Salaries and Employee Benefits	2,149	1,672	477
Other operating expenditures	641	570	71
Total	2,790	2,242	548
<b>Total Human Services</b>	<b>3,486,070</b>	<b>2,911,145</b>	<b>574,925</b>
<b>Cultural and Recreation:</b>			
Cultural Contributions	52,000	51,000	1,000
Total	52,000	51,000	1,000
<b>Education:</b>			
Public schools - current	1,669,458	1,669,458	-
Public schools - capital outlay	410,000	365,911	44,089
Total	2,079,458	2,035,369	44,089
<b>Debt service:</b>			
Installment debt principal	151,367	147,102	4,264
QSCB bond principal	200,180	200,179	0
QZAB bond principal	55,965	55,965	-
Interest and Fees	135,606	135,606	-
Total debt service	543,117	538,853	4,264

**Hyde County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Total expenditures	16,036,445	13,020,642	3,015,803
<b>Revenue over (under) expenditures</b>	<b>(806,289)</b>	<b>(611,214)</b>	<b>195,075</b>
<b>Other financing sources (uses):</b>			
Transfers from other funds:			
Water Sewer Fund	248,163	-	(248,163)
Transfers to other funds:			
Revaluation Fund	(10,000)	(10,000)	-
Special Revenue Funds	(106,846)	(106,846)	-
Sale and Lease of Assets	165,000	9,241	(155,759)
<b>Total other financing sources (uses)</b>	<b>296,317</b>	<b>(107,605)</b>	<b>(403,922)</b>
Appropriated Fund Balance	509,972	-	(509,972)
Net change in fund balance	<u>\$ -</u>	<u>(718,819)</u>	<u>\$ (718,819)</u>
Fund balance, beginning		5,488,196	
Fund balance, ending		<u>\$ 4,769,377</u>	

**Hyde County  
Revaluation Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 500	\$ 1,819	\$ 1,319
Total Revenues	<u>500</u>	<u>1,819</u>	<u>1,319</u>
<b>Expenditures:</b>			
Contract Services	10,500	-	10,500
Total Expenditures	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>1,819</u>	<u>11,819</u>
<b>Other financing sources (uses):</b>			
Transfer from (to) General Fund	10,000	10,000	-
Total Other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u>11,819</u>	<u><u>\$ 11,819</u></u>
Fund balance, beginning		<u>103,072</u>	
Fund balance, ending		<u><u>\$ 114,891</u></u>	

**Hyde County**  
**Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 5,000	\$ 2,644	\$ (2,356)
Total Revenues	<u>5,000</u>	<u>2,644</u>	<u>(2,356)</u>
<b>Expenditures:</b>			
Contract Services	5,000	-	5,000
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,644</u>	<u>2,644</u>
<b>Other financing sources (uses):</b>			
Transfer to General Fund	-	-	-
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u><u>2,644</u></u>	<u><u>\$ 2,644</u></u>
Fund balance, beginning		<u>228,532</u>	
Fund balance, ending		<u><u>\$ 231,176</u></u>	

**Hyde County  
Revolving Loan Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted Intergovernmental			
Loan Reimbursements	\$ -	\$ 154,571	\$ 154,571
Investment Earnings	-	39,234	39,234
Total revenues	-	193,805	193,805
<b>Expenditures</b>			
Economic and Physical Development			
Industrial Assistance	-	167,028	(167,028)
Total Expenditures	-	167,028	(167,028)
<b>Revenues Over (Under) Expenditures</b>	-	26,777	26,777
<b>Other Financing Sources (Uses)</b>			
Transfers to General Fund	-	-	-
Total other financing sources	-	-	-
<b>Net change in fund balance</b>	\$ -	26,777	\$ 26,777
<b>Reconciling Items:</b>			
Debt payments are reclassified against accounts receivable balance		(154,571)	
Amounts recorded as expenditures are recorded on the balance sheet as a receivable		167,000	
Total Reconciling Items		12,429	
Current year change in fund balance		39,206	
Fund balance, beginning		1,372,462	
Fund balance, ending		\$ 1,411,668	

## NON-MAJOR GOVERNMENTAL FUNDS

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

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**Hyde County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Special Revenue Funds	Capital Project Funds	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,181,084	\$ 34,584	\$ 1,215,668
Accounts receivable, net	1,194	-	1,194
Taxes receivable, net	3,379	-	3,379
Due from other funds	9,854	-	9,854
Total assets	<u>\$ 1,195,511</u>	<u>\$ 34,584</u>	<u>\$ 1,230,095</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 50,492	\$ -	\$ 50,492
Due to other funds	361,190	-	361,190
Total liabilities	<u>411,682</u>	<u>-</u>	<u>411,682</u>
<b>Deferred inflows of resources:</b>			
Taxes receivable	3,379	-	3,379
Total deferred inflows of resources	<u>3,379</u>	<u>-</u>	<u>3,379</u>
<b>Fund Balances:</b>			
Restricted:			
Reserved by State Statute	11,048	-	11,048
Economic and physical development	759,802	-	759,802
Capital Outlay	-	34,584	34,584
Other Purposes	208,360	-	208,360
Committed:			
Public Safety	49,761	-	49,761
Environmental Protection	27,035	-	27,035
Cultural and Recreation	35,341	-	35,341
Unassigned	(310,897)	-	(310,897)
Total fund balances	<u>780,450</u>	<u>34,584</u>	<u>815,034</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,195,511</u>	<u>\$ 34,584</u>	<u>\$ 1,230,095</u>



**Hyde County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds	Capital Project Funds	Total
<b>Revenues:</b>			
Ad valorem taxes	\$ 61,411	\$ -	\$ 61,411
Other taxes and licenses	489,186	-	489,186
Restricted intergovernmental	370,873	16,708	387,581
Sales and Services	43,986	-	43,986
Investment earnings	15,972	-	15,972
Miscellaneous	3,060	14,193	17,253
Total revenues	<u>984,488</u>	<u>30,901</u>	<u>1,015,389</u>
<b>Expenditures:</b>			
Current:			
General government	118,335	-	118,335
Public safety	212,461	-	212,461
Economic and physical development	767,337	-	767,337
Environmental Protection	531,871	-	531,871
Cultural and Recreation	61,631	-	61,631
Capital Outlay	-	11,638	11,638
Total expenditures	<u>1,691,635</u>	<u>11,638</u>	<u>1,703,273</u>
Excess (deficiency) of revenues over expenditures	<u>(707,147)</u>	<u>19,263</u>	<u>(687,884)</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	106,846	-	106,846
Total other financing sources (uses)	<u>106,846</u>	<u>-</u>	<u>106,846</u>
<b>Net change in fund balances</b>	(600,301)	19,263	(581,038)
Fund balances, beginning	<u>1,380,751</u>	<u>15,321</u>	<u>1,396,072</u>
Fund balances, ending	<u>\$ 780,450</u>	<u>\$ 34,584</u>	<u>\$ 815,034</u>

**Hyde County**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2019**

	Ocracoke Occupancy Tax Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center	Swan Quarter Water Shed District
<b>Assets:</b>								
Cash and cash equivalents	\$ 604,117	\$ 1,227	\$ 83,610	\$ 11,704	\$ 44,717	\$ 49,761	\$ 3,497	\$ 113,693
Accounts receivable, net	-	-	-	-	-	-	1,194	-
Taxes Receivable, net	-	-	965	-	-	-	-	2,414
Other Receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 604,117</u>	<u>\$ 1,227</u>	<u>\$ 84,575</u>	<u>\$ 11,704</u>	<u>\$ 44,717</u>	<u>\$ 49,761</u>	<u>\$ 4,691</u>	<u>\$ 116,107</u>
<b>Liabilities and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 27,789	\$ 1,339	\$ 605	\$ 42	\$ 9,376	\$ -	\$ 6,186	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>27,789</u>	<u>1,339</u>	<u>605</u>	<u>42</u>	<u>9,376</u>	<u>-</u>	<u>6,186</u>	<u>-</u>
<b>Deferred inflows of resources:</b>								
Taxes receivable	-	-	965	-	-	-	-	2,414
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,414</u>
<b>Fund Balances:</b>								
<b>Restricted:</b>								
Reserved by State Statute	-	-	-	-	-	-	1,194	-
Economic and physical development	576,328	-	-	-	-	-	-	-
Other Purposes	-	-	83,005	11,662	-	-	-	113,693
<b>Committed:</b>								
Public Safety	-	-	-	-	-	49,761	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	35,341	-	-	-
<b>Assigned:</b>								
Subsequent year's expenditures	-	-	-	-	-	-	-	-
Unassigned	-	(112)	-	-	-	-	(2,689)	-
Total fund balances	<u>576,328</u>	<u>(112)</u>	<u>83,005</u>	<u>11,662</u>	<u>35,341</u>	<u>49,761</u>	<u>(1,495)</u>	<u>113,693</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 604,117</u>	<u>\$ 1,227</u>	<u>\$ 84,575</u>	<u>\$ 11,704</u>	<u>\$ 44,717</u>	<u>\$ 49,761</u>	<u>\$ 4,691</u>	<u>\$ 116,107</u>

**Hyde County**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2019**

	PDM Program Fund	Hurricane Matthew Fund	2015 FMA Program	2016 FMA Program	CDBG Disaster Recovery	Hurricane Irene HMGP	2016 FMA Program 002	CDBG Neighbor-hood Revitalization	Total Non- major Special Revenue Funds
<b>Assets:</b>									
Cash and cash equivalents	\$241,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,035	\$ -	\$ 1,181,084
Accounts receivable, net	-	-	-	-	-	-	-	-	1,194
Taxes Receivable, net	-	-	-	-	-	-	-	-	3,379
Other Receivables	-	-	-	-	-	-	-	-	-
Due from other funds	9,854	-	-	-	-	-	-	-	9,854
Due from other governments	-	-	-	-	-	-	-	-	-
Total assets	<u>\$251,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,035</u>	<u>\$ -</u>	<u>\$ 1,195,511</u>
<b>Liabilities and Fund Balances:</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,155	\$ 50,492
Due to other funds	58,249	40,965	21,982	32,726	6,465	191,363	-	9,440	361,190
Total liabilities	<u>58,249</u>	<u>40,965</u>	<u>21,982</u>	<u>32,726</u>	<u>6,465</u>	<u>191,363</u>	<u>-</u>	<u>14,595</u>	<u>411,682</u>
<b>Deferred inflows of resources:</b>									
Taxes receivable	-	-	-	-	-	-	-	-	3,379
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,379</u>
<b>Fund Balances:</b>									
<b>Restricted:</b>									
Reserved by State Statute	9,854	-	-	-	-	-	-	-	11,048
Economic and physical development	183,474	-	-	-	-	-	-	-	759,802
Other Purposes	-	-	-	-	-	-	-	-	208,360
<b>Committed:</b>									
Public Safety	-	-	-	-	-	-	-	-	49,761
Environmental Protection	-	-	-	-	-	-	27,035	-	27,035
Economic and physical development	-	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-	-	35,341
<b>Assigned:</b>									
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-
Unassigned	-	(40,965)	(21,982)	(32,726)	(6,465)	(191,363)	-	(14,595)	(310,897)
Total fund balances	<u>193,328</u>	<u>(40,965)</u>	<u>(21,982)</u>	<u>(32,726)</u>	<u>(6,465)</u>	<u>(191,363)</u>	<u>27,035</u>	<u>(14,595)</u>	<u>780,450</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$251,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,035</u>	<u>\$ -</u>	<u>\$ 1,195,511</u>

**Hyde County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

	Ocracoke Occupancy Tax Fund	Hydeland Home Health	West Quarter District	Mainland Occupancy Tax	4-H	E-911	Hyde County Senior Center	Swan Quarter Water Shed District
<b>Revenues:</b>								
Ad valorem taxes	\$ -	\$ -	\$ 34,973	\$ -	\$ -	\$ -	\$ -	\$ 26,438
Other taxes and licenses	481,515	-	-	7,671	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	12,221	-
Sales and Services	-	(186)	-	-	43,737	-	435	-
Investment earnings	13,724	-	281	-	-	1,967	-	-
Miscellaneous	1,670	-	-	-	-	-	1,390	-
Total revenues	<u>496,909</u>	<u>(186)</u>	<u>35,254</u>	<u>7,671</u>	<u>43,737</u>	<u>1,967</u>	<u>14,046</u>	<u>26,438</u>
<b>Expenditures:</b>								
Current:								
General government	-	19	37,283	-	-	-	81,033	-
Public safety	-	-	-	-	-	212,461	-	-
Economic and physical development	748,319	-	-	3,016	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	15,178
Cultural and Recreation	-	-	-	-	23,088	-	38,543	-
Education	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>748,319</u>	<u>19</u>	<u>37,283</u>	<u>3,016</u>	<u>23,088</u>	<u>212,461</u>	<u>119,576</u>	<u>15,178</u>
Excess (deficiency) of revenues over expenditures	<u>(251,410)</u>	<u>(205)</u>	<u>(2,029)</u>	<u>4,655</u>	<u>20,649</u>	<u>(210,494)</u>	<u>(105,530)</u>	<u>11,260</u>
<b>Other financing sources (uses):</b>								
Transfers from other funds	-	-	-	-	-	-	106,846	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,846</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(251,410)</u>	<u>(205)</u>	<u>(2,029)</u>	<u>4,655</u>	<u>20,649</u>	<u>(210,494)</u>	<u>1,316</u>	<u>11,260</u>
Fund balances, beginning	<u>827,738</u>	<u>93</u>	<u>85,034</u>	<u>7,007</u>	<u>14,692</u>	<u>260,255</u>	<u>(2,811)</u>	<u>102,433</u>
Fund balances, ending	<u>\$ 576,328</u>	<u>\$ (112)</u>	<u>\$ 83,005</u>	<u>\$ 11,662</u>	<u>\$ 35,341</u>	<u>\$ 49,761</u>	<u>\$ (1,495)</u>	<u>\$ 113,693</u>

**Hyde County**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

	PDM Program Fund	Hurricane Matthew Fund	2015 FMA Program	2016 FMA Program	CDBG Disaster Recovery	Hurricane Irene HMGP	2016 FMA Program 002	CDBG Neighborhood Revitalization	Total Non-major Special Revenue Funds
<b>Revenues:</b>									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,411
Other taxes and licenses	-	-	-	-	-	-	-	-	489,186
Restricted intergovernmental	-	-	-	137,876	-	-	220,776	-	370,873
Sales and Services	-	-	-	-	-	-	-	-	43,986
Investment earnings	-	-	-	-	-	-	-	-	15,972
Miscellaneous	-	-	-	-	-	-	-	-	3,060
Total revenues	-	-	-	137,876	-	-	220,776	-	984,488
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	-	-	-	-	118,335
Public safety	-	-	-	-	-	-	-	-	212,461
Economic and physical development	-	-	-	-	1,407	-	-	14,595	767,337
Environmental Protection	-	-	10,090	145,437	-	179,077	182,089	-	531,871
Cultural and Recreation	-	-	-	-	-	-	-	-	61,631
Education	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	10,090	145,437	1,407	179,077	182,089	14,595	1,691,635
Excess (deficiency) of revenues over expenditures	-	-	(10,090)	(7,561)	(1,407)	(179,077)	38,687	(14,595)	(707,147)
<b>Other financing sources (uses):</b>									
Transfers from other funds	-	-	-	-	-	-	-	-	106,846
Transfers to other funds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	106,846
<b>Net change in fund balances</b>	-	-	(10,090)	(7,561)	(1,407)	(179,077)	38,687	(14,595)	(600,301)
Fund balances, beginning	193,328	(40,965)	(11,892)	(25,165)	(5,058)	(12,286)	(11,652)	-	1,380,751
Fund balances, ending	\$ 193,328	\$ (40,965)	\$ (21,982)	\$ (32,726)	\$ (6,465)	\$ (191,363)	\$ 27,035	\$ (14,595)	\$ 780,450

**Hyde County, North Carolina**  
**Ocracoke Occupancy Tax Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Other Taxes and Licenses:			
Occupancy tax	\$ 971,335	\$ 481,515	\$ (489,820)
Investment Earnings	3,500	13,724	10,224
Sales and Services:			
Rent Income	-	1,670	1,670
Total revenues	<u>974,835</u>	<u>496,909</u>	<u>(477,926)</u>
<b>Expenditures</b>			
Economic and Physical Development:	974,835	748,319	226,516
Total expenditures	<u>974,835</u>	<u>748,319</u>	<u>226,516</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(251,410)</u>	<u>(251,410)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	-	-	-
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(251,410)</u>	<u>\$ (251,410)</u>
Fund balance, beginning		<u>827,738</u>	
Fund balance, ending		<u>\$ 576,328</u>	

**Hyde County**  
**Hydeland Home Health Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Sales and Services:			
Fees	\$ -	\$ (186)	\$ (186)
Total revenues	-	(186)	(186)
<b>Expenditures</b>			
Other Expenses	-	19	(19)
Total Expenditures	-	19	(19)
<b>Revenues Over (Under) Expenditures)</b>	-	(205)	(205)
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Total other financing sources	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	(205)	<u>\$ (205)</u>
Fund balance, beginning		93	
Fund balance, ending		<u>\$ (112)</u>	

**Hyde County  
West Quarter District Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 45,140	\$ 34,973	\$ (10,167)
Investment Earnings	150	281	131
Total revenues	<u>45,290</u>	<u>35,254</u>	<u>(10,036)</u>
<b>Expenditures:</b>			
General Government	45,290	37,283	8,007
Total expenditures	<u>45,290</u>	<u>37,283</u>	<u>8,007</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(2,029)</u>	<u>(2,029)</u>
<b>Other financing sources (uses):</b>			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(2,029)</u>	<u>\$ (2,029)</u>
 Fund balance, beginning		85,034	
Beginning of year, total		<u>\$ 83,005</u>	



**Hyde County**  
**Mainland Occupancy Tax Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Other taxes and licenses:			
Occupancy taxes	\$ 8,000	\$ 7,671	\$ (329)
Total revenues	<u>8,000</u>	<u>7,671</u>	<u>(329)</u>
<b>Expenditures:</b>			
Economic and Physical Development	8,000	3,016	4,984
Total expenditures	<u>8,000</u>	<u>3,016</u>	<u>4,984</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>4,655</u>	<u>4,655</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u>4,655</u>	<u><u>\$ 4,655</u></u>
 Fund balance, beginning		<u>7,007</u>	
Beginning of year, total		<u><u>\$ 11,662</u></u>	

**Hyde County**  
**4-H Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Sales and Services:			
Fees	\$ 22,780	\$ 43,737	\$ 20,957
Total revenues	<u>22,780</u>	<u>43,737</u>	<u>20,957</u>
<b>Expenditures:</b>			
Cultural and Recreation	22,780	23,088	(308)
Total expenditures	<u>22,780</u>	<u>23,088</u>	<u>(308)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>20,649</u>	<u>20,649</u>
<b>Other financing sources (uses):</b>			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u>20,649</u>	<u><u>\$ 20,649</u></u>
 Fund balance, beginning		<u>14,692</u>	
Beginning of year, total		<u><u>\$ 35,341</u></u>	

**Hyde County**  
**E-911 Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Sales and Services:			
E-911 and wireless charges	\$ -	\$ -	\$ -
Investment Earnings	-	1,967	1,967
Total revenues	-	1,967	1,967
<b>Expenditures:</b>			
Public Safety	-	212,461	(212,461)
Total expenditures	-	212,461	(212,461)
<b>Revenues over (under) expenditures</b>	-	(210,494)	(210,494)
<b>Other financing sources (uses):</b>			
Transfer from (to) General Fund	-	-	-
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	(210,494)	<u>\$ (210,494)</u>
 Fund balance, beginning		<u>260,255</u>	
Beginning of year, total		<u>\$ 49,761</u>	

**Hyde County**  
**Hyde County Senior Center Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted Intergovernmental:			
Federal and State Grants	\$ 15,000	\$ 12,221	\$ (2,779)
Sales and Services:			
Rent Income	400	435	35
Miscellaneous:			
Fundraisers	1,000	1,390	390
Total revenues	<u>16,400</u>	<u>14,046</u>	<u>(2,354)</u>
<b>Expenditures</b>			
Administration	81,246	81,033	213
Cultural and Recreation	42,000	38,543	3,457
Total Expenditures	<u>123,246</u>	<u>119,576</u>	<u>3,670</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(106,846)</u>	<u>(105,530)</u>	<u>1,316</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	106,846	106,846	-
Total other financing sources	<u>106,846</u>	<u>106,846</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	1,316	<u><u>\$ 1,316</u></u>
Fund balance, beginning		<u>(2,811)</u>	
Fund balance, ending		<u><u>\$ (1,495)</u></u>	

**Hyde County**  
**Swan Quarter Water Shed District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad Valorem taxes	\$ 22,250	\$ 26,438	\$ 4,188
Total revenues	<u>22,250</u>	<u>26,438</u>	<u>4,188</u>
<b>Expenditures</b>			
Environmental Protection	22,250	15,178	7,072
Total Expenditures	<u>22,250</u>	<u>15,178</u>	<u>7,072</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	11,260	<u>\$ 11,260</u>
Fund balance, beginning		<u>102,433</u>	
Fund balance, ending		<u>\$ 113,693</u>	

**Hyde County**  
**PDM Program Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

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

**Hyde County**  
**Hurricane Matthew Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
FEMA Grant	\$ -	\$ -	\$ -	\$ -	\$ -
NC Emergency Management	-	-	-	-	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Environmental Protection	-	-	-	-	-
Total expenditures	-	-	-	-	-
<b>Revenues Over (Under) Expenditures</b>	-	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			(40,965)		
Fund balance, ending			<u>\$ (40,965)</u>		

**Hyde County**  
**2015 FMA Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
FMA Grant	\$ 204,243	\$ -	\$ -	\$ -	\$ (204,243)
Contributions	22,694	-	-	-	(22,694)
Total revenues	<u>226,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,937)</u>
<b>Expenditures:</b>					
Environmental Protection	226,937	11,892	10,090	21,982	204,955
Total expenditures	<u>226,937</u>	<u>11,892</u>	<u>10,090</u>	<u>21,982</u>	<u>204,955</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(11,892)</u>	<u>(10,090)</u>	<u>(21,982)</u>	<u>(21,982)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (11,892)</u>	<u>(10,090)</u>	<u>\$ (21,982)</u>	<u>\$ (21,982)</u>
Fund balance, beginning			<u>(11,892)</u>		
Fund balance, ending			<u>\$ (21,982)</u>		



**Hyde County**  
**2016 FMA Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
FMA Grant	\$ 138,002	\$ -	\$ 137,876	\$ 137,876	\$ (126)
Total revenues	<u>138,002</u>	<u>-</u>	<u>137,876</u>	<u>137,876</u>	<u>(126)</u>
<b>Expenditures:</b>					
Environmental Protection	138,002	25,165	145,437	170,602	(32,600)
Total expenditures	<u>138,002</u>	<u>25,165</u>	<u>145,437</u>	<u>170,602</u>	<u>(32,600)</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(25,165)</u>	<u>(7,561)</u>	<u>(32,726)</u>	<u>(32,726)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (25,165)</u>	<u>(7,561)</u>	<u>\$ (32,726)</u>	<u>\$ (32,726)</u>
Fund balance, beginning			<u>(25,165)</u>		
Fund balance, ending			<u>\$ (32,726)</u>		

**Hyde County**  
**CDBG Disaster Recovery**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
CDBG Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
<b>Expenditures:</b>					
Economic and Physical Development	500,000	5,058	1,407	6,465	493,535
Total expenditures	<u>500,000</u>	<u>5,058</u>	<u>1,407</u>	<u>6,465</u>	<u>493,535</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(5,058)</u>	<u>(1,407)</u>	<u>(6,465)</u>	<u>(6,465)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (5,058)</u>	<u>(1,407)</u>	<u>\$ (6,465)</u>	<u>\$ (6,465)</u>
Fund balance, beginning			<u>(5,058)</u>		
Fund balance, ending			<u>\$ (6,465)</u>		

**Hyde County**  
**Hurricane Irene HMGP**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
HMGP Grant	\$ 1,228,280	\$ -	\$ -	\$ -	\$(1,228,280)
Total revenues	<u>1,228,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,228,280)</u>
<b>Expenditures:</b>					
Environmental Protection	1,228,280	12,286	179,077	191,363	1,036,917
Total expenditures	<u>1,228,280</u>	<u>12,286</u>	<u>179,077</u>	<u>191,363</u>	<u>1,036,917</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(12,286)</u>	<u>(179,077)</u>	<u>(191,363)</u>	<u>(191,363)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Fund balance appropriated	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (12,286)</u>	<u>(179,077)</u>	<u>\$ (191,363)</u>	<u>\$ (191,363)</u>
Fund balance, beginning			<u>(12,286)</u>		
Fund balance, ending			<u>\$ (191,363)</u>		

**Hyde County**  
**2016 FMA Program 002**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
FMA Grant	\$ 275,646	\$ -	\$ 220,776	\$ 220,776	\$ (54,870)
Total revenues	<u>275,646</u>	<u>-</u>	<u>220,776</u>	<u>220,776</u>	<u>(54,870)</u>
<b>Expenditures:</b>					
Environmental Protection	275,646	11,652	182,089	193,741	81,905
Total expenditures	<u>275,646</u>	<u>11,652</u>	<u>182,089</u>	<u>193,741</u>	<u>81,905</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(11,652)</u>	<u>38,687</u>	<u>27,035</u>	<u>27,035</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (11,652)</u>	<u>38,687</u>	<u>\$ 27,035</u>	<u>\$ 27,035</u>
Fund balance, beginning			<u>(11,652)</u>		
Fund balance, ending			<u>\$ 27,035</u>		

**Hyde County**  
**CDBG Neighborhood Revitalization (CDBG-NR) Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
FMA Grant	\$ 750,000	\$ -	\$ -	\$ -	\$ (750,000)
Total revenues	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>
<b>Expenditures:</b>					
Economic and Physical Development	750,000	-	14,595	14,595	735,405
Total expenditures	<u>750,000</u>	<u>-</u>	<u>14,595</u>	<u>14,595</u>	<u>735,405</u>
<b>Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(14,595)</u>	<u>(14,595)</u>	<u>(14,595)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(14,595)</u>	<u>\$ (14,595)</u>	<u>\$ (14,595)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (14,595)</u>		

## CAPITAL PROJECT FUNDS

**Hyde County  
Combining Balance Sheet  
Non-Major Capital Project Funds  
June 30, 2019**

	Capital Project Funds	
	Airport Grant Fund	Total Non-major Capital Project Funds
Assets:		
Cash and cash equivalents	\$ 34,584	\$ 34,584
Accounts receivable, net	-	-
Due from other funds	-	-
Due from other governments	-	-
Total assets	<u>\$ 34,584</u>	<u>\$ 34,584</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
Due to other funds	-	-
Total liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Restricted:		
Capital outlay	34,584	34,584
Unassigned	-	-
Total fund balances	<u>34,584</u>	<u>34,584</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,584</u>	<u>\$ 34,584</u>

**Hyde County**  
**Non-Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**June 30, 2019**

	Capital Project Funds	
	Airport Grant Fund	Total Non-major Capital Project Funds
<b>Revenues:</b>		
Restricted Intergovernmental	\$ 16,708	\$ 16,708
Miscellaneous	14,193	14,193
Total revenues	<u>30,901</u>	<u>30,901</u>
<b>Expenditures:</b>		
Current:		
Capital Outlay	11,638	11,638
Total expenditures	<u>11,638</u>	<u>11,638</u>
Excess (deficiency) of revenues over expenditures	<u>19,263</u>	<u>19,263</u>
<b>Other financing sources (uses):</b>		
Transfers from other funds	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	19,263	19,263
Fund balances, beginning	<u>15,321</u>	<u>15,321</u>
Fund balances, ending	<u><u>\$ 34,584</u></u>	<u><u>\$ 34,584</u></u>



**Hyde County, North Carolina**  
**Airport Grant Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental - State Grant	\$ 144,000	\$ 295,659	\$ 16,708	\$ 312,367	\$ 168,367
Miscellaneous - Local Match	16,000	135,355	14,193	149,548	133,548
Total revenues	<u>160,000</u>	<u>431,014</u>	<u>30,901</u>	<u>461,915</u>	<u>301,915</u>
<b>Expenditures:</b>					
Capital Outlay:					
Airport Improvements	160,000	415,693	11,638	427,331	(267,331)
Total expenditures	<u>160,000</u>	<u>415,693</u>	<u>11,638</u>	<u>427,331</u>	<u>(267,331)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,321</u>	19,263	<u>\$ 34,584</u>	<u>\$ 34,584</u>
Fund balance, beginning			<u>15,321</u>		
Fund balance, ending			<u>\$ 34,584</u>		

## ENTERPRISE FUNDS

**Hyde County, North Carolina**  
**Water and Sewer Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for Services:			
Water sales	\$ 1,263,000	\$ 1,164,412	\$ (98,588)
Sewer charges	300,000	286,928	(13,072)
Penalties and Interest	18,000	24,151	6,151
Meter Installations	10,000	15,407	5,407
Other operating revenues	5,000	100,924	95,924
Total operating revenues	<u>1,596,000</u>	<u>1,591,822</u>	<u>(6,921)</u>
Nonoperating revenues:			
Interest Earnings	4,000	13,026	9,026
Total nonoperating revenues	<u>4,000</u>	<u>13,026</u>	<u>9,026</u>
Total revenues	<u>1,600,000</u>	<u>1,604,848</u>	<u>2,105</u>
<b>Expenditures:</b>			
Water distribution and Sewage Collection:			
Salaries and employee benefits	732,007	685,467	46,540
Other operating expenditures	766,852	827,307	(60,455)
Computer support	5,000	4,157	843
Total water distribution and sewage collection	<u>1,503,859</u>	<u>1,516,931</u>	<u>(13,072)</u>
Debt Service:			
Interest and Other Charges	92,192	92,197	(5)
Debt Principal	139,284	139,284	-
Total debt service	<u>231,476</u>	<u>231,481</u>	<u>(5)</u>
Capital outlay	56,957	28,660	28,297
Total expenditures	<u>1,792,292</u>	<u>1,777,072</u>	<u>15,220</u>
Revenues over (under) expenditures	<u>(192,292)</u>	<u>(172,224)</u>	<u>17,325</u>
Other financing sources (uses):			
Transfer from (to) other funds			
USDA Reserve	(7,400)	-	7,400
Fund Balance Appropriated	(200,000)	-	200,000
Total other financing sources (uses)	<u>(207,400)</u>	<u>-</u>	<u>207,400</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ (399,692)</u>	<u>(172,224)</u>	<u>\$ 224,725</u>

**Hyde County, North Carolina**  
**Water and Sewer Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other financing sources (uses)			
over (under) expenditures		(172,224)	
Reconciling items:			
Capital Outlay		28,660	
Depreciation		(413,195)	
Principal retirement		139,284	
Increase (decrease) in deferred outflows of resources			
- pensions		42,924	
Increase (decrease) in deferred outflows of resources			
- OPEB		(1,131)	
(Increase) Decrease in deferred inflows of resources -			
pensions		603	
(Increase) Decrease in deferred inflows of resources -			
OPEB		(2,394)	
(Increase) decrease in net pension liability		(53,386)	
(Increase) decrease in OPEB liability		(2,100)	
(Increase) decrease in accrued interest		2,012	
(Increase) decrease in accrued compensated			
absences		(135)	
Change in net position		<u>\$ (431,081)</u>	

## AGENCY FUNDS

**Hyde County  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
June 30, 2019**

	Beginning Balance June 30, 2018	Additions	Deductions	Ending Balance June 30, 2019
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 4,702	\$ 9,096	\$ 12,344	\$ 1,454
Liabilities:				
Miscellaneous Liabilities	\$ 4,702	\$ 9,096	\$ 12,344	\$ 1,454
<b>Ocracoke Special Mosquito Control Fund</b>				
Assets:				
Cash and cash equivalents	\$ 39,777	\$ 39,754	\$ 39,841	\$ 39,690
Receivables	1,455	1,847	1,455	1,847
Total Assets:	\$ 41,232	\$ 41,601	\$ 41,296	\$ 41,537
Liabilities:				
Miscellaneous Liabilities	\$ 40,019	\$ 39,754	\$ 40,019	\$ 39,754
Deferred Revenues	1,213	1,847	1,213	1,847
	\$ 41,232	\$ 41,601	\$ 41,232	\$ 41,601
<b>Fines and Forfeitures</b>				
Assets:				
Cash and cash equivalents	\$ 2,232	\$ 36,352	\$ 22,008	\$ 16,576
Receivables	16,595	-	15,162	1,433
Total Assets:	\$ 18,827	\$ 36,352	\$ 37,170	\$ 18,009
Liabilities:				
Miscellaneous Liabilities	\$ 18,827	\$ 18,009	\$ 18,827	\$ 18,009
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 46,711	\$ 85,202	\$ 74,193	\$ 57,720
Receivables	18,050	1,847	16,617	3,280
Total assets	\$ 64,761	\$ 87,049	\$ 90,810	\$ 61,000
Liabilities:				
Miscellaneous liabilities	\$ 63,548	\$ 66,859	\$ 71,190	\$ 59,217
Deferred Revenues	1,213	1,847	1,213	1,847
Total liabilities	\$ 64,761	\$ 68,706	\$ 72,403	\$ 61,064

## OTHER SCHEDULES

**Hyde County  
General Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2019**

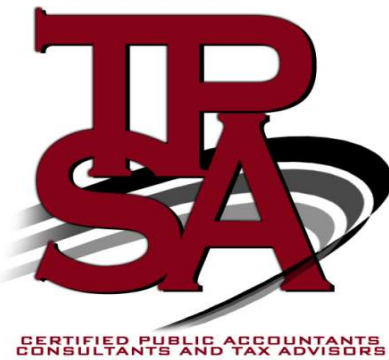
<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 7,069,203	\$ 6,799,216	\$ 269,987
2017-2018	277,907	-	123,191	154,716
2016-2017	138,355	1,561	31,769	108,147
2015-2016	108,046	-	30,143	77,903
2014-2015	85,063	2,279	23,495	63,847
2013-2014	73,694	334	18,061	55,967
2012-2013	61,235	-	12,962	48,273
2011-2012	42,259	1,408	9,014	34,653
2010-2011	33,934	2,268	8,209	27,993
2009-2010	31,583	-	5,072	26,511
2008-2009	26,304	-	26,304	-
	<u>\$ 878,380</u>	<u>\$ 7,077,053</u>	<u>\$ 7,087,436</u>	<u>\$ 867,997</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>343,600</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 524,397</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 7,396,393</u>
Reconciling items:				
Interest Collected				(109,571)
Discoveries and Adjustments				(221,913)
Taxes written off				<u>22,527</u>
Total reconciling items				<u>(308,957)</u>
Total collections and credits				<u>\$ 7,087,436</u>



**Hyde County**  
**Analysis of Current Tax Levy**  
**County-wide Levy**  
**June 30, 2019**

				Total Levy	
	County - wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy:					
Property taxed at current year's rate:	\$ 918,221,948	0.77	\$ 7,070,309	\$ 6,750,892	\$ 319,417
Discoveries:	330,519	0.77	2,545	2,545	-
Abatements:	(474,156)	0.77	(3,651)	(3,651)	-
Total property valuation	<u>\$ 918,078,312</u>				
Net levy			7,069,203	6,749,786	319,417
Uncollected taxes at June 30, 2019			<u>269,987</u>	<u>269,987</u>	<u>-</u>
Current year's taxes collected			<u>\$ 6,799,216</u>	<u>\$ 6,479,799</u>	<u>\$ 319,417</u>
Current levy collection percentage			<u>96.18%</u>	<u>96.00%</u>	<u>100.00%</u>

## COMPLIANCE SECTION



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**Alan W. Thompson, CPA  
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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***

**Independent Auditors' Report**

To the Board of County Commissioners  
Hyde County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Hyde County basic financial statements, and have issued our report thereon dated July 21, 2020. Our report includes a reference to other auditors who audited the financial statements of Hyde County ABC Board, as described in our report on Hyde County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Hyde County ABC Board were not audited in accordance with Government Auditing Standards.

**Internal Control Over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described in the accompanying schedule of findings and questioned costs [19-01] to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [19-02, 19-03, 19-04, 19-05, 19-06, 19-07] to be significant deficiencies.

**Members**

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

### **Compliance and Other Matters**

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

### **County's Response to Findings**

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

### **Purpose of this Report**

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
July 21, 2020



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

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Hyde County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Hyde County's major federal programs for the year ended June 30, 2019. Hyde County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

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

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

### **Basis for Qualified Opinion on Medicaid**

As described in the accompanying schedule of findings and questioned costs, Hyde County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in finding numbers 19-08, 19-09, 19-10 and 19-11 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Hyde County to comply with the requirements applicable to that program.

### **Qualified Opinion on Medical Assistance Program**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Hyde County complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Medical Assistance Program for the year ended June 30, 2019.

### **Unmodified Opinion on Each of the Other Major Federal Program**

In our opinion, Hyde County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 19-08, 19-09, 19-10, 19-11 and 19-12. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

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

A deficiency in *internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [19-08, 19-09] to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [19-10, 19-11 and 19-12] to be significant deficiencies.

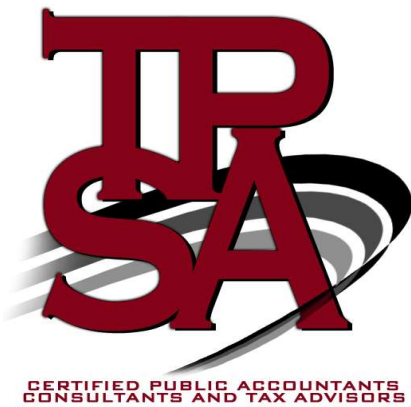
Hyde County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance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

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
July 21, 2020



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

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Hyde County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Hyde County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Hyde County's major state programs for the year ended June 30, 2019. Hyde County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Hyde County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each of Hyde County's major state programs. However, the audit of compliance with the types of compliance requirements referred to above does not provide a legal determination of Hyde County's compliance. We consider the deficiencies in internal control that could have a direct and material effect on each of Hyde County's major state programs.

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



### **Opinion on Each Major State Program**

In our opinion, Hyde County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item [19-13] that we consider to be significant deficiency.

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

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

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

---

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
July 21, 2020

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

Exhibit H-1

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**Section I - Summary of Auditors' Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

Unmodified for all major programs except for Medical Assistance Program (93.778) which is qualified.

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

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Medical Assistance Program
97.029	Flood Mitigation Assistance
97.039	Hazard Mitigation Grant

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

Auditee qualified as low-risk auditee? ☐ yes ☒ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified ☒ yes ☐ none reported

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

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

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**Section I - Summary of Auditors' Results (continued)**

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Any audit findings disclosed that are required to be  
reported in accordance with the State Single Audit  
Implementation Act

\_X\_ yes                      \_\_\_ no

Identification of major State programs:

Program Name  
Flood Mitigation Assistance  
Hazard Mitigation Grant  
Home and Community Care Block Grant  
Stream Debris Removal Project

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**Section II - Financial Statement Findings**

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**Finding: 19-01\*\*\***

**Reconciliation of Records**

**MATERIAL WEAKNESS**

Criteria:	The County should appropriately reconcile all general ledger accounts monthly.
Condition:	In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted. Several adjustments had to be proposed to correct the financial statements.
Effect:	Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.
Cause:	In some cases, multiple computer programs did not accurately communicate to transfer information accurately.
Recommendation:	The finance office should make sure that timely reconciliations are prepared for all accounts. Year end entries should be made by the finance staff prior to year-end closing.
Views of responsible officials:	The County agrees with this finding.

\*\*\* This is a repeat finding.

**Finding: 19-02\*\*\***

**Segregation of Duties**

**SIGNIFICANT DEFICIENCY**

Criteria:	Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.
Condition:	There is a lack of segregation of duties among County personnel in the following areas: revenues, receipts, and receivables for both the governmental and proprietary funds.
Effect:	Transactions could be mishandled.
Cause:	There is a limited number of personnel for certain functions.
Recommendation:	The duties should be segregated as much as possible and alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.
Views of responsible officials:	The County agrees with this finding.

\*\*\* This is a repeat finding.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

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**Section II - Financial Statement Findings (continued)**

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**Finding: 19-03\*\*\*****Budget Violation****SIGNIFICANT DEFICIENCY**

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

Condition: The County reflected no budgeted amounts for the Revolving Loan Fund and the E-911 Program Fund.

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

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

Recommendation: A budget should be prepared for each fund.

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

\*\*\* This is a repeat finding.

**Finding: 19-04\*\*\*****Deficit Fund Balance****SIGNIFICANT DEFICIENCY**

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

Condition: The County has eight funds with a negative fund balance: Hydeland Home Health, Hyde County Senior Center, Hurricane Matthew, 2015 FMA Program, 2016 FMA Program, CDBG Disaster Recovery, Hurricane Irene HMGP, and CDBG Neighborhood Revitalization.

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

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

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

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

\*\*\* This is a repeat finding.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

**Section II - Financial Statement Findings (continued)**

**Finding: 19-05\*\*\***

**Budget Violation**

**SIGNIFICANT DEFICIENCY**

Criteria:	All excess expenditures over appropriations should be disclosed.
Condition:	The budget was overspent in the General Fund in Tax by \$5,643, Register of Deeds by \$2,659, FEMA by \$119,688, Medical Examiner by \$5,000, Planning by \$8,943 and Transportation by \$14,863.
Effect:	The Board spent funds that were not available for those respective functions and funds.
Cause:	The County did not properly adopt and record budget amendments for the revenues and expenditures for these functions
Recommendation:	The budget should be reviewed and appropriated amendments made during the
Views of responsible officials:	The County agrees with this finding.
*** This is a repeat finding.	

**Finding: 19-06**

**Contractual Violation**

**SIGNIFICANT DEFICIENCY**

Criteria:	Management should have a system in place to ensure compliance with bond covenants.
Condition:	The County agreed that it would fix service charges in such manner that the net revenues for the fiscal year be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to meet annual debt service obligations due in the fiscal year with respect to the County's general obligation bond and installment financing obligations.
Effect:	The County defaulted on its debt covenant as to rates and charges in Section 5.01 of the bond orders authorizing the issuance of the Revenue Bonds.
Cause:	The County did not properly reconcile the records throughout the year. They were hit hard by tornadoes during previous Hurricanes, so the resources have been limited to keep timely records.
Recommendation:	The County should communicate with their bond consultants to seek advice. The County should obtain recommendations regarding revisions of the schedule of service charges and improvements in the operation of or services rendered by the system so they may meet the required debt coverage amounts in the future.
Views of responsible officials:	The County agrees with this finding and will review billings and collections for the Water Fund.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

Exhibit H-1

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**Section II - Financial Statement Findings (continued)**

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**Finding: 19-07**

**Prior Period Adjustment**

**SIGNIFICANT DEFICIENCY**

Criteria:	AU-C 260 requires communication of certain matters related to internal control over financial reporting.
Condition:	The County recorded a prior period adjustment to capitalize expenses associated with an EMS project that had been expensed in prior years.
Effect:	This is an indicator of a control deficiency that is regarded as a significant deficiency.
Cause:	The County did not track construction projects by separating the project out into a separate capital project fund so it could be tracked.
Recommendation:	The County should set up new funds to track multi-year capital projects.
Views of responsible officials:	The County agrees with this finding and will consider setting up funds in the future to track multi-year projects.

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**Section III - Federal Award Findings and Questioned Costs**

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US Department of Health and Human Services  
Passed through the NC Department of Health and Human Services  
Program Name: Medical Assistance Program  
CFDA #: 93.778

**Finding: 19-08**

**SSI Terminations**

**MATERIAL WEAKNESS**

**Eligibility**

Criteria:	The State sends notification to the County when a participant is no longer eligible under SSI determination. The County has a certain time period to initiate an ex parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled.
Condition:	2 applicants were not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.
Questioned Costs:	\$263.76. This amount was determined by totaling all the aid received by the two applicants who were not eligible.
Context:	We examined 91 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

Exhibit H-1

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**Section III - Federal Award Findings and Questioned Costs (continued)**

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Cause:	Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
Recommendation:	Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.
Views of responsible officials:	The County agrees with the finding. Supervisors will review action reports regularly to determine if corrective action plan was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

US Department of Health and Human Services  
Passed through the NC Department of Health and Human Services  
Program Name: Medical Assistance Program  
CFDA #: 93.778

**Finding: 19-09**

**Inaccurate Information Entry**

**MATERIAL WEAKNESS**

**Eligibility**

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 37 errors discovered during our procedures that inaccurate information was entered when determining eligibility. 4 applicants received assistance for which they were not eligible.
Questioned Cost:	\$30.36. This amount was determined by totaling all the aid received by the four applicants who were not eligible.
Context:	We examined 91 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect income and a participant could have been approved to receive benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

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**Section III - Federal Award Findings and Questioned Costs (continued)**

---

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

\*\*\*This is a repeat finding.

US Department of Health and Human Services  
 Passed through the NC Department of Health and Human Services  
 Program Name: Medical Assistance Program  
 CFDA #: 93.778

**Finding: 19-10\*\*\***

**Inaccurate Resource Calculation**

**SIGNIFICANT DEFICIENCY**

**Eligibility**

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 14 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no affect to eligibility and there were no questioned costs.

Context: We examined 91 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, applicants could have received assistance for which they were not eligible.



**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

Exhibit H-1

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**Section III - Federal Award Findings and Questioned Costs (continued)**

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Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials:	The County agrees with the finding. Supervisors will review action reports regularly to determine if corrective action plan was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

\*\*\*This is a repeat finding.

US Department of Health and Human Services  
 Passed through the NC Department of Health and Human Services  
 Program Name: Medical Assistance Program  
 CFDA #: 93.778

**Finding: 19-11**

**IV-D Child Support Non-Cooperation**

**SIGNIFICANT DEFICIENCY**  
**Eligibility**

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There were 12 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no affect to eligibility and there were no questioned costs.
Context:	We examined 91 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly reviewed and reconciled to NC FAST which affect the eligibility, a participant could have been approved for benefits that they were not eligible.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

Exhibit H-1

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**Section III - Federal Award Findings and Questioned Costs (continued)**

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Cause:	Error in reading the ACTS report, and ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.
Views of responsible officials:	The County agrees with the finding. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

US Department of Health and Human Services  
 Passed through the NC Department of Health and Human Services  
 Program Name: Medical Assistance Program  
 CFDA #: 93.778

**Finding: 19-12**

**DSS-1571 Filing**

**SIGNIFICANT DEFICIENCY**  
Reporting

Criteria:	In accordance with 2 CFR 200, management must design, implement, and maintain internal control relevant to the compliance of Federal and State grant requirements. In accordance with the Division of Social Service Fiscal Manual, information reported for reimbursement on the DSS-1571 must agree with the county general ledger.
Condition:	Information reported on DSS-1571 for reimbursement did not agree with County general ledger.
Context:	Of the 12 months DSS-1571 forms reviewed, we examined two months in detail and determined that internal control over DSS-1571 reporting was not effective and efficient.
Effect:	Information reported on DSS-1571 for reimbursement did not agree with the County general ledger due to the lack of reconciliation and supporting documentation.
Cause:	Ineffective internal control over DSS-1571 filing procedures.
Recommendation:	Files should be carefully reviewed internally, reconciliation should be maintained to ensure information reported agrees with the County general ledger. Any discrepancies should be investigated and documented properly. Employees should be retrained on the regulations and the DSS Fiscal Manual that provided by the State.
Views of responsible officials:	The county agrees with this finding. Management will improve the reporting process to ensure regulations and requirements are properly followed.

**Hyde County**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

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**Section IV - State Award Findings and Questioned Costs**

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US Department of Health and Human Services  
 Passed through the NC Department of Health and Human Services  
 Program Name: Medical Assistance Program  
 CFDA #: 93.778

SIGNIFICANT DEFICIENCY: Finding 19-08, 19-09, 19-10, 19-11 and 19-12 also apply to State requirements and State Awards.

N.C. Department of Agriculture and Consumer Services  
 Program Name: Stream Debris Removal Project

**Finding: 19-13** **Grant Monitoring**

**SIGNIFICANT DEFICIENCY**

Reporting

Criteria:	The Grantee is required to submit quarterly progress reports, with each report due on or before the last day of the following month of the calendar quarter.
Condition:	The progress report for 2nd quarter of 2019 was submitted after the due date. No records showing that the 3rd quarter 2018 and the 1st quarter 2019 progress reports were being submitted.
Effect:	The project would not be monitored as required by the State agency.
Cause:	Ineffective record keeping and reviewing process.
Recommendation:	We recommend that the County implement procedures to ensure progress reports are submitted timely and project records are properly maintained as required.
Views of responsible officials:	The County agrees with the finding.

**Board of Commissioners**

Earl Pugh, Jr., Chair  
 Tom Pahl, Vice-Chair  
 Benjamin Simmons  
 Shannon Swindell  
 James Topping

**COUNTY OF HYDE**

30 Oyster Creek Road  
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 252-926-3701 Fax



Kristen Noble  
 County Manager

Franz Holscher  
 County Attorney

Lois Stotesberry, CMC, NCCCC  
 Clerk to the Board

**Corrective Actions**  
**June 30, 2019**

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**Section II - Financial Statement Findings**

---

**Finding: 19-01**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Reconciliation of Records**

Kris Noble, County Manager

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

The Board will implement this procedure immediately.

**Finding: 19-02**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Segregation of Duties**

Kris Noble, County Manager

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

The Board will implement this procedure immediately.

**Finding: 19-03**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Budget Violation**

Kris Noble, County Manager

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

The Board will implement this procedure immediately.

**Finding: 19-04**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Deficit Fund Balance**

Kris Noble, County Manager

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

The Board will implement this procedure immediately.

**Finding: 19-05**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Budget Violation**

Kris Noble, County Manager

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

The Board will implement this procedure immediately.

**Finding: 19-06**

Name of Contact Person:

Corrective Action:

Proposed Completion Date:

**Contractual Violation**

Kris Noble, County Manager

The County agrees with this finding and will review billings and collections for the Water Fund to ensure the requirements are met.

The Board will implement this procedure immediately.

**Board of Commissioners**

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 Clerk to the Board

**Corrective Actions****June 30, 2019****Section II - Financial Statement Findings (continued)****Finding: 19-07****Prior Period Adjustment**

Name of Contact Person:

Kris Noble, County Manager

Corrective Action:

The County will review the financial statements and ensure that balances are correct prior to issuance of the financial statements.

Proposed Completion Date:

The Board will implement this procedure immediately.

**Section III - Federal Award Findings and Questioned Costs****Finding: 19-08****SSI Terminations**

Name of Contact Person:

Laurie Potter, DSS Director

Corrective Action:

The County agrees with this finding. The Income Maintenance Supervisor will conduct second party reviews until we can advertise and fill a new position for an Income Maintenance QA individual. The Supervisor will provide a training for all income maintenance staff on the importance of accurate data entry and explain the consequence of failure to comply. Records of these trainings will be forwarded to the finance office. The county will reach out to the NC DHHS for additional training.

Proposed Completion Date:

Ongoing

**Finding: 19-09****Inaccurate Information Entry**

Name of Contact Person:

Laurie Potter, DSS Director

Corrective Action:

The County agrees with this finding. The Income Maintenance Supervisor will conduct second party reviews until we can advertise and fill a new position for an Income Maintenance QA individual. The Supervisor will provide a training for all income maintenance staff on the importance of accurate data entry and explain the consequence of failure to comply. Records of these trainings will be forwarded to the finance office. The county will reach out to the NC DHHS for additional training.

Proposed Completion Date:

Ongoing

**Finding: 19-10****Inaccurate Resource Calculation**

Name of Contact Person:

Laurie Potter, DSS Director

Corrective Action:

The County agrees with this finding. The Income Maintenance Supervisor will conduct second party reviews until we can advertise and fill a new position for an Income Maintenance QA individual. The Supervisor will provide a training for all income maintenance staff on the importance of accurate data entry and explain the consequence of failure to comply. Records of these trainings will be forwarded to the finance office. The county will reach out to the NC DHHS for additional training.

Proposed Completion Date:

Ongoing

**Board of Commissioners**

Earl Pugh, Jr., Chair  
 Tom Pahl, Vice-Chair  
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**COUNTY OF HYDE**

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 Clerk to the Board

**Corrective Actions**  
**June 30, 2019**

---

**Section III - Federal Award Findings and Questioned Costs (continued)**

---

**Finding: 19-11****IV-D Child Support Non-Cooperation**

Name of Contact Person:

Laurie Potter, DSS Director

Corrective Action:

The County agrees with this finding. The Income Maintenance Supervisor will review action report on a monthly bases to determine if the correct action was performed. The Supervisor will provide a training for all income maintenance staff for the referral process to our Child Support agency. Records of these trainings will be forwarded to the finance office. The county will reach out to the NC DHHS for additional training.

Proposed Completion Date:

Ongoing

**Finding: 19-12****DSS-1571 Filing**

Name of Contact Person:

Laurie Potter, DSS Director

Corrective Action:

The County agrees with this finding. The county agrees with this finding. Management will improve the reporting process to ensure regulations and requirements are properly followed.

Proposed Completion Date:

Ongoing

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**Section IV - State Award Findings and Questioned Costs**

---

**Finding: 19-13****Grant Monitoring**

Name of Contact Person:

Corrinne Gibbs, Finance Director

Corrective Action:

The county agrees with this finding. Management will improve the grant monitoring process to ensure regulations and requirements are properly followed.

Proposed Completion Date:

Ongoing

**Hyde County**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**June 30, 2019**

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Finding: 18-01 Reconciliation of Records

Status: Repeated as 19-01

Finding: 18-02 Segregation of Duties

Status: Repeated as 19-02

Finding: 18-03 Budget Violation

Status: Repeated as 19-03

Finding: 18-04 Deficit Fund Balance

Status: Repeated as 19-04

Finding: 18-05 Budget Violation

Status: Repeated as 19-05

Finding: 18-06 Real Property Owned

Status: Repeated as 19-10

Finding: 18-07 Liquid Assets

Status: Repeated as 19-10

Finding: 18-08 Income

Status: Repeated as 19-10

**Hyde County**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
<b>Federal Awards:</b>						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 116,007	\$ 4,647	\$ -	\$ 111,360
Passed-through N.C. Dept of Health and Human Services: Division of Public Health: Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		21,979	-	-	-
Total U.S. Dept. of Agriculture			137,986	4,647	-	111,360
<u>US Dept of Health and Human Services</u>						
Division of Social Services <u>Temporary Assistance Needy Family Cluster</u> TANF - Work First	93.558		48,160	-	-	7,617
Division of Public Health TANF - Work First	93.558		966	-	-	-
Total TANF Cluster			49,126	-	-	7,617
Foster Care and Adoption Cluster: Foster Care - Title IV-E	93.658		101,540	17,756	-	68,468
Foster Care	N/A		1,669	-	-	771
Total Foster Care and Adoption Cluster			103,209	17,756	-	69,239
Child Support Enforcement	93.563		74,767			38,517
Low-Income Home Energy Assistance Administration	93.568		5,915	-	-	-
Energy Assistance Payments	93.568		44,200	-	-	-
Crisis Intervention Program	93.568		32,943	-	-	-
Total Low-Income Energy Assistance			83,058	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program Permanency Planning - Families for Kids	93.645		149	-	-	50
Total Stephanie Tubbs Jones Child Welfare Services			149	-	-	50
Independent Living Transitional	93.674		570	-	-	-
SSBG - Other Service and Training	93.667		56,878	-	-	18,959
Division of Aging and Adult Services Division of Social Services SSBG - State In Home Service Fund	93.667		3,117	-	-	445
Total Social Service Block Grant			59,995	-	-	19,404
Division of Social Services: Subsidized Child Care: Child Care Development Fund - Administration	93.596		10,322	-	-	-
Total Subsidized Child Care Cluster			10,322	-	-	-
Passed-through the N.C. Department of Health and Human Services Division of Medical Assistance: Division of Social Services: Administration Medical Assistance Program	93.778		292,528	-	-	125,574
Total Medical Assistance Program			292,528	-	-	125,574
Division of Social Services Administration State Children's Insurance Program - NC Health Choice	93.767		4,945	-	-	-
Total State Children's Insurance Program NC Health Choice			4,945	-	-	-



**Hyde County**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Passed through N.C. Department of Health and Human Services:						
Division of Public Health						
Public Health Emergency Preparedness	93.069		5,066	-	-	-
Hospital Preparedness Program (HPP) and Public Health	93.074		25,858	-	-	-
Emergency Preparedness (PHEP) Aligned Cooperative						
Agreements						
Project Grants and Cooperative Agreements for Tuberculosis	93.116		21	-	-	-
Family Planning Services	93.217		14,491	-	-	-
Immunization Grants	93.268		4,240	-	-	-
Preventive Health and Health Services Block Grant funded	93.758		35,645	-	-	-
solely with Prevention and Public Health Funds (PPHF)						
Cancer Prevention and Control Programs for State, Territorial	93.898		2,550	-	-	-
and Tribal Organizations						
Preventive Health Services Sexually Transmitted Diseases	93.977		42	-	-	-
Maternal and Child Health Services Block Grant	93.994		41,095	4,767	-	-
Total U. S. Department of Health and Human Services			807,677	22,523	-	260,401
<u>U.S. Dept. of Homeland Security</u>						
Passed through the NC Dept. of Public Safety						
Emergency Food and Shelter Program	97.024		10,070	-	-	-
Flood Mitigation Assistance	97.029		253,212	84,404	-	-
Hazard Mitigation Grant	97.039		134,308	44,769	-	-
Emergency Management Performance Grants	97.042		36,755	-	-	-
Total U.S. Dept. of Homeland Security			434,345	129,173	-	-
<u>U. S. Department of Transportation</u>						
Passed through the N.C. Department of Transportation						
Hyde County	20.106	DOT-8	10,605	1,179	-	-
		36237.57.13.1				
18-ED-025 Hyde Co Health Department Capital	20.513	DOT-14	7,364	920	-	-
		51001.49.5.3				
19-ED-110 Hyde Co Health Department Capital	20.513	DOT-14	5,741	718	-	-
		51001.49.6.3				
Total U. S. Department of Transportation			23,710	2,817	-	-
<u>U.S. Department of Housing and Urban Development</u>						
Pass-thorough Department of Commerce						
Community Development Block Grants	14.228		1,407	-	-	-
Total U.S. Department of Housing and Urban Development			1,407	-	-	-
Total Federal Awards			\$ 1,405,125	\$ 159,160	\$ -	\$ 371,761
<b>State Awards:</b>						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food and Lodging Fees			\$ -	\$ 4,607	\$ -	\$ -
CHA/CHIP Peer Review			-	71,654	-	-
General Communicable Disease Control			-	10,124	-	-
Child Health			-	645	-	-
HIV/STD State			-	167	-	-
STD Drugs			-	101	-	-
Breast and Cervical Cancer Program			-	5,100	-	-
Family Planning - State			-	14,899	-	-
Maternal Health			-	13,116	-	-
Women's Health Service Fund			-	4,654	-	-
TB Control			-	1,566	-	-
Total Division of Public Health			-	126,633	-	-
Division of Social Services:						
AFDC Incentive/Program Integrity		N/A	-	413	-	-
State Foster Home		N/A	-	7,290	-	7,290
State Child Welfare/CPS/CS LD		N/A	-	427	-	-
Work First Non Reimbursable		N/A	-	-	-	3,856
County Funded Programs		N/A	-	-	-	289,055
Non-Allocating County Cost		N/A	-	-	-	106,168
SFHF Maximization			-	1,726	-	1,726
Total Division of Social Services			-	9,856	-	408,095

**Hyde County**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Division of Aging						
Passed through Albemarle Commission COG						
HCCBG			-	89,108	-	9,900
General Purpose			-	3,564	-	-
Total Division of Social Services			-	92,672	-	9,900
Total N.C. Dept. Health and Human Services			-	229,161	-	417,995
<u>N.C. Dept. of Administration</u>						
Veteran Grant		N/A	-	2,216	-	-
Total of N.C. Dept. of Administration			-	2,216	-	-
<u>N.C. Dept. of Transportation</u>						
Pass-through to Hyde Interagency Transportation:						
ROAP EDTAP		36220.10.8.1	-	42,141	-	-
ROAP RGP		36228.22.7.1	-	42,762	-	-
ROAP Employment		36236.11.6.1	-	4,276	-	-
Total ROAP Cluster			-	89,179	-	-
State Aid to Airports (AV-5812)		DOT-8	-	4,924	-	-
		47169.1.1				
Ocracoke Operation		DOT-11	-	10,658	-	-
		36223.124.1.3				
Total N. C. Department of Transportation			-	104,761	-	-
<u>N.C. Dept. of Environmental Quality</u>						
Division of Waste Management						
Electronics Mgt			-	341	-	-
Division of Water Infrastructure						
DW Assetinv & Assessment			-	84,370	-	-
Division Of Coastal Management						
Policy and Planning - Lake Mattamuskeet Project			-	15,000	-	-
Total N.C. Dept. of Environmental Quality			-	99,711	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Program		N/A	-	51,898	-	-
Tier II Grant			-	1,000	-	-
Total N.C Dept. of Public Safety			-	52,898	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Stream Debris Removal Project			-	224,718	-	-
Total N.C. Department of Agriculture and Consumer Services			-	224,718	-	-
<u>N.C. Department of Commerce</u>						
Building Reuse Grant			-	10,000	-	-
Total N.C. Department of Commerce			-	10,000	-	-
<u>N.C. 911 Board Emergency PSAP Center</u>						
E911 Consolidation Grant (DTH-RECC)			-	131,000	-	-
Total N.C. 911 Board Emergency PSAP Center			-	131,000	-	-
Total State Awards			\$ -	\$ 854,465	\$ -	\$ 417,995
Total Federal and State Awards			\$ 1,405,125	\$ 1,013,625	\$ -	\$ 789,756

Notes to the Schedule of Expenditures of Federal and State Awards

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of Federal and State Awards (SEFSA) includes the Federal and State grant activity of Hyde County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Hyde County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Hyde County.

**Note 2: Summary of Significant Accounting Policies**

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

**Hyde County**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
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**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

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

**Note 6: 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.

Program Title	CFDA No.	Federal	State
Medical Assistance Program	93.778	\$ 5,326,630	\$ 2,854,679
Children's Health Insurance Program	93.767	93,830	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	21,031	-
Food and Nutrition Services	10.561	1,335,286	-
Family Perservation	93.556	410	-
TANF Payments & Penalties	93.558	11,977	-
SAA/SAD HB 1030	N/A	-	1,564
SC/SA Domiciliary Care	N/A	-	12,583