

HYDE COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2020

HYDE COUNTY, NORTH CAROLINA
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June 30, 2020

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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, 2020, 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 70.33 percent, 68.49 percent, and 73.04 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, 2020, 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 6, 2021 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 6, 2021

Hyde County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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, 2020. 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.

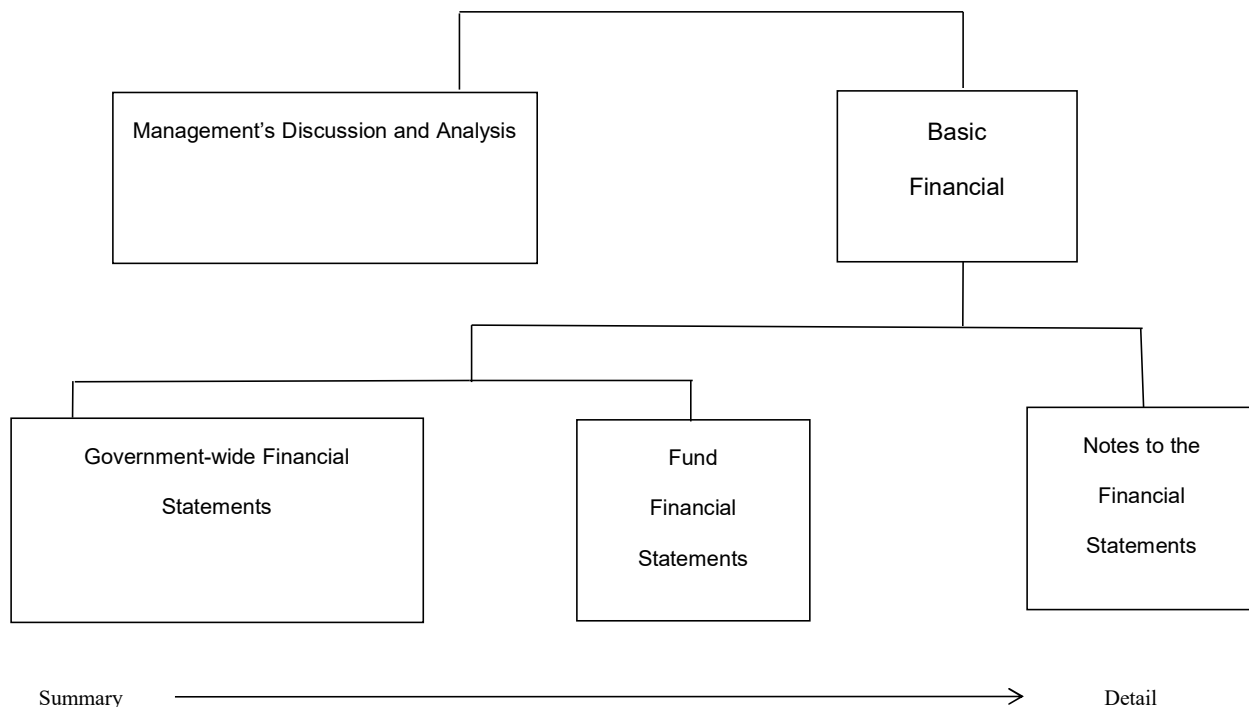
Financial Highlights

- 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 \$32,346,501. (Net Position)
- The government's total net position decreased by \$2,623,238, 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 \$7,667,112, an increase of \$324,966. Approximately 36.26 percent of this total amount, or \$2,780,392 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 \$3,150,386, or 19.67 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, 2020

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 three 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, 2020

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 \$32,346,502 as of June 30, 2020. The County's net position decreased by \$2,623,237 for the fiscal year ended June 30, 2020. One of the largest portions, 84.84%, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Hyde County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hyde County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Hyde County's net position, \$3,969,323 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$934,309 is unrestricted.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|--|------------------------------------|---------------|-------------------------------------|--------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 11,732,244 | \$ 10,449,489 | \$ 1,007,972 | \$ 1,119,248 | \$ 12,740,216 | \$ 11,568,737 |
| Capital assets | 22,425,070 | 23,072,813 | 9,824,203 | 10,212,159 | 32,249,273 | 33,284,972 |
| Total assets | 34,157,314 | 33,522,302 | 10,832,175 | 11,331,407 | 44,989,489 | 44,853,709 |
| Total deferred outflows of resources | 1,079,217 | 1,170,752 | 126,765 | 137,658 | 1,205,982 | 1,308,410 |
| Long-term liabilities | | | | | | |
| outstanding | 8,607,297 | 6,851,795 | 2,675,140 | 2,808,542 | 11,282,437 | 9,660,337 |
| Other liabilities | 1,901,298 | 1,053,494 | 224,032 | 209,044 | 2,125,330 | 1,262,538 |
| Total liabilities | 10,508,595 | 7,905,289 | 2,899,172 | 3,017,586 | 13,407,767 | 10,922,875 |
| Total deferred inflows of resources | 400,569 | 256,350 | 40,634 | 13,155 | 441,203 | 269,505 |
| Net position: | | | | | | |
| Net investment in capital assets | 19,951,430 | 20,499,335 | 7,491,440 | 7,735,529 | 27,442,870 | 28,234,864 |
| Restricted | 3,902,262 | 3,471,613 | 67,061 | 59,442 | 3,969,323 | 3,531,055 |
| Unrestricted | 473,675 | 2,560,467 | 460,633 | 643,353 | 934,308 | 3,203,820 |
| Total net position | \$ 24,327,367 | \$ 26,531,415 | \$ 8,019,134 | \$ 8,438,324 | \$ 32,346,501 | \$ 34,969,739 |

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

- The County's property taxes collection percentage of 95.22% is lower than the State-wide average of 99.07%, but it is comparable to other tier 1 counties.

Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Hyde County Changes in Net Position
Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|--|--------------------------------|---------------|---------------------------------|--------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 567,185 | \$ 580,496 | \$ 1,622,153 | \$ 1,591,821 | \$ 2,189,338 | \$ 2,172,317 |
| Operating grants and contributions | 6,804,350 | 3,102,820 | - | - | 6,804,350 | 3,102,820 |
| Capital grants and contributions | - | - | - | - | - | - |
| General revenues: | | | | | | |
| Property taxes | 7,911,656 | 7,441,942 | - | - | 7,911,656 | 7,441,942 |
| Other taxes | 2,147,584 | 2,234,492 | - | - | 2,147,584 | 2,234,492 |
| Investment Earnings | 92,498 | 122,533 | 11,983 | 13,026 | 104,481 | 135,559 |
| Other | 210,718 | 240,713 | - | - | 210,718 | 240,713 |
| Total revenues | 17,733,991 | 13,722,996 | 1,634,136 | 1,604,847 | 19,368,127 | 15,327,843 |
| Expenses: | | | | | | |
| General government | 2,485,988 | 2,263,597 | - | - | 2,485,988 | 2,263,597 |
| Public safety | 3,870,469 | 4,165,948 | - | - | 3,870,469 | 4,165,948 |
| Transportation | 104,274 | 148,478 | - | - | 104,274 | 148,478 |
| Economic and physical development | 6,062,906 | 1,929,606 | - | - | 6,062,906 | 1,929,606 |
| Human services | 3,241,757 | 3,054,541 | - | - | 3,241,757 | 3,054,541 |
| Cultural and recreation | 111,132 | 112,631 | - | - | 111,132 | 112,631 |
| Environmental Protection | 1,823,484 | 1,608,673 | - | - | 1,823,484 | 1,608,673 |
| Education | 2,112,827 | 1,887,361 | - | - | 2,112,827 | 1,887,361 |
| Interest on long-term debt | 125,202 | 132,025 | - | - | 125,202 | 132,025 |
| Water and sewer | - | - | 2,053,326 | 2,035,928 | 2,053,326 | 2,035,928 |
| Transfers | - | - | - | - | - | - |
| Total expenses | 19,938,039 | 15,302,860 | 2,053,326 | 2,035,928 | 21,991,365 | 17,338,788 |
| Increase (decrease) in net position | (2,204,048) | (1,579,864) | (419,190) | (431,081) | (2,623,238) | (2,010,945) |
| Net position, beginning | 26,531,415 | 27,637,606 | 8,438,324 | 8,869,405 | 34,969,739 | 36,507,011 |
| Restatements and Prior Period Adjustment | - | 473,673 | - | - | - | 473,673 |
| Net position, beginning, restated | 26,531,415 | 28,111,279 | 8,438,324 | 8,869,405 | 34,969,739 | 36,980,684 |
| net position, ending | \$ 24,327,367 | \$ 26,531,415 | \$ 8,019,134 | \$ 8,438,324 | \$ 32,346,501 | \$ 34,969,739 |

Governmental activities. Governmental activities decreased the County's net position by \$2,204,048. Key elements of this decrease are substantial increases of expenses in the Economic and Physical Development and Environmental Protection functions relating to hurricane repairs.

Business-type activities. Business-type activities decreased the County's net position by \$419,190. 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 \$4,268,047 while total fund balance reached \$5,264,510. 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 26.65 percent of total General Fund expenditures, while total fund balance represents 32.87 percent of that same amount.

At June 30, 2020, the governmental funds of Hyde County reported a combined fund balance of \$7,667,112, a 4.43 percent increase over last year. The primary reason for this increase was the County received loan proceeds of \$2,000,000 during the current fiscal year.

Hyde County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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 \$460,633. The total change in net position for the Water and Sewer Fund was (\$419,190).

Capital Asset and Debt Administration

Capital assets. Hyde County's capital assets for its governmental and business – type activities as of June 30, 2020, totals \$32,249,273 (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

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 2,295,075 | \$ 2,295,075 | \$ 57,839 | \$ 57,839 | \$ 2,352,914 | \$ 2,352,914 |
| Construction in Progress | 662,103 | 419,325 | - | - | 662,103 | 419,325 |
| Buildings | 13,693,558 | 14,069,818 | - | - | 13,693,558 | 14,069,818 |
| Computer Equipment | - | 266 | - | - | - | 266 |
| Equipment | 1,075,378 | 1,198,120 | 11,499 | 16,657 | 1,086,877 | 1,214,777 |
| Vehicles | 254,775 | 255,304 | 72,223 | 68,860 | 326,998 | 324,164 |
| Infrastructure | 4,444,181 | 4,834,905 | 9,682,642 | 10,068,803 | 14,126,823 | 14,903,708 |
| Total | \$ 22,425,070 | \$ 23,072,813 | \$ 9,824,203 | \$ 10,212,159 | \$ 32,249,273 | \$ 33,284,972 |

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, 2020, Hyde County had total bonded debt outstanding of \$3,531,403 all of which is debt backed by the full faith and credit of the County.

Hyde County's Outstanding Debt
Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|----------------------------|--------------|-----------------------------|--------------|---------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General obligation bonds | \$ - | \$ - | \$ 1,057,763 | \$ 1,180,630 | \$ 1,057,763 | \$ 1,180,630 |
| Revenue Bonds | - | - | 1,275,000 | 1,296,000 | 1,275,000 | 1,296,000 |
| Installment Purchase | 2,473,640 | 2,573,478 | - | - | 2,473,640 | 2,573,478 |
| NCORR Direct Loan Fundings | 2,000,000 | - | - | - | 2,000,000 | - |
| Capital leases | 122,734 | 111,993 | - | - | 122,734 | 111,993 |
| Compensated Absences | 318,182 | 347,687 | 63,025 | 57,267 | 381,207 | 404,954 |
| Net Pension Liability (LGRS) | 1,669,185 | 1,434,970 | 199,585 | 171,580 | 1,868,770 | 1,606,550 |
| Total Pension Liability (LEOSSA) | 176,427 | 147,667 | - | - | 176,427 | 147,667 |
| OPEB Liability | 646,052 | 834,744 | 79,767 | 103,065 | 725,819 | 937,809 |
| Qualified School Construction Bonds | 1,201,077 | 1,401,256 | - | - | 1,201,077 | 1,401,256 |
| Total | \$ 8,607,297 | \$ 6,851,795 | \$ 2,675,140 | \$ 2,808,542 | \$ 11,282,437 | \$ 9,660,337 |

Hyde County's total debt increased by \$1,622,100 (16.79%) during the past fiscal year, primarily due to issuance of cash advance from NCORR for hurricane repairs of \$2,000,000, offset by principal payments on existing governmental activities installment purchases of \$99,838 and business-type activities general obligation bonds of \$122,867, combined with a decrease in the OPEB liability and increase in pension liabilities. Additionally, there were repayments on qualified school construction bonds in the amount of \$200,179. New capital leases were issued for sheriff's vehicles totaling \$88,441, and capital lease payments were made in the amount of \$77,670. Various other repayments were made to revenue bond debt.

**Hyde County, North Carolina
Management's Discussion and Analysis
For the Year Ended June 30, 2020**

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 \$70,954,341.

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, 2021

Governmental Activities: Property tax levy is expected to be \$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 36.2 percent to \$13,961,250. 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 14.07% to \$1,620,000.

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, P.O. Box 188, Swan Quarter, North Carolina 27885.

BASIC
FINANCIAL STATEMENTS

Hyde County, North Carolina
Statement of Net Position
June 30, 2020

| | Primary Government | | | Component Units | | Total Reporting Unit |
|--|-------------------------|--------------------------|---------------|-----------------------|--------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Hyde County ABC Board | Ocracoke TDA | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 8,799,447 | \$ 634,914 | \$ 9,434,361 | \$ 154,823 | \$ 106,058 | \$ 9,695,242 |
| Receivables, net: | | | | | | |
| Property Taxes | 580,432 | - | 580,432 | - | - | 580,432 |
| Accounts | 446,897 | 153,204 | 600,101 | - | - | 600,101 |
| Other | 1,254,983 | - | 1,254,983 | - | - | 1,254,983 |
| Interest | 30,438 | - | 30,438 | - | - | 30,438 |
| Due from other governments | 262,279 | - | 262,279 | - | - | 262,279 |
| Internal balances | - | - | - | - | - | - |
| Inventories | - | - | - | 81,616 | - | 81,616 |
| Prepaid items | - | - | - | 2,368 | - | 2,368 |
| Restricted cash and cash equivalents | 350,171 | 219,854 | 570,025 | - | - | 570,025 |
| Net pension asset - ROD | 7,597 | - | 7,597 | - | - | 7,597 |
| Capital assets: | | | | | | |
| Land, improvements, and construction in progress | 2,957,178 | 57,839 | 3,015,017 | - | - | 3,015,017 |
| Other capital assets, net of depreciation | 19,467,892 | 9,766,364 | 29,234,256 | 12,628 | - | 29,246,884 |
| Total capital assets | 22,425,070 | 9,824,203 | 32,249,273 | 12,628 | - | 32,261,901 |
| Total assets | 34,157,314 | 10,832,175 | 44,989,489 | 251,435 | 106,058 | 45,346,982 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | 611,429 | 121,537 | 732,966 | 8,403 | - | 741,369 |
| OPEB deferrals | 42,345 | 5,228 | 47,573 | - | - | 47,573 |
| LEOSSA deferrals | 18,801 | - | 18,801 | - | - | 18,801 |
| Contributions to pension plan in current year | 406,642 | - | 406,642 | - | - | 406,642 |
| Total deferred outflows of resources | 1,079,217 | 126,765 | 1,205,982 | 8,403 | - | 1,214,385 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | 1,831,154 | 49,508 | 1,880,662 | 53,668 | 14,757 | 1,949,087 |
| Liabilities to be paid from restricted assets | - | 152,793 | 152,793 | - | - | 152,793 |
| Accrued interest payable | 70,144 | 21,731 | 91,875 | - | - | 91,875 |
| Long-term liabilities: | | | | | | |
| Compensated absences | 318,182 | 63,025 | 381,207 | - | - | 381,207 |
| Net pension liability - LGERS | 1,669,185 | 199,585 | 1,868,770 | 7,647 | - | 1,876,417 |
| Net pension liability - LEOSSA | 176,427 | - | 176,427 | - | - | 176,427 |
| Net OPEB liability | 646,052 | 79,767 | 725,819 | - | - | 725,819 |
| Due within one year | 372,512 | 148,355 | 520,867 | - | - | 520,867 |
| Due in more than one year | 5,424,939 | 2,184,408 | 7,609,347 | - | - | 7,609,347 |
| Total long-term liabilities | 8,607,297 | 2,675,140 | 11,282,437 | 7,647 | - | 11,290,084 |
| Total liabilities | 10,508,595 | 2,899,172 | 13,407,767 | 61,315 | 14,757 | 13,483,839 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Prepaid taxes | 17,746 | - | 17,746 | - | - | 17,746 |
| Other Deferred Inflows | 41,975 | - | 41,975 | - | - | 41,975 |
| Pension deferrals | 24,035 | 2,830 | 26,865 | 66 | - | 26,931 |
| LEOSSA deferrals | 10,635 | - | 10,635 | - | - | 10,635 |
| OPEB deferrals | 306,178 | 37,804 | 343,982 | - | - | 343,982 |
| Total Deferred Inflows of Resources | 400,569 | 40,634 | 441,203 | 66 | - | 441,269 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 19,951,430 | 7,491,440 | 27,442,870 | 12,628 | - | 27,455,498 |
| Restricted for: | | | | | | |
| Stabilization by State Statute | 2,331,848 | - | 2,331,848 | - | - | 2,331,848 |
| Debt Service | 206,825 | - | 206,825 | - | - | 206,825 |
| Register of deeds | 50,693 | - | 50,693 | - | - | 50,693 |
| Economic and physical development | 1,129,415 | - | 1,129,415 | - | - | 1,129,415 |
| Other purposes | 183,481 | 67,061 | 250,542 | 21,252 | 91,301 | 363,095 |
| Unrestricted (deficit) | 473,675 | 460,633 | 934,308 | 164,577 | - | 1,098,885 |
| Total net position | \$ 24,327,367 | \$ 8,019,134 | \$ 32,346,501 | \$ 198,457 | \$ 91,301 | \$ 32,636,259 |

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

**Hyde County
Statement of Activities
June 30, 2020**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Hyde County ABC Board | Ocracoke Township TDA | Total Reporting Unit |
|--|---------------|-------------------------|--|--|---|-----------------------------|----------------|--------------------------|-----------------------------|-------------------------|
| | | 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 | \$ 2,485,988 | \$ 58,466 | \$ 11,655 | \$ - | \$ (2,415,867) | \$ - | \$ (2,415,867) | \$ - | \$ - | \$ (2,415,867) |
| Public safety | 3,870,469 | 370,284 | 121,738 | - | (3,378,447) | - | (3,378,447) | - | - | (3,378,447) |
| Transportation | 104,274 | 88,459 | 139,332 | - | 123,517 | - | 123,517 | - | - | 123,517 |
| Environmental Protection | 1,823,484 | 12,725 | 734,232 | - | (1,076,527) | - | (1,076,527) | - | - | (1,076,527) |
| Economic and physical development | 6,062,906 | - | 3,763,295 | - | (2,299,611) | - | (2,299,611) | - | - | (2,299,611) |
| Human services | 3,241,757 | 1,103 | 2,034,098 | - | (1,206,556) | - | (1,206,556) | - | - | (1,206,556) |
| Cultural and recreation | 111,132 | 36,148 | - | - | (74,984) | - | (74,984) | - | - | (74,984) |
| Education | 2,112,827 | - | - | - | (2,112,827) | - | (2,112,827) | - | - | (2,112,827) |
| Interest/Fees on long-term debt | 125,202 | - | - | - | (125,202) | - | (125,202) | - | - | (125,202) |
| Total governmental activities | 19,938,039 | 567,185 | 6,804,350 | - | (12,566,504) | - | (12,566,504) | - | - | (12,566,504) |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | 2,053,326 | 1,622,153 | - | - | - | (431,173) | (431,173) | - | - | (431,173) |
| Total business-type activities | 2,053,326 | 1,622,153 | - | - | - | (431,173) | (431,173) | - | - | (431,173) |
| | \$ 21,991,365 | \$ 2,189,338 | \$ 6,804,350 | \$ - | (12,566,504) | (431,173) | (12,997,677) | - | - | (12,997,677) |
| Component Units: | | | | | | | | | | |
| Hyde County ABC Board | \$ 717,964 | \$ 722,239 | \$ - | \$ - | | | | 4,275 | - | 4,275 |
| Ocracoke Township TDA | 212,632 | - | - | - | | | | - | (212,632) | (212,632) |
| Total Component Units | \$ 930,596 | \$ 722,239 | \$ - | \$ - | | | | 4,275 | (212,632) | (208,357) |
| General revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 7,911,656 | - | 7,911,656 | - | - | 7,911,656 |
| Local option sales tax | | | | | 1,590,120 | - | 1,590,120 | - | - | 1,590,120 |
| Other taxes and licenses | | | | | 557,464 | - | 557,464 | - | 267,029 | 824,493 |
| Investment earnings, unrestricted | | | | | 92,498 | 11,983 | 104,481 | 1,132 | - | 105,613 |
| Miscellaneous, unrestricted | | | | | 210,718 | - | 210,718 | - | - | 210,718 |
| Total general revenues | | | | | 10,362,456 | 11,983 | 10,374,439 | 1,132 | 267,029 | 10,642,600 |
| Change in net position | | | | | (2,204,048) | (419,190) | (2,623,238) | 5,407 | 54,397 | (2,563,434) |
| Net position, beginning | | | | | 26,531,415 | 8,438,324 | 34,969,739 | 193,050 | 36,904 | 35,199,693 |
| Net position, ending | | | | | \$ 24,327,367 | \$ 8,019,134 | \$ 32,346,501 | \$ 198,457 | \$ 91,301 | \$ 32,636,259 |

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

**Hyde County
Balance Sheet
Governmental Funds
June 30, 2020**

| | Major | | Non-major | |
|--|----------------------------|--------------------------------|-------------------------------|-----------------------------|
| | General Fund | Revolving Loan Fund | Governmental Funds | Total |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,299,212 | \$ 226,376 | \$ 1,273,859 | \$ 8,799,447 |
| Restricted Cash | 350,171 | - | - | 350,171 |
| Receivables, net: | | | | |
| Property Taxes | 574,699 | - | 5,733 | 580,432 |
| Accounts | 333,896 | - | 113,001 | 446,897 |
| Other | 42,453 | 1,212,530 | - | 1,254,983 |
| Due from other governments | 262,279 | - | - | 262,279 |
| Due from other funds | 357,835 | - | 9,854 | 367,689 |
| Total assets | <u>\$ 9,220,545</u> | <u>\$ 1,438,906</u> | <u>\$ 1,402,447</u> | <u>\$ 12,061,898</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 1,755,971 | \$ - | \$ 75,183 | \$ 1,831,154 |
| Due to other funds | 9,854 | - | 357,835 | 367,689 |
| Total liabilities | <u>1,765,825</u> | <u>-</u> | <u>433,018</u> | <u>2,198,843</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Prepaid taxes | 17,746 | - | - | 17,746 |
| Property taxes receivable | 574,699 | - | 5,733 | 580,432 |
| Other deferred income | 1,597,765 | - | - | 1,597,765 |
| Total Deferred Inflows of Resources | <u>2,190,210</u> | <u>-</u> | <u>5,733</u> | <u>2,195,943</u> |
| Fund balances: | | | | |
| Restricted: | | | | |
| Stabilization by State Statute | 996,463 | 1,212,530 | 122,855 | 2,331,848 |
| Debt Service | 206,825 | - | - | 206,825 |
| Other Purposes | - | - | 183,481 | 183,481 |
| Register of Deeds | 50,693 | - | - | 50,693 |
| Economic and physical development | - | 226,376 | 903,039 | 1,129,415 |
| Capital outlay | - | - | 9,594 | 9,594 |
| Committed: | | | | |
| Public Safety | - | - | 51,570 | 51,570 |
| Environmental Protection | 233,608 | - | 27,035 | 260,643 |
| Economic and physical development | - | - | - | - |
| Tax Revaluation | 116,563 | - | - | 116,563 |
| Cultural and Recreation | - | - | 36,116 | 36,116 |
| Assigned: | | | | |
| Subsequent year's expenditures | 509,972 | - | - | 509,972 |
| Unassigned | 3,150,386 | - | (369,994) | 2,780,392 |
| Total fund balances | <u>5,264,510</u> | <u>1,438,906</u> | <u>963,696</u> | <u>7,667,112</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u><u>\$ 9,220,545</u></u> | <u><u>\$ 1,438,906</u></u> | <u><u>\$ 1,402,447</u></u> | <u><u>\$ 12,061,898</u></u> |

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

**Hyde County
Balance Sheet
Governmental Funds
June 30, 2020**

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

| | | |
|--|---------------------|-----------------------------|
| Total Fund Balance - Governmental Funds | | \$ 7,667,112 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 35,241,167 | |
| Less accumulated depreciation | <u>(12,816,097)</u> | |
| Net capital assets | | 22,425,070 |
| Net pension asset (Register of Deeds) | | 7,597 |
| Deferred outflows of resources: | | |
| Contributions to the pension plan in the current fiscal year | | |
| LGERS | | 406,284 |
| ROD | | 358 |
| OPEB | | 20,836 |
| Pension related deferrals | | |
| LGERS | | 610,166 |
| ROD | | 1,263 |
| LEOSSA | | 18,801 |
| OPEB | | 21,509 |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements | | 30,438 |
| Deferred inflows of resources reported in the government-wide statements but not in the fund statements | | |
| Deferred inflows of resources for taxes receivable | | 580,432 |
| Deferred inflows of resources for other items | | 1,555,790 |
| Pension deferrals | | |
| LGERS | | (23,669) |
| ROD | | (366) |
| LEOSSA | | (10,635) |
| OPEB | | (306,178) |
| 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 | (318,182) | |
| OPEB liability | (646,052) | |
| Total pension liability - LEOSSA | (176,427) | |
| Net pension liability - LGERS | (1,669,185) | |
| Bonds, leasing, and installment financing | (5,797,451) | |
| Accrued interest payable | <u>(70,144)</u> | <u>(8,677,441)</u> |
| Net position of governmental activities | | <u><u>\$ 24,327,367</u></u> |

Hyde County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

| | <u>Major</u> | | <u>Non-Major</u> | |
|---|---------------------|----------------------------|---------------------------------|---------------------------------|
| | <u>General Fund</u> | <u>Revolving Loan Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| REVENUES | | | | |
| Ad valorem taxes | \$ 7,807,462 | \$ - | \$ 54,609 | \$ 7,862,071 |
| Local option sales taxes | 1,590,120 | - | - | 1,590,120 |
| Other taxes and licenses | 179,056 | - | 378,408 | 557,464 |
| Unrestricted intergovernmental | 125,457 | - | - | 125,457 |
| Restricted intergovernmental | 5,791,669 | - | 879,744 | 6,671,413 |
| Permits and fees | 75,233 | - | - | 75,233 |
| Sales and services | 467,049 | - | 24,903 | 491,952 |
| Investment earnings | 49,151 | 28,655 | 14,692 | 92,498 |
| Miscellaneous | 79,437 | - | 5,824 | 85,261 |
| Total revenues | <u>16,164,634</u> | <u>28,655</u> | <u>1,358,180</u> | <u>17,551,469</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,142,164 | - | 97,677 | 2,239,841 |
| Public safety | 3,543,034 | - | - | 3,543,034 |
| Transportation | 53,230 | - | - | 53,230 |
| Environmental protection | 1,097,053 | - | 699,414 | 1,796,467 |
| Economic and physical development | 5,479,161 | 1,417 | 297,827 | 5,778,405 |
| Human services | 3,071,621 | - | - | 3,071,621 |
| Cultural and recreational | 51,000 | - | 60,132 | 111,132 |
| Education | 2,051,839 | - | - | 2,051,839 |
| Capital outlay | - | - | 164,322 | 164,322 |
| Debt Service: | | | | |
| Principal retirement | 377,688 | - | - | 377,688 |
| Interest and fees | 127,335 | - | - | 127,335 |
| Total expenditures | <u>17,994,125</u> | <u>1,417</u> | <u>1,319,372</u> | <u>19,314,914</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,829,491)</u> | <u>27,238</u> | <u>38,808</u> | <u>(1,763,445)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | - | - | 109,854 | 109,854 |
| Transfers to other funds | (109,854) | - | - | (109,854) |
| Loan proceeds | 2,000,000 | - | - | 2,000,000 |
| Capital lease proceeds | 88,411 | - | - | 88,411 |
| Total other financing sources (uses) | <u>1,978,557</u> | <u>-</u> | <u>109,854</u> | <u>2,088,411</u> |
| Net change in fund balance | <u>149,066</u> | <u>27,238</u> | <u>148,662</u> | <u>324,966</u> |
| Fund balances, beginning | <u>5,115,444</u> | <u>1,411,668</u> | <u>815,034</u> | <u>7,342,146</u> |
| Fund balances, ending | <u>\$ 5,264,510</u> | <u>\$ 1,438,906</u> | <u>\$ 963,696</u> | <u>\$ 7,667,112</u> |

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

Hyde County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2020

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

| | |
|--|-----------------------|
| Net change in fund balances - total governmental funds | \$ 324,966 |
| Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities. | 379,232 |
| 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. | (1,026,975) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. | |
| LGERS | 406,284 |
| ROD | 358 |
| Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position | 20,836 |
| New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position. | (2,088,411) |
| 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. | 377,687 |
| 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) | 2,133 |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources. | 29,505 |
| Pension expense | |
| LGERS | (750,514) |
| ROD | (4,549) |
| LEOSSA | (20,744) |
| OPEB plan expense | (36,377) |
| 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 | 52,660 |
| Increase (Decrease) in accrued interest receivable at year end | (3,075) |
| Increase (Decrease) in other deferred inflows of resources - at end of year | 132,936 |
| Change in net position of governmental activities | <u>\$ (2,204,048)</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, 2020

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 7,266,485 | \$ 7,266,485 | \$ 7,807,462 | \$ 540,977 |
| Local option sales tax | 1,679,750 | 1,679,750 | 1,590,120 | (89,630) |
| Other taxes and licenses | 145,200 | 187,400 | 179,056 | (8,344) |
| Unrestricted intergovernmental | 158,250 | 158,250 | 125,457 | (32,793) |
| Restricted intergovernmental | 2,724,095 | 8,559,289 | 5,791,669 | (2,767,620) |
| Permits and fees | 182,885 | 102,585 | 75,233 | (27,352) |
| Sales and services | 446,500 | 518,885 | 467,049 | (51,836) |
| Investment earnings | 30,000 | 30,000 | 45,047 | 15,047 |
| Miscellaneous | 257,860 | 29,550 | 79,437 | 49,887 |
| Total revenues | <u>12,891,025</u> | <u>18,532,194</u> | <u>16,160,530</u> | <u>(2,371,664)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,554,144 | 2,241,184 | 2,142,164 | 99,020 |
| Public safety | 3,699,161 | 3,656,447 | 3,543,034 | 113,413 |
| Transportation | 93,000 | 78,000 | 53,230 | 24,770 |
| Environmental Protection | 1,109,377 | 1,134,194 | 1,097,053 | 37,141 |
| Economic and physical development | 545,608 | 8,051,425 | 5,479,161 | 2,572,264 |
| Human services | 3,604,963 | 3,944,577 | 3,071,621 | 872,956 |
| Cultural and recreational | 52,000 | 52,000 | 51,000 | 1,000 |
| Education | 2,044,850 | 2,044,850 | 2,051,839 | (6,989) |
| Debt Service | 269,176 | 560,988 | 505,023 | 55,965 |
| Total expenditures | <u>13,972,279</u> | <u>21,763,665</u> | <u>17,994,125</u> | <u>3,769,540</u> |
| Revenues over (under) expenditures | <u>(1,081,254)</u> | <u>(3,231,471)</u> | <u>(1,833,595)</u> | <u>1,397,876</u> |
| Other financing sources (uses): | | | | |
| Transfers to other funds | (109,854) | (119,854) | (109,854) | 10,000 |
| Loan Proceeds | - | 2,000,000 | 2,000,000 | - |
| Capital lease proceeds | - | - | 88,411 | 88,411 |
| Sale and lease of assets | - | 170,000 | - | (170,000) |
| Fund Balance Appropriated | 1,191,108 | 1,181,325 | - | (1,181,325) |
| Total other financing sources (uses) | <u>1,081,254</u> | <u>3,231,471</u> | <u>1,978,557</u> | <u>(1,252,914)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>144,962</u> | <u>\$ 144,962</u> |
| Fund balance, beginning of year | | | <u>4,769,377</u> | |
| Fund balance, end of year | | | <u>\$ 4,914,339</u> | |
| Reconciliation to Fund Balance | | | | |
| A legally budgeted Capital Reserve Fund and Revaluation Fund is consolidated into the General Fund for reporting purposes: | | | | |
| Investment Earnings - Capital Reserve Fund | | | \$ 2,432 | |
| Investment Earnings - Revaluation Fund | | | 1,672 | |
| Beginning Balance - Capital Reserve Fund | | | 231,176 | |
| Beginning Balance - Revaluation Fund | | | <u>114,891</u> | |
| Fund balance, ending (Exhibit 4) | | | <u>\$ 5,264,510</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, 2020

| | 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 | - | - | 28,655 | 28,655 |
| Miscellaneous | - | - | - | - |
| Total revenues | - | - | 28,655 | 28,655 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation | - | - | - | - |
| Environmental Protection | - | - | - | - |
| Economic and physical development | - | - | 1,417 | (1,417) |
| Human services | - | - | - | - |
| Cultural and recreational | - | - | - | - |
| Education | - | - | - | - |
| Debt Service | - | - | - | - |
| Total expenditures | - | - | 1,417 | (1,417) |
| Revenues over (under) expenditures | - | - | 27,238 | 27,238 |
| Other financing sources (uses): | | | | |
| Transfers to other funds | - | - | - | - |
| Loan Proceeds | - | - | - | - |
| Capital lease proceeds | - | - | - | - |
| Sale and lease of assets | - | - | - | - |
| Fund Balance Appropriated | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | \$ - | \$ - | 27,238 | \$ 27,238 |
| Fund balance, beginning of year | | | 1,411,668 | |
| Fund balance, end of year | | | \$ 1,438,906 | |

Hyde County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2020

| | Water and Sewer Fund |
|--|---------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 634,914 |
| Accounts receivable, net | 153,204 |
| Grant receivable | - |
| Restricted cash and cash equivalents | 219,854 |
| Total current assets | <u>1,007,972</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Land and Construction in Progress | 57,839 |
| Other capital assets, net of depreciation | 9,766,364 |
| Total capital assets | <u>9,824,203</u> |
| Total noncurrent assets | <u>9,824,203</u> |
| Total assets | <u><u>\$ 10,832,175</u></u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension deferrals | \$ 121,537 |
| OPEB deferrals | 5,228 |
| Total deferred outflows of resources | <u>126,765</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts Payable and Miscellaneous Liabilities | 49,508 |
| Accrued interest payable | 21,731 |
| General obligation bonds payable | 148,355 |
| Total current liabilities | <u>219,594</u> |
| Noncurrent liabilities: | |
| Liabilities payable from restricted assets: | |
| Customer Deposits | 152,793 |
| Compensated absences | 63,025 |
| Net pension liability | 199,585 |
| OPEB liability | 79,767 |
| General obligation bonds payable | 2,184,408 |
| Total noncurrent liabilities | <u>2,679,578</u> |
| Total liabilities | <u>2,899,172</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension deferrals | 2,830 |
| OPEB deferrals | 37,804 |
| Total deferred inflows of resources | <u>40,634</u> |
| NET POSITION | |
| Net investment in capital assets | 7,491,440 |
| Restricted: | |
| Debt Service | 67,061 |
| Unrestricted | 460,633 |
| Total net position | <u><u>\$ 8,019,134</u></u> |

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

Hyde County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

| | Water and Sewer Fund |
|---|---------------------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 1,495,164 |
| Meter Installations | 9,713 |
| Other operating revenues | <u>117,276</u> |
| Total operating revenues | <u>1,622,153</u> |
| OPERATING EXPENSES | |
| Water and Sewer Operations | 1,550,580 |
| Depreciation | <u>416,800</u> |
| Total operating expenses | <u>1,967,380</u> |
| Operating income (loss) | <u>(345,227)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest and investment revenue | 11,983 |
| Transfers in (out) | - |
| Interest Expense | <u>(85,946)</u> |
| Total nonoperating revenues (expenses) | <u>(73,963)</u> |
| Change in net position | <u>(419,190)</u> |
| Total net position, beginning | 8,438,324 |
| Total net position, ending | <u><u>\$ 8,019,134</u></u> |

Hyde County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

| | Water and Sewer Fund |
|--|---------------------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 1,500,612 |
| Cash paid for goods and services | (723,399) |
| Cash paid to employees for services | (771,924) |
| Customer deposits received, net | 10,640 |
| Other operating revenue | 117,276 |
| Net cash provided by operating activities | <u>133,205</u> |
| Cash flows from Capital and Related Financing Activities: | |
| Acquisition and construction of capital assets | (28,844) |
| Principal paid on bond maturities and equipment contracts | (143,867) |
| Interest paid on bond maturities and equipment contracts | (88,020) |
| Transfers in (out) | - |
| Net cash used by capital and related financing activities | <u>(260,731)</u> |
| Cash flows from Investing Activities: | |
| Interest on investments | <u>11,983</u> |
| Net increase (decrease) in cash and cash equivalents | (115,543) |
| Cash and cash equivalents, beginning | 970,311 |
| Cash and cash equivalents, ending | <u>\$ 854,768</u> |
| Reconciliation of operating income to net cash provided by Operating Activities | |
| Operating income (loss) | <u>\$ (345,227)</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation and amortization | 416,800 |
| Changes in assets and liabilities: | |
| (Increase) decrease in: | |
| Accounts receivable | (4,267) |
| Deferred outflows of resources for pensions | 15,161 |
| Deferred outflows of resources - OPEB | (4,268) |
| Increase (decrease) in: | |
| Accounts payable and accrued liabilities | 6,422 |
| Customer deposits | 10,640 |
| Net pension liability | 28,005 |
| Total OPEB liability | (23,298) |
| Deferred inflows of resources for pensions | (2,006) |
| Deferred inflows of resources - OPEB | 29,485 |
| Compensated absences | 5,758 |
| Total adjustments | <u>478,432</u> |
| Net cash provided by (used in) operating activities | <u>\$ 133,205</u> |

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

Hyde County
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

| | Total Agency Funds |
|--|-----------------------|
| Assets | |
| Cash and cash equivalents | \$ 97,355 |
| Taxes Receivable | 3,750 |
| Total assets | <u>101,105</u> |
| Liabilities and Net Position | |
| Liabilities: | |
| Miscellaneous Liabilities and Accounts Payable | 98,201 |
| Deferred Revenues | 2,904 |
| Total liabilities | <u>101,105</u> |
| Net position: | |
| Assets held in trust | <u><u>\$ -</u></u> |

Hyde County
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 27885.

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 27885.

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.

Revolving Loan Fund. This fund is used to account for funds loaned out to small business within the County to promote economic development.

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; and 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.

Non-major Funds. The County maintains sixteen 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, 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 (CDBG-NR) Program 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 are 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 Fund. 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 (CDBG-NR) Program 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. The USDA loan agreement also requires the County to restrict funds for future debt service payments.

Governmental Activities

| | | | |
|-------------------------------|-----------------|----|----------------|
| General Fund | Tax Revaluation | \$ | 116,563 |
| General Fund | Capital Reserve | | 233,608 |
| Total Governmental Activities | | \$ | <u>350,171</u> |

Business-Type Activities

| | | | |
|--------------------------------|---------------------|----|----------------|
| Water and Sewer Fund | Customer Deposits | \$ | 152,793 |
| Water and Sewer Fund | Restricted per USDA | | 67,061 |
| Total Business-Type Activities | | \$ | <u>219,854</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, 2019. 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 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 \$16,660,255 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) | \$ 35,241,167 |
| Less accumulated depreciation | (12,816,097) |
| Net Capital Assets | <u>22,425,070</u> |
| Accrued interest receivable | 30,438 |
| Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide | 2,136,222 |
| Deferred outflows related to pensions | 651,739 |
| Net pension asset | 7,597 |
| Contributions to the pension plan in the current fiscal year | 427,478 |
| Benefit payments and pension administration costs for LEOSSA | - |
| Pension related deferrals | (340,848) |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements: | |
| Bonds, leases, and installment financing | (5,797,451) |
| Accrued interest payable | (70,144) |
| Compensated absences | (318,182) |
| Net Pension Liability - LGERS | (1,669,185) |
| Net Pension Liability - LEOSSA | (176,427) |
| Total OPEB Liability | <u>(646,052)</u> |
| Total Adjustment | <u><u>\$ 16,660,255</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 (\$2,529,014) as follows:

| | |
|---|------------------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities. | \$ 379,232 |
| 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. | (1,026,975) |
| 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 | 377,687 |
| New debt issued during the year | (2,088,411) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 406,642 |
| Contributions and administrative costs for OPEB for the current fiscal year are not included on the Statement of Activities | 20,836 |
| 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 | 29,505 |
| OPEB Expense | (36,377) |
| Increase in Net Pension Obligation | - |
| County's portion of collective pension expense | (775,807) |
| Accrued interest expense | 2,133 |
| 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 | 52,660 |
| Increase (Decrease) in accrued interest receivable - at end of year | (3,075) |
| Increase (Decrease) in deferred inflows of resources - at year end | 132,936 |
| Total Adjustment | <u><u>\$ (2,529,014)</u></u> |

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Assets of Individual Funds

For the fiscal year ending June 30, 2020, the following funds reported deficit fund balances:

| | |
|---|----------|
| Hydeland Home Health Fund | \$ 2,222 |
| Hurricane Matthew Fund | 40,965 |
| 2015 FMA Program Fund | 60,262 |
| 2016 FMA Program Fund | 32,726 |
| CDBG Disaster Recovery Fund | 6,750 |
| Hurricane Irene HMGP Fund | 56,328 |
| CDBG Neighborhood Revitalization (CDBG-NR) Program Fund | 63,178 |

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 two non-major funds, the Hydeland Home Health fund and 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, Inspections, Juvenile Crime Prevention, Soil and Water Conservation, FEMA, COVID 19, Mental Health - Navigator, SBA Home Loans/Grants, Peer Counselor, Wise Women Project and Public Schools - Capital Outlay.

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 5 months after the required due date of January 31, 2021. 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, 2020 the County's deposits had a carrying amount of \$9,991,033 and a bank balance of \$10,978,973. Of the carrying amount \$339 was cash on hand. Of the bank balance, \$250,000 was covered by FDIC; the remaining \$10,728,973 was covered by collateral and held under the Pooling Method.

At June 30, 2020, the carrying amount of deposits for Hyde County ABC Board was \$154,423 and the bank balance was \$188,140. All of the bank balance was covered by federal depository insurance.

At June 30, 2020 the carrying amount of deposits for Ocracoke TDA was \$106,058 and the bank balance was \$106,058. All of the bank balance was covered by federal depository insurance.

2. Investments

As of June 30, 2020, the County's investments consisted of \$110,708 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, 2020, 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 |
|-------------|---------------------|-------------------|---------------------|
| 2017 | 876,774 | 287,143 | 1,163,917 |
| 2018 | 1,400,669 | 332,659 | 1,733,328 |
| 2019 | 1,535,132 | 195,729 | 1,730,861 |
| 2020 | 1,496,734 | 86,062 | 1,582,796 |
| | <u>\$ 5,309,309</u> | <u>\$ 901,593</u> | <u>\$ 6,210,902</u> |

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

| | Accounts | Taxes and Related Accrued Interest | Due From Other Governments | Other | Total |
|--------------------------------|-------------------|---------------------------------------|-------------------------------|---------------------|---------------------|
| Governmental activities: | | | | | |
| General | \$ 333,896 | \$ 940,299 | \$ 262,279 | \$ 42,453 | \$ 1,578,927 |
| Other Governmental | 113,001 | 5,733 | - | 1,212,530 | 1,331,264 |
| Total receivables | 446,897 | 946,032 | 262,279 | 1,254,983 | 2,910,191 |
| Allow. for doubtful accounts | - | (365,600) | - | - | (365,600) |
| Total governmental activities | <u>\$ 446,897</u> | <u>\$ 580,432</u> | <u>\$ 262,279</u> | <u>\$ 1,254,983</u> | <u>\$ 2,544,591</u> |
| Business-type activities: | | | | | |
| Water & Sewer | \$ 426,051 | \$ - | \$ - | \$ - | \$ 426,051 |
| Total receivables | 426,051 | - | - | - | 426,051 |
| Allow. for doubtful accounts | (272,847) | - | - | - | (272,847) |
| Total business-type activities | <u>\$ 153,204</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 153,204</u> |

Due from other governments that is owed to the County consists of the following at June 30, 2020:

| | |
|--------------------------|-------------------|
| Governmental Activities: | |
| Local Option Sales Tax | \$ 222,187 |
| Department of Revenue | 40,092 |
| Total | <u>\$ 262,279</u> |

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2020, 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 | 419,325 | 242,778 | - | 662,103 |
| Total capital assets not depreciated | 2,714,400 | 242,778 | - | 2,957,178 |
| Capital assets being depreciated: | | | | |
| Buildings | 18,864,785 | - | - | 18,864,785 |
| Computer Equipment | 298,643 | - | - | 298,643 |
| Equipment | 2,176,021 | - | - | 2,176,021 |
| Vehicles | 1,651,811 | 136,454 | - | 1,788,265 |
| Infrastructure | 9,156,275 | - | - | 9,156,275 |
| Total capital assets being depreciated | 32,147,535 | 136,454 | - | 32,283,989 |
| Less accumulated depreciation for: | | | | |
| Buildings | 4,794,967 | 376,260 | - | 5,171,227 |
| Computer Equipment | 298,377 | 266 | - | 298,643 |
| Equipment | 977,901 | 122,742 | - | 1,100,643 |
| Vehicles | 1,396,507 | 136,983 | - | 1,533,490 |
| Infrastructure | 4,321,370 | 390,724 | - | 4,712,094 |
| Total accumulated depreciation | 11,789,122 | 1,026,975 | - | 12,816,097 |
| Total capital assets being depreciated, net | 20,358,413 | (890,521) | - | 19,467,892 |
| Governmental activities capital assets, net | \$ 23,072,813 | \$ (647,743) | \$ - | \$ 22,425,070 |

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

| | |
|-----------------------------------|---------------------|
| Governmental Activities: | |
| General government | \$ 170,393 |
| Public safety | 311,257 |
| Transportation | 51,044 |
| Human Services | 56,629 |
| Environmental Protection | 9,770 |
| Education | 60,988 |
| Economic and Physical Development | 366,894 |
| Total depreciation expense | <u>\$ 1,026,975</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 | 284,355 | 28,844 | - | 313,199 |
| Total capital assets being depreciated | 18,565,541 | 28,844 | - | 18,594,385 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 7,898,365 | 386,161 | - | 8,284,526 |
| Computer Equipment | 14,917 | - | - | 14,917 |
| Equipment | 282,444 | 5,158 | - | 287,602 |
| Vehicles | 215,495 | 25,481 | - | 240,976 |
| Total accumulated depreciation | 8,411,221 | 416,800 | - | 8,828,021 |
| Total capital assets being depreciated, net | 10,154,320 | (387,956) | - | 9,766,364 |
| Water and Sewer capital assets, net | \$ 10,212,159 | \$ (387,956) | \$ - | \$ 9,824,203 |

Construction Commitments

The government does not have any active construction projects as of June 30, 2020.

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

| | Useful Life | Cost | Accumulated Depreciation | Net |
|-----------------------|--------------|-----------|--------------------------|-----------|
| Building Improvements | 5 - 10 Years | \$ 2,230 | \$ 425 | \$ 1,805 |
| Equipment | 3 - 10 Years | 44,474 | 33,651 | 10,823 |
| Vehicle | 5 Years | 17,986 | 17,986 | - |
| | | \$ 64,690 | \$ 63,826 | \$ 12,628 |

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows:

| | Vendors | Other | Total |
|--------------------------------|--------------|-----------|--------------|
| Governmental activities: | | | |
| General | \$ 1,755,971 | \$ 75,183 | \$ 1,831,154 |
| Other Governmental | 70,144 | - | 70,144 |
| Total governmental activities | \$ 1,826,115 | \$ 75,183 | \$ 1,901,298 |
| Business-type activities: | | | |
| Water and Sewer Fund | \$ 71,239 | \$ - | \$ 71,239 |
| Total business-type activities | \$ 71,239 | \$ - | \$ 71,239 |

2. Pension Plan Obligations and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.05% 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 \$454,863 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$1,868,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.0684% (measured as of June 30, 2019), which was an increase of 0.00071% from its proportion measured as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$840,253. At June 30, 2020, 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 | \$ 319,981 | \$ - |
| Changes of assumptions | 304,579 | - |
| Net difference between projected and actual earnings on pension plan investments | 45,582 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 12,982 | 26,499 |
| County contributions subsequent to the measurement date | 454,863 | - |
| Total | <u>\$ 1,137,987</u> | <u>\$ 26,499</u> |

\$454,863 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------------|-------------------|
| 2021 | \$ 328,930 |
| 2022 | 95,298 |
| 2023 | 178,109 |
| 2024 | 54,288 |
| 2025 | - |
| Thereafter | - |
| | <u>\$ 656,625</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2020 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 | <u>100%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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) | \$ 4,274,219 | \$ 1,868,770 | \$ (130,645) |

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, 2019 the Separation Allowance membership consisted of:

| | |
|--|-----------|
| Retirees receiving benefits | 0 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | 13 |
| Total | <u>13</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 | 3.26 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, 2019.

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, 2020, the County reported a total pension liability of \$176,427. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For year ended June 30, 2020, the County recognized pension expense of \$20,744.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 6,372 | \$ 4,301 |
| Changes of assumptions | 12,429 | 6,334 |
| County benefit payments and plan administrative expenses made subsequent to the measurement date | - | - |
| Total | <u>\$ 18,801</u> | <u>\$ 10,635</u> |

\$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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------------|----------|
| 2021 | \$ 1,605 |
| 2022 | 1,605 |
| 2023 | 1,605 |
| 2024 | 1,235 |
| 2025 | 1,237 |
| Thereafter | 879 |

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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

| | 1% Decrease (2.26%) | Discount Rate (3.26%) | 1% Increase (4.26%) |
|-------------------------|------------------------|--------------------------|------------------------|
| Total pension liability | \$ 193,539 | \$ 176,427 | \$ 160,845 |

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

| | 2020 |
|---|--------------------------|
| Beginning balance | \$ 147,667 |
| Service Cost | 13,764 |
| Interest on the total pension liability | 5,375 |
| Changes of benefit terms | - |
| Difference between expected and actual experience in the measurement of the total pension liability | 3,526 |
| Changes of assumptions or other inputs | 6,095 |
| Benefit payments | - |
| Other changes | - |
| Ending balance of the total pension liability | <u><u>\$ 176,427</u></u> |

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26 percent at June 30, 2019 (measurement date).

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, 2018 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, 2020 were \$42,987, which consisted of \$34,738 from the County and \$8,250 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.

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 \$358 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$7,597 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 0.03848%, which was a decrease of 0.00638% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$4,549. At June 30, 2020, 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 | \$ - | \$ 366 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 78 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 1,185 | - |
| County contributions subsequent to the measurement date | 358 | - |
| Total | <u>\$ 1,621</u> | <u>\$ 366</u> |

\$358 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------------|----------|
| 2021 | \$ 420 |
| 2022 | 384 |
| 2023 | 243 |
| 2024 | (150) |
| 2025 | - |
| Thereafter | <u>-</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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) | \$ 512 | \$ (7,597) | \$ 421 |

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.

e. 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, 2018, 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 LEOSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. 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) | \$ 1,868,770 | \$ (7,597) | n/a | \$ 1,861,173 |
| Proportion of the Net Pension Liability (Asset) | 0.06843% | 0.03848% | n/a | |
| Total Pension Liability | - | - | \$ 176,427 | \$ 176,427 |
| Pension Expense | \$ 840,253 | \$ 4,549 | \$ 20,744 | \$ 865,546 |

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | ROD | LEOSSA | Total |
|---|------------|--------|----------|------------|
| <u>Deferred Outflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$ 319,981 | \$ - | \$ 6,372 | \$ 326,353 |
| Changes of assumptions | 304,579 | - | 12,429 | 317,008 |
| Net difference between projected and actual earnings on pension plan investments | 45,582 | 78 | - | 45,660 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 12,982 | 1,185 | - | 14,167 |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 454,863 | 358 | - | 455,221 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$ - | \$ 366 | \$ 4,301 | \$ 4,667 |
| Changes of assumptions | - | - | 6,334 | 6,334 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 26,499 | - | - | 26,499 |

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, one retiree is 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, 2019, the date of the latest actuarial valuation:

| | 2019 |
|--|------|
| Retirees and dependents receiving benefits | 1 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active Plan members | 109 |
| Total | 110 |

Total OPEB Liability

The County's total OPEB liability of \$725,819 was measured as of June 30, 2019 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, 2019 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 | 3.50% |
| Healthcare cost trend rate | |
| Pre-Medicare and Prescription Drug | 7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 |
| Dental | 4.00% |
| Vision | 2.50% |

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

| | Total OPEB Liability |
|---|-----------------------------|
| Balance at July 1, 2019 | \$ 937,809 |
| Changes for the year | |
| Service cost | 56,224 |
| Interest | 36,013 |
| Changes of benefit terms | 17,182 |
| Difference between expected and actual experience | (324,889) |
| Changes in assumptions or other inputs | 27,744 |
| Benefit payments | (24,264) |
| Net changes | <u>(211,990)</u> |
| Balance at June 30, 2020 | <u><u>\$ 725,819</u></u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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, 2019 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 (2.50 percent) and 1-percentage-point higher (4.50 percent) than the current discount rate:

| | 1% Decrease | Discount Rate (3.50%) | 1% Increase |
|----------------------|-------------|-----------------------|-------------|
| Total OPEB Liability | \$ 816,594 | \$ 725,819 | \$ 646,315 |

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 | \$ 629,607 | \$ 725,819 | \$ 843,929 |

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$40,867. At June 30, 2020, 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 | \$ - | \$ 291,311 |
| Changes of assumptions | 24,164 | 52,671 |
| Benefit payments and administrative costs made subsequent to the measurement date | 23,409 | - |
| Total | <u>\$ 47,573</u> | <u>\$ 343,982</u> |

\$23,409 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------------|-------------|
| 2021 | \$ (53,021) |
| 2022 | (53,021) |
| 2023 | (53,021) |
| 2024 | (51,070) |
| 2025 | (42,586) |
| Thereafter | (67,099) |

g. Other Employment Benefits

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

3. Deferred Outflows and Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Pension-difference between expected and actual experience | | |
| LGERS | \$ 319,981 | \$ - |
| Register of Deeds | - | 366 |
| LEOSSA | 6,372 | 4,301 |
| OPEB | - | 291,311 |
| Changes of assumptions | | |
| LGERS | 304,579 | - |
| Register of Deeds | - | - |
| LEOSSA | 12,429 | 6,334 |
| OPEB | 24,164 | 52,671 |
| Pension - difference between projected and actual investment earnings | | |
| LGERS | 45,582 | - |
| Register of Deeds | 78 | - |
| Pension - change in proportion and difference between employer contributions and proportionate share of contributions | | |
| LGERS | 12,982 | 26,499 |
| Register of Deeds | 1,185 | - |
| Contributions to pension plan in 2019-2020 fiscal year | | |
| LGERS | 454,863 | - |
| Register of Deeds | 358 | - |
| LEOSSA | - | - |
| Benefit payments for the OPEB plan paid subsequent to the measurement date | 23,409 | - |
| Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA) | - | - |
| QZAB Bond (General) | - | 41,975 |
| Prepaid taxes not yet earned (General) | - | 17,746 |
| Taxes receivable, net (General), less penalties | - | 574,699 |
| Taxes receivable, net(Special Revenue) | - | 5,733 |
| Accounts Receivable - Patient fees (General) | - | 333,896 |
| Accounts Receivable - Patient fees (Special Revenue) | - | 113,001 |
| Other Deferrals - Various Grants (General) | - | 1,108,893 |
| Total | <u>\$ 1,205,982</u> | <u>\$ 2,577,425</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, 2020 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. | \$ 28,907 |
| 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. | 15,299 |
| 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. | 3,141 |
| 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. | 3,141 |
| 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. | 7,828 |
| Lease of 2 2019 Dodge Ram trucks and a 2019 Dodge Charger for the Sheriff's Department, entered into on November 4, 2019 in the amount of \$88,411, payable in 4 annual installments of \$23,993 including interest at a rate of 5.5% through November 4, 2022. | 64,418 |
| Total Serviced by the General Fund | <u>\$ 122,734</u> |

Future minimum lease payments of June 30, 2020 were as follows:

| Year Ending June 30 | Principal | Interest |
|------------------------|-------------------|------------------|
| 2021 | \$ 70,426 | \$ 6,451 |
| 2022 | 28,976 | 2,801 |
| 2023 | 23,332 | 1,310 |
| 2024 | - | - |
| 2025 | - | - |
| Total | <u>\$ 122,734</u> | <u>\$ 10,562</u> |

At June 30, 2020, the County leased the following assets valued at:

| Class of Property | Cost | Accumulated Depreciation | Net Book Value |
|----------------------|-------------------|-----------------------------|-------------------|
| Vehicle | <u>\$ 312,364</u> | <u>\$ 145,410</u> | <u>\$ 166,954</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%.

| | |
|------------------------------------|---------------------|
| | \$ 2,473,640 |
| Total Serviced by the General Fund | <u>\$ 2,473,640</u> |

For Hyde County, the future installment purchase payments as of June 30, 2020, including \$1,045,397 of interest, are:

| Year Ending June 30 | Principal | Interest |
|------------------------|---------------------|---------------------|
| 2021 | \$ 101,907 | \$ 104,831 |
| 2022 | 106,169 | 100,476 |
| 2023 | 110,610 | 95,938 |
| 2024 | 115,237 | 91,210 |
| 2025 | 120,058 | 86,285 |
| 2026-2030 | 679,965 | 350,006 |
| 2031-2035 | 832,599 | 191,942 |
| 2036-2040 | 407,095 | 24,709 |
| Total | <u>\$ 2,473,640</u> | <u>\$ 1,045,397</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.

\$ 1,057,763

The County's general obligation bonds payable at June 30, 2020 are comprised of the following individual issue:

| Year Ending June 30 | Principal | Interest |
|------------------------|---------------------|-------------------|
| 2021 | \$ 126,355 | \$ 29,512 |
| 2022 | 129,244 | 25,986 |
| 2023 | 132,541 | 22,380 |
| 2024 | 133,236 | 18,682 |
| 2025 | 133,878 | 14,965 |
| 2026-2030 | 402,509 | 22,489 |
| Total | <u>\$ 1,057,763</u> | <u>\$ 134,014</u> |

At June 30, 2020, Hyde County had a legal debt margin of approximately \$70,954,341. The County has no authorized but unissued bonds at June 30, 2020.

d. Revenue Bonds

\$1,420,000 Water and Sewer Bonds, series 2011, due in annual installments of \$16,000 to \$ 1,275,000
\$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 | \$ 1,622,153 | |
| Operating Expenses* | <u>1,550,580</u> | |
| Operating Income | 71,573 | |
| Nonoperating Revenues (Expenses) | <u>(18,883)</u> | |
| Income available for debt service | 52,690 | |
| Debt service, principal and interest paid (Revenue bond only) | \$ 76,080 | |
| Debt service, principal and interest paid (debt excluding revenue bonds) | | \$ 155,807 |
| Debt Service Ratio | 69.26% | 33.82% |
| Requirement Percentage | 110.00% | 100.00% |

*Per rate covenants, this does not include depreciation expense of \$416,800

**Does not include revenue bond interest paid of \$55,080

The future payments of the revenue bonds are as follows:

| Year Ending June | Principal | Interest |
|------------------|---------------------|---------------------|
| 2021 | \$ 22,000 | \$ 54,188 |
| 2022 | 23,000 | 53,252 |
| 2023 | 24,000 | 52,275 |
| 2024 | 25,000 | 51,255 |
| 2025 | 26,000 | 50,193 |
| 2026-2030 | 146,000 | 233,538 |
| 2031-2035 | 179,000 | 199,835 |
| 2036-2040 | 221,000 | 158,355 |
| 2041-2045 | 272,000 | 107,270 |
| 2046-2050 | 337,000 | 44,243 |
| | <u>\$ 1,275,000</u> | <u>\$ 1,004,404</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.

\$ 1,201,077

| Year Ending June | Governmental-Type Activities | |
|------------------|------------------------------|------------------|
| | Principal | Interest |
| 2021 | \$ 200,179 | \$ 13,032 |
| 2022 | 200,179 | 11,170 |
| 2023 | 200,179 | 9,308 |
| 2024 | 200,180 | 7,447 |
| 2025 | 200,180 | 3,723 |
| 2026-2030 | 200,180 | 1,862 |
| | <u>\$ 1,201,077</u> | <u>\$ 46,542</u> |

e. Direct Loan Funding

\$1,000,000 Direct Loan Funding issued on April 8, 2020; to advance fund to the County while awaiting Federal reimbursements. Payments are required within 5 business days of receipt of federal reimbursement. Agreement shall terminate at April 8, 2023 or upon full repayment of loan proceeds and submission of final reports, which ever comes first.

\$1,000,000 Direct Loan Funding issued on June 10, 2020; to advance fund to the County while awaiting Federal reimbursements. Payments are required within 5 business days of receipt of federal reimbursement. Agreement shall terminate at June 10, 2023 or upon full repayment of loan proceeds and submission of final reports, which ever comes first.

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, 2020:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amount Due Within One Year |
|------------------------------------|----------------------|---------------------|-------------------|---------------------|----------------------------------|
| Governmental activities: | | | | | |
| Installment Purchase | \$ 2,573,478 | \$ - | \$ 99,838 | \$ 2,473,640 | \$ 101,907 |
| Qualified School Construction Bond | 1,401,256 | - | 200,179 | 1,201,077 | 200,179 |
| NCORR Direct Loan Funding | - | 2,000,000 | - | 2,000,000 | - |
| Capital Leases | 111,993 | 88,411 | 77,670 | 122,734 | 70,426 |
| Compensated absences | 347,687 | - | 29,505 | 318,182 | - |
| Net pension liability (LGRS) | 1,434,970 | 234,215 | - | 1,669,185 | - |
| Total pension liability (LEOSSA) | 147,667 | 28,760 | - | 176,427 | - |
| Total OPEB liability | 834,744 | - | 188,692 | 646,052 | - |
| Total | <u>\$ 6,851,795</u> | <u>\$ 2,351,386</u> | <u>\$ 595,884</u> | <u>\$ 8,607,297</u> | <u>\$ 372,512</u> |
| Business-type activities: | | | | | |
| General obligation debt | \$ 1,180,630 | \$ - | \$ 122,867 | \$ 1,057,763 | \$ 126,355 |
| Revenue bonds debt | 1,296,000 | - | 21,000 | 1,275,000 | 22,000 |
| Compensated absences | 57,267 | 5,758 | - | 63,025 | - |
| Net pension liability (LGRS) | 171,580 | 28,005 | - | 199,585 | - |
| Total OPEB liability | 103,065 | - | 23,298 | 79,767 | - |
| Total | <u>\$ 2,808,542</u> | <u>\$ 33,763</u> | <u>\$ 167,165</u> | <u>\$ 2,675,140</u> | <u>\$ 148,355</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, 2020, consist of the following:

| | |
|--|-------------------|
| From the General Fund to the Hyde County Senior Center Fund to provide resources | \$ 109,854 |
| Total | <u>\$ 109,854</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, 2020, consist of the following:

| | |
|--|-------------------|
| From the PDM Program Fund to the General Fund for the payment of expenditures | \$ 58,249 |
| From the Hydeland Home Health Fund to the General Fund for the payment of expenditures | 2,222 |
| From the Hyde County Senior Center to the General Fund for the payment of expenditures | 98,789 |
| 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 | 58,001 |
| 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 | 9,930 |
| From the CDBG Neighborhood Revitalization Fund to the General Fund for the payment of expenditures | 50,488 |
| Total | <u>\$ 357,835</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 | \$ 5,264,510 |
| Less: | |
| Stabilization by State Statute | 996,463 |
| Debt Service | 206,825 |
| Other Purposes | - |
| Register of Deeds | 50,693 |
| Tax Revaluation | 116,563 |
| Environmental Protection | 233,608 |
| Appropriated Fund Balance in 2021 budget | 509,972 |
| Remaining fund balance | <u>\$ 3,150,386</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 \$4,725 to the Council during the fiscal year ended June 30, 2020. 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, 2020, 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, 2020, revenue from the Hyde County Prison represented 26% of the total Water and Sewer Fund revenues.

VIII. Date of Management Evaluation

Management has evaluated subsequent events through July 6, 2021, the date on which the financial statements were available to be issued.

Required Supplemental Financial Data

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

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

Schedule of County Contributions (LGERS)

Schedule of County's Proportionate Share of Net Pension Liability (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 Seven Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset) (%) | 0.06843% | 0.06772% | 0.07244% | 0.07654% | 0.07425% | 0.07055% | 0.07180% |
| County's proportion of the net pension liability (asset) (\$) | \$ 1,868,770 | \$ 1,606,550 | \$ 1,106,683 | \$ 1,624,435 | \$ 333,230 | \$ (416,066) | \$ 865,466 |
| County's covered payroll | \$ 4,635,108 | \$ 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 | 40.32% | 35.58% | 23.82% | 34.87% | 6.99% | -10.42% | 21.68% |
| Plan fiduciary net position as a percentage of the total pension liability** | 90.86% | 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 Seven Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 454,863 | \$ 367,418 | \$ 347,144 | \$ 344,227 | \$ 319,087 | \$ 338,226 | \$ 319,589 |
| Contributions in relation to the contractually required contribution | 454,863 | 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> | <u>\$ -</u> |
| County's covered payroll | \$ 4,975,942 | \$ 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 | 9.14% | 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 Seven Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| County's proportionate share of the net pension liability (%) | 0.0385% | 0.0449% | 0.0442% | 0.0467% | 0.0464% | 0.0398% | 0.0403% |
| County's proportionate share of the net pension liability (\$) | \$ (7,597) | \$ (7,430) | \$ (8,270) | \$ (8,722) | \$(10,764) | \$ (9,019) | \$ (9,330) |
| Plan fiduciary net position as a percentage of the total pension liability | 164.11% | 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 Seven Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------|----------|----------|----------|----------|----------|----------|
| Contractually required contribution | \$ 358 | \$ 3,982 | \$ 3,824 | \$ 3,689 | \$ 3,421 | \$ 3,492 | \$ 3,492 |
| Contributions in relation to contractually required contribution | 358 | 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, 2020*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Beginning Balance | \$ 147,667 | \$ 130,553 | \$ 108,057 | \$ 94,161 |
| Service Cost | 13,764 | 15,315 | 12,591 | 13,572 |
| Interest on the total pension liability | 5,375 | 4,125 | 4,171 | 3,362 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 3,526 | 4,836 | (8,345) | - |
| Changes of assumptions or other inputs | 6,095 | (7,162) | 14,079 | (3,038) |
| Benefit payments | - | - | - | - |
| Other changes | - | - | - | - |
| Ending balance of the total pension liability | <u>\$ 176,427</u> | <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, 2020

| | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Total pension liability | \$ 176,427 | \$ 147,667 | \$ 130,553 | \$ 108,057 |
| Covered payroll | 620,527 | 640,649 | 643,429 | 660,554 |
| Total pension liability as a percentage of covered payroll | 28.43% | 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, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|--------------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 56,224 | \$ 58,362 | \$ 63,506 |
| Interest | 36,013 | 32,090 | 27,223 |
| Changes of benefit terms | 17,182 | - | - |
| Differences between expected and actual experience | (324,889) | (3,932) | (9,976) |
| Changes of assumptions | 27,744 | (32,527) | (53,250) |
| Benefit payments | (24,264) | (34,884) | (26,216) |
| Net change in total OPEB liability | <u>(211,990)</u> | <u>19,109</u> | <u>1,287</u> |
| Total OPEB Liability, beginning | <u>937,809</u> | <u>918,700</u> | <u>917,413</u> |
| Total OPEB Liability, ending | <u><u>\$ 725,819</u></u> | <u><u>\$ 937,809</u></u> | <u><u>\$ 918,700</u></u> |
| Covered payroll | \$ 4,309,489 | \$4,266,460 | \$ 4,266,460 |
| Total OPEB liability as a percentage of covered payroll | 16.84% | 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> |
|--------------------|-------------|
| 2020 | 3.50% |
| 2019 | 3.89% |
| 2018 | 3.56% |

Combining and Individual Fund Statements and Schedules

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Taxes | \$ 7,156,435 | \$ 7,676,915 | \$ 520,480 |
| Interest | 110,050 | 130,547 | 20,497 |
| Total | <u>7,266,485</u> | <u>7,807,462</u> | <u>540,977</u> |
| Local option sales tax: | | | |
| Article 39 and 44 | 746,000 | 760,647 | 14,647 |
| Article 40 one - half of one percent | 418,000 | 406,321 | (11,679) |
| Article 42 one - half of one percent | 365,750 | 362,398 | (3,352) |
| Medicaid Hold Harmless Payment | 150,000 | 60,754 | (89,246) |
| Total | <u>1,679,750</u> | <u>1,590,120</u> | <u>(89,630)</u> |
| Other taxes & licenses: | | | |
| Real estate stamp excise tax | 86,750 | 90,317 | 3,567 |
| Scrap tire disposal tax | 10,000 | 7,069 | (2,931) |
| White goods disposal tax | 3,000 | - | (3,000) |
| Solid waste disposal tax | 4,250 | 4,935 | 685 |
| Local occupancy tax | 59,800 | 50,304 | (9,496) |
| Franchise Tax - cable tv | 3,100 | 2,536 | (564) |
| Beer and wine licenses | 20,500 | 23,895 | 3,395 |
| Total | <u>187,400</u> | <u>179,056</u> | <u>(8,344)</u> |
| Unrestricted intergovernmental: | | | |
| Payments in lieu of taxes-outside sources | 133,250 | 103,100 | (30,150) |
| Beer and wine tax | 25,000 | 22,357 | (2,643) |
| Total | <u>158,250</u> | <u>125,457</u> | <u>(32,793)</u> |
| Restricted intergovernmental: | | | |
| State Grants | 1,350,390 | 872,170 | (478,220) |
| Federal Grants | - | - | - |
| Social Service Grants - federal and state | 1,326,666 | 983,093 | (343,573) |
| Other grants | 431,233 | 530,020 | 98,787 |
| Court facility fees | 10,000 | 9,561 | (439) |
| Rebuild Grant | 200,000 | - | (200,000) |
| Golden Leaf Grant | 125,000 | - | (125,000) |
| ABC Bottles taxes | 2,000 | 1,920 | (80) |
| OSBM agreement 200-A | 2,400,000 | 350,578 | (2,049,422) |
| COVID 19 recovery funds | - | 330,327 | 330,327 |
| NCORR - FDLG | 2,714,000 | 2,714,000 | - |
| Total | <u>8,559,289</u> | <u>5,791,669</u> | <u>(2,767,620)</u> |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------|------------|------------|------------------------------------|
| Permits and fees: | | | |
| Building Permits | 30,000 | 6,298 | (23,702) |
| Concealed handgun permits | 5,000 | 4,105 | (895) |
| Inspection Fees | 27,585 | 32,307 | 4,722 |
| Register of Deeds | 25,000 | 20,565 | (4,435) |
| Election filing fees | 500 | 277 | (223) |
| Sheriff Fees | 13,000 | 8,331 | (4,669) |
| Private well fees | - | 2,251 | 2,251 |
| Code Enforcement Penalties | 1,500 | 808 | (692) |
| Dumpster Tipping Fees | - | 291 | 291 |
| Total | 102,585 | 75,233 | (27,352) |
| Sales and services: | | | |
| Rents, Concessions, and Fees | 132,385 | 134,086 | 1,701 |
| Jail Fees | 1,500 | 2,529 | 1,029 |
| Household Garbage Collection | 5,000 | 6,619 | 1,619 |
| Ambulance and Rescue Squad Fees | 350,000 | 315,906 | (34,094) |
| Airport Gas Sales | 30,000 | 7,909 | (22,091) |
| Total | 518,885 | 467,049 | (51,836) |
| Investment earnings: | 30,000 | 45,047 | 15,047 |
| Miscellaneous: | | | |
| Insurance Claims | 10,000 | 35,904 | 25,904 |
| Donations | - | 9,588 | 9,588 |
| Other Revenues | 19,550 | 33,945 | 14,395 |
| Total | 29,550 | 79,437 | 49,887 |
| Total revenues | 18,532,194 | 16,160,530 | (2,371,664) |
| Expenditures: | | | |
| General Government: | | | |
| Governing Body: | | | |
| Salaries and employee benefits | 24,365 | 24,364 | 1 |
| Other operating expenditures | 2,000 | 1,777 | 223 |
| Total | 26,365 | 26,141 | 224 |
| Administration: | | | |
| Salaries and employee benefits | 224,129 | 179,840 | 44,289 |
| Other operating expenditures | 561,885 | 549,997 | 11,888 |
| Capital outlay | 80,000 | 80,000 | - |
| Total | 866,014 | 809,837 | 56,177 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| IT: | | | |
| Salaries and employee benefits | 64,346 | 63,789 | 557 |
| Other operating expenditures | 29,500 | 20,029 | 9,471 |
| Total | 93,846 | 83,818 | 10,028 |
| Elections: | | | |
| Salaries and employee benefits | 60,382 | 57,735 | 2,647 |
| Other operating expenditures | 58,717 | 45,144 | 13,573 |
| Total | 119,099 | 102,879 | 16,220 |
| Finance: | | | |
| Salaries and employee benefits | 128,468 | 131,579 | (3,111) |
| Other operating expenditures | 31,600 | 23,001 | 8,599 |
| Total | 160,068 | 154,580 | 5,488 |
| Human Resources: | | | |
| Salaries and employee benefits | 59,024 | 58,950 | 74 |
| Other operating expenditures | 9,723 | 8,308 | 1,415 |
| Total | 68,747 | 67,258 | 1,489 |
| Taxes: | | | |
| Salaries and employee benefits | 193,089 | 196,076 | (2,987) |
| Other operating expenditures | 38,600 | 39,657 | (1,057) |
| Total | 231,689 | 235,733 | (4,044) |
| Legal: | | | |
| Contracted Services | 80,000 | 75,544 | 4,456 |
| Total | 80,000 | 75,544 | 4,456 |
| Register of Deeds: | | | |
| Salaries and employee benefits | 109,288 | 103,195 | 6,093 |
| Other operating expenditures | 95,175 | 129,229 | (34,054) |
| Total | 204,463 | 232,424 | (27,961) |
| Public Buildings: | | | |
| Salaries and employee benefits | 106,493 | 68,248 | 38,245 |
| Other operating Expenditures | 274,400 | 275,771 | (1,371) |
| Total | 380,893 | 344,019 | 36,874 |
| Court Facilities: | | | |
| Other operating expenditures | 10,000 | 9,931 | 69 |
| Total | 10,000 | 9,931 | 69 |
| Total General Government | 2,241,184 | 2,142,164 | 99,020 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--------------------------------|------------------|------------------|------------------------------------|
| Public Safety: | | | |
| Sheriff: | | | |
| Salaries and employee benefits | 1,037,390 | 940,742 | 96,648 |
| Other operating expenditures | 300,121 | 274,906 | 25,215 |
| Capital outlay | 271 | 88,411 | (88,140) |
| Total | 1,337,782 | 1,304,059 | 33,723 |
| ABC Rehabilitation: | | | |
| Other operating expenditures | 1,800 | 1,277 | 523 |
| Total | 1,800 | 1,277 | 523 |
| Jail: | | | |
| Other operating expenditures | 120,250 | 114,193 | 6,057 |
| Total | 120,250 | 114,193 | 6,057 |
| Emergency Management: | | | |
| Salaries and employee benefits | 70,999 | 55,755 | 15,244 |
| Other operating expenditures | 92,325 | 71,059 | 21,266 |
| Total | 163,324 | 126,814 | 36,510 |
| Fire: | | | |
| Contracted Services | 240,725 | 222,168 | 18,557 |
| Inspections: | | | |
| Salaries and employee benefits | 108,451 | 79,321 | 29,130 |
| Other operating expenditures | 27,800 | 63,728 | (35,928) |
| Total | 136,251 | 143,049 | (6,798) |
| Rescue: | | | |
| Salaries and employee benefits | 1,188,524 | 1,107,541 | 80,983 |
| Other operating expenditures | 464,791 | 521,783 | (56,992) |
| Total | 1,653,315 | 1,629,324 | 23,991 |
| Medical Examiner: | | | |
| Other operating expenditures | 3,000 | 2,150 | 850 |
| Total | 3,000 | 2,150 | 850 |
| Total Public Safety | 3,656,447 | 3,543,034 | 113,413 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|-----------|-----------|------------------------------------|
| Environmental Protection: | | | |
| Solid Waste: | | | |
| Salaries and employee benefits | 331,548 | 271,475 | 60,073 |
| Other operating expenditures | 734,868 | 761,107 | (26,239) |
| Capital outlay | 1,000 | 398 | 602 |
| Total | 1,067,416 | 1,032,980 | 34,436 |
| Drainage: | | | |
| Salaries and employee benefits | 59,961 | 59,651 | 310 |
| Other operating expenditures | 3,000 | 3,302 | (302) |
| Capital outlay | 3,817 | 1,120 | 2,697 |
| Total | 66,778 | 64,073 | 2,705 |
| Total Environmental Protection | 1,134,194 | 1,097,053 | 37,141 |
| Transportation: | | | |
| Airport: | | | |
| Other operating expenditures | 78,000 | 53,230 | 24,770 |
| Total Transportation | 78,000 | 53,230 | 24,770 |
| Economic and Physical Development: | | | |
| Planning: | | | |
| Salaries and employee benefits | 84,089 | 69,002 | 15,087 |
| Other operating expenditures | 93,900 | 85,525 | 8,375 |
| Total | 177,989 | 154,527 | 23,462 |
| Agricultural Extension: | | | |
| Salaries and employee benefits | 119,132 | 112,606 | 6,526 |
| Other operating expenditures | 29,907 | 30,273 | (366) |
| Capital outlay | 8,000 | 5,476 | 2,524 |
| Total | 157,039 | 148,355 | 8,684 |
| Swan Quarter Dike Project: | | | |
| Capital Outlay | 80,000 | - | 80,000 |
| Juvenile Crime Prevention: | | | |
| Salaries and employee benefits | 19,377 | 18,307 | 1,070 |
| Other operating expenditures | 35,546 | 46,424 | (10,878) |
| Total | 54,923 | 64,731 | (9,808) |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| Soil and Water Conservation: | | | |
| Salaries and employee benefits | 116,960 | 96,507 | 20,453 |
| Other operating expenditures | 25,514 | 313,790 | (288,276) |
| Total | 142,474 | 410,297 | (267,823) |
| Ocracoke Tram | - | 109,595 | (109,595) |
| Tram Replacement | 125,000 | 78,456 | 46,544 |
| Hurricane Dorian Ocracoke Housing | 600,000 | 307,455 | 292,545 |
| Ocracoke Home Repair and Rebuild | 200,000 | 161,852 | 38,148 |
| NCORR Grant for FDLG | 2,714,000 | 4,905 | 2,709,095 |
| Hurricane Dorian FEMA/ NCORR Loan TCALG | | | |
| Salaries and employee benefits | - | 311,688 | (311,688) |
| Other operating expenditures | - | 3,681,115 | (3,681,115) |
| NCORR Loan TCALG | 2,000,000 | - | 2,000,000 |
| Total | 2,000,000 | 3,992,803 | (1,992,803) |
| COVID 19 | | | |
| Salaries and employee benefits | - | 40,782 | (40,782) |
| Other operating expenditures | - | 5,403 | (5,403) |
| Total | - | 46,185 | (46,185) |
| OSBM Agreement 200-A | 1,800,000 | - | 1,800,000 |
| Total Economic and Physical Development | 8,051,425 | 5,479,161 | 2,572,264 |
| Human Services: | | | |
| Health: | | | |
| Administration: | | | |
| Salaries and employee benefits | 153,512 | 144,855 | 8,657 |
| Other operating expenditures | 161,905 | 141,802 | 20,103 |
| Capital Outlay | 73,089 | 18,593 | 54,496 |
| Total | 388,506 | 305,250 | 83,256 |
| Public Management Entity: | | | |
| Salaries and employee benefits | 5,531 | 4,813 | 718 |
| Other operating expenditures | 4,879 | 4,684 | 195 |
| Total | 10,410 | 9,497 | 913 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|--------|--------|------------------------------------|
| Communicable Diseases: | | | |
| Salaries and employee benefits | 26,131 | 23,526 | 2,605 |
| Other operating expenditures | 5,450 | 3,057 | 2,393 |
| Total | 31,581 | 26,583 | 4,998 |
| Immunization: | | | |
| Salaries and employee benefits | 4,286 | 3,887 | 399 |
| Other operating expenditures | 3,047 | 2,094 | 953 |
| Total | 7,333 | 5,981 | 1,352 |
| Health Promotions-Risk Reduction: | | | |
| Salaries and Employee Benefits | 33,412 | 33,268 | 144 |
| Other Operating Expenditures | 6,445 | 5,491 | 954 |
| Total | 39,857 | 38,759 | 1,098 |
| Child Health-State: | | | |
| Salaries and Employee Benefits | 75,893 | 65,550 | 10,343 |
| Other operating expenditures | 12,397 | 11,947 | 450 |
| Total | 88,290 | 77,497 | 10,793 |
| Maternal Health-State: | | | |
| Salaries and Employee Benefits | 51,743 | 47,530 | 4,213 |
| Other operating expenditures | 4,133 | 3,742 | 391 |
| Total | 55,876 | 51,272 | 4,604 |
| Breast and Cervical Cancer: | | | |
| Salaries and Employee Benefits | 3,856 | 3,805 | 51 |
| Other operating expenditures | 16,673 | 4,835 | 11,838 |
| Total | 20,529 | 8,640 | 11,889 |
| Food and Lodging: | | | |
| Salaries and Employee Benefits | 42,938 | 42,534 | 404 |
| Other operating expenditures | 4,445 | 3,741 | 704 |
| Total | 47,383 | 46,275 | 1,108 |
| Women, Infants and children: | | | |
| Salaries and Employee Benefits | 24,054 | 23,783 | 271 |
| Other operating expenditures | 7,122 | 5,100 | 2,022 |
| Total | 31,176 | 28,883 | 2,293 |
| Pregnancy Care Management: | | | |
| Salaries and Employee Benefits | 12,508 | 12,458 | 50 |
| Other operating expenditures | 725 | 95 | 630 |
| Total | 13,233 | 12,553 | 680 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|------------------------------------|-----------|---------|------------------------------------|
| Environmental Health: | | | |
| Salaries and Employee Benefits | 29,853 | 30,067 | (214) |
| Other operating expenditures | 36,003 | 33,250 | 2,753 |
| Total | 65,856 | 63,317 | 2,539 |
| Adult Health: | | | |
| Salaries and Employee Benefits | 68,054 | 74,143 | (6,089) |
| Other operating expenditures | 68,911 | 58,665 | 10,246 |
| Total | 136,965 | 132,808 | 4,157 |
| Family Planning - State: | | | |
| Salaries and Employee Benefits | 115,630 | 103,596 | 12,034 |
| Other operating expenditures | 27,585 | 20,494 | 7,091 |
| Total | 143,215 | 124,090 | 19,125 |
| Child Service Coordinator - State: | | | |
| Salaries and Employee Benefits | 13,133 | 13,081 | 52 |
| Other operating expenditures | 488 | 174 | 314 |
| Total | 13,621 | 13,255 | 366 |
| Mental Health - Navigator | | | |
| Salaries and employee benefits | 20,575 | 92,654 | (72,079) |
| Other operating expenditures | (20,575) | 6,859 | (27,434) |
| Total | - | 99,513 | (99,513) |
| KBR Interpreter: | | | |
| Salaries and employee benefits | 58,988 | 58,910 | 78 |
| Other operating expenditures | 7,219 | 1,840 | 5,379 |
| Total | 66,207 | 60,750 | 5,457 |
| Mental Health: | | | |
| Other operating expenditures | 10,915 | 10,914 | 1 |
| Total | 10,915 | 10,914 | 1 |
| Social Services: | | | |
| Medical Assistance Program: | | | |
| Salaries and Employee Benefits | 839,802 | 724,514 | 115,288 |
| Other operating expenditures | 331,329 | 228,055 | 103,274 |
| Total | 1,171,131 | 952,569 | 218,562 |
| SBA Home Loans/Grants: | | | |
| Transportation | 4,977 | 6,674 | (1,697) |
| In-Home Chore | 39,569 | 39,306 | 263 |
| Total | 44,546 | 45,980 | (1,434) |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|------------------------------------|---------|---------|------------------------------------|
| CAPS - Medicaid: | | | |
| Salaries and Employee Benefits | 13,196 | 10,520 | 2,676 |
| Other operating expenditures | 17,500 | 2,780 | 14,720 |
| Total | 30,696 | 13,300 | 17,396 |
| Public Assistance: | | | |
| Special Assistance | 60,000 | 52,448 | 7,552 |
| Medical Assistance | 50,000 | 11,378 | 38,622 |
| Total | 110,000 | 63,826 | 46,174 |
| Day Care: | | | |
| Salaries and Employee Benefits | 51,327 | 26,329 | 24,998 |
| Other operating expenditures | 28,673 | - | 28,673 |
| Total | 80,000 | 26,329 | 53,671 |
| Mattamuskeet Opportunities: | | | |
| Salaries and Employee Benefits | 81,899 | 74,069 | 7,830 |
| Other operating expenditures | 59,070 | 42,102 | 16,968 |
| Total | 140,969 | 116,171 | 24,798 |
| Primary Care Telemedicine: | | | |
| Salaries and Employee Benefits | 99,921 | 100,412 | (491) |
| Other operating expenditures | 50,079 | 28,837 | 21,242 |
| Total | 150,000 | 129,249 | 20,751 |
| Peer Counselor: | | | |
| Other operating expenditures | 8,350 | 9,000 | (650) |
| Total | 8,350 | 9,000 | (650) |
| Vidant Health Promotion: | | | |
| Salaries and Employee Benefits | 1,315 | 1,873 | (558) |
| Other operating expenditures | 17,803 | 16,924 | 879 |
| Total | 19,118 | 18,797 | 321 |
| PH Famers Market: | | | |
| Other operating expenditures | 1,001 | - | 1,001 |
| Total | 1,001 | - | 1,001 |
| HEP Connect | | | |
| Salaries and Employee Benefits | 19,888 | 6,660 | 13,228 |
| Other operating expenditures | 51,275 | 33,686 | 17,589 |
| Total | 71,163 | 40,346 | 30,817 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------|---------|---------|------------------------------------|
| Health - Dept of Justice | | | |
| Salaries and Employee Benefits | 46,136 | 12,987 | 33,149 |
| Other operating expenditures | 55,168 | 18,147 | 37,021 |
| Total | 101,304 | 31,134 | 70,170 |
| Mental Health & Substance Abuse | | | |
| Salaries and Employee Benefits | 87,120 | - | 87,120 |
| Other operating expenditures | 98,307 | 33,248 | 65,059 |
| Total | 185,427 | 33,248 | 152,179 |
| Thombolytics | | | |
| Other operating expenditures | 35,000 | - | 35,000 |
| Total | 35,000 | - | 35,000 |
| Wise Women Project | | | |
| Other operating expenditures | - | 126 | (126) |
| Total | - | 126 | (126) |
| Services: | | | |
| SSBG In-Home Chore | 24,543 | 19,763 | 4,780 |
| SSBG Blind | 3,000 | - | 3,000 |
| SSBG Transportation | 400 | 20 | 380 |
| SSBG Legal Services | 35,000 | 36,199 | (1,199) |
| Crisis Intervention | 26,950 | 21,058 | 5,892 |
| Medicaid transportation | 72,000 | 51,173 | 20,827 |
| State Foster Care | 45,000 | 45,940 | (940) |
| IV-A adoption assistance | 131 | 1,268 | (1,137) |
| IV-E Foster Care | 80,000 | 71,163 | 8,837 |
| General assistance | 3,000 | 99 | 2,901 |
| Personal Care equipment | 1,000 | - | 1,000 |
| 200% of poverty | 5,000 | 718 | 4,282 |
| AFDC emergency assistance | 5,000 | - | 5,000 |
| Hyde County Transit | 16,000 | 5,031 | 10,969 |
| LIEAP | 38,417 | 38,708 | (291) |
| Other operating expenditures | 28,400 | 22,301 | 6,099 |
| Total | 383,841 | 313,441 | 70,400 |
| Bioterrorism: | | | |
| Salaries and Employee Benefits | 83,672 | 33,209 | 50,463 |
| Other operating expenditures | 5,810 | 4,910 | 900 |
| Total | 89,482 | 38,119 | 51,363 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------|------------------------------------|
| Elderly Nutrition: | | | |
| Other operating expenditures | 51,423 | 43,720 | 7,703 |
| Total | 51,423 | 43,720 | 7,703 |
| Transportation: | | | |
| Elderly and Disabled | 81,285 | 65,711 | 15,574 |
| Work first transportation | 5,505 | 4,930 | 575 |
| Total | 86,790 | 70,641 | 16,149 |
| Veteran's Services: | | | |
| Salaries and Employee Benefits | 9,158 | 6,839 | 2,319 |
| Other operating expenditures | 1,400 | 174 | 1,226 |
| Total | 10,558 | 7,013 | 3,545 |
| Private Well Services: | | | |
| Salaries and Employee Benefits | 2,179 | 2,269 | (90) |
| Other operating expenditures | 646 | 506 | 140 |
| Total | 2,825 | 2,775 | 50 |
| Total Human Services | 3,944,577 | 3,071,621 | 873,082 |
| Cultural and Recreation: | | | |
| Cultural Contributions | 52,000 | 51,000 | 1,000 |
| Total | 52,000 | 51,000 | 1,000 |
| Education: | | | |
| Public schools - current | 1,700,000 | 1,700,000 | - |
| Public schools - capital outlay | 344,850 | 351,839 | (6,989) |
| Total | 2,044,850 | 2,051,839 | (6,989) |
| Debt service: | | | |
| Installment debt principal | 177,509 | 177,509 | - |
| QSCB bond principal | 200,179 | 200,179 | - |
| QZAB bond principal | 55,965 | - | 55,965 |
| Interest and Fees | 127,335 | 127,335 | - |
| Total debt service | 560,988 | 505,023 | 55,965 |
| Total expenditures | 21,763,665 | 17,994,125 | 3,769,666 |
| Revenue over (under) expenditures | (3,231,471) | (1,833,595) | 1,398,002 |

Hyde County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|------------------|---------------------|------------------------------------|
| Other financing sources (uses): | | | |
| Transfers to other funds: | | | |
| Revaluation Fund | (10,000) | - | 10,000 |
| Special Revenue Funds | (109,854) | (109,854) | - |
| Capital Lease Proceeds | - | 88,411 | 88,411 |
| Loan Proceeds - NCORR TCALG | 2,000,000 | 2,000,000 | - |
| Sale and Lease of Assets | 170,000 | - | (170,000) |
| Total other financing sources (uses) | <u>2,050,146</u> | <u>1,978,557</u> | <u>(71,589)</u> |
| Appropriated Fund Balance | <u>1,181,325</u> | <u>-</u> | <u>(1,181,325)</u> |
| Net change in fund balance | <u>\$ -</u> | 144,962 | <u>\$ 145,088</u> |
| Fund balance, beginning | | <u>4,769,377</u> | |
| Fund balance, ending | | <u>\$ 4,914,339</u> | |

Hyde County
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

| | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------------|------------------------------------|
| Revenues: | | | |
| Investment earnings | \$ 500 | \$ 1,672 | \$ 1,172 |
| Total Revenues | <u>500</u> | <u>1,672</u> | <u>1,172</u> |
| Expenditures: | | | |
| 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>1,672</u> | <u>11,672</u> |
| Other financing sources (uses): | | | |
| Transfer from (to) General Fund | 10,000 | - | (10,000) |
| Total Other financing sources (uses) | <u>10,000</u> | <u>-</u> | <u>(10,000)</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>1,672</u> | <u><u>\$ 1,672</u></u> |
| Fund balance, beginning | | <u>114,891</u> | |
| Fund balance, ending | | <u><u>\$ 116,563</u></u> | |

Hyde County
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

| | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------------|------------------------------------|
| Revenues: | | | |
| Investment earnings | \$ 5,000 | \$ 2,432 | \$ (2,568) |
| Total Revenues | <u>5,000</u> | <u>2,432</u> | <u>(2,568)</u> |
| Expenditures: | | | |
| 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>2,432</u> | <u>2,432</u> |
| Other financing sources (uses): | | | |
| Transfer to General Fund | - | - | - |
| Appropriated Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>2,432</u> | <u><u>\$ 2,432</u></u> |
| Fund balance, beginning | | <u>231,176</u> | |
| Fund balance, ending | | <u><u>\$ 233,608</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, 2020**

| | Budget | Actual | Variance Positive (Negative) |
|---|--------------------|----------------------------|------------------------------------|
| Revenues: | | | |
| Restricted Intergovernmental | | | |
| Loan Reimbursements | \$ - | \$ 84,358 | \$ 84,358 |
| Investment Earnings | 50,000 | 28,655 | (21,345) |
| Total revenues | <u>50,000</u> | <u>113,013</u> | <u>63,013</u> |
| Expenditures | | | |
| Economic and Physical Development | | | |
| Industrial Assistance | 50,000 | 1,417 | 48,583 |
| Total Expenditures | <u>50,000</u> | <u>1,417</u> | <u>48,583</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>111,596</u> | <u>111,596</u> |
| Other Financing Sources (Uses) | | | |
| Transfers to General Fund | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>111,596</u> | <u><u>\$ 111,596</u></u> |
| Reconciling Items: | | | |
| Debt payments are reclassified against accounts receivable balance | | (84,358) | |
| Amounts recorded as expenditures are recorded on the balance sheet as a receivable | | <u>-</u> | |
| Total Reconciling Items | | (84,358) | |
| Current year change in fund balance | | <u>27,238</u> | |
| Fund balance, beginning | | <u>1,411,668</u> | |
| Fund balance, ending | | <u><u>\$ 1,438,906</u></u> | |

NON-MAJOR GOVERNMENTAL FUNDS

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

Hyde County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | Special Revenue Funds | Capital Project Funds | Total |
|---|-----------------------------|-----------------------------|---------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 1,264,265 | \$ 9,594 | \$ 1,273,859 |
| Accounts receivable, net | 113,001 | - | 113,001 |
| Taxes receivable, net | 5,733 | - | 5,733 |
| Due from other funds | 9,854 | - | 9,854 |
| Total assets | <u>\$ 1,392,853</u> | <u>\$ 9,594</u> | <u>\$ 1,402,447</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 75,183 | \$ - | \$ 75,183 |
| Due to other funds | 357,835 | - | 357,835 |
| Total liabilities | <u>433,018</u> | <u>-</u> | <u>433,018</u> |
| Deferred inflows of resources: | | | |
| Taxes receivable | 5,733 | - | 5,733 |
| Total deferred inflows of resources | <u>5,733</u> | <u>-</u> | <u>5,733</u> |
| Fund Balances: | | | |
| Restricted: | | | |
| Reserved by State Statute | 122,855 | - | 122,855 |
| Economic and physical development | 903,039 | - | 903,039 |
| Capital Outlay | - | 9,594 | 9,594 |
| Other Purposes | 183,481 | - | 183,481 |
| Committed: | | | |
| Public Safety | 51,570 | - | 51,570 |
| Environmental Protection | 27,035 | - | 27,035 |
| Cultural and Recreation | 36,116 | - | 36,116 |
| Unassigned | (369,994) | - | (369,994) |
| Total fund balances | <u>954,102</u> | <u>9,594</u> | <u>963,696</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,392,853</u> | <u>\$ 9,594</u> | <u>\$ 1,402,447</u> |

Hyde County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2020

| | Special Revenue Funds | Capital Project Funds | Total |
|---|-----------------------------|-----------------------------|--------------------------|
| Revenues: | | | |
| Ad valorem taxes | \$ 54,609 | \$ - | \$ 54,609 |
| Other taxes and licenses | 378,408 | - | 378,408 |
| Restricted intergovernmental | 740,412 | 139,332 | 879,744 |
| Sales and Services | 24,903 | - | 24,903 |
| Investment earnings | 14,692 | - | 14,692 |
| Miscellaneous | 5,824 | - | 5,824 |
| Total revenues | <u>1,218,848</u> | <u>139,332</u> | <u>1,358,180</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 97,677 | - | 97,677 |
| Public safety | - | - | - |
| Economic and physical development | 297,827 | - | 297,827 |
| Environmental Protection | 699,414 | - | 699,414 |
| Cultural and Recreation | 60,132 | - | 60,132 |
| Capital Outlay | - | 164,322 | 164,322 |
| Total expenditures | <u>1,155,050</u> | <u>164,322</u> | <u>1,319,372</u> |
| Excess (deficiency) of revenues over expenditures | <u>63,798</u> | <u>(24,990)</u> | <u>38,808</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 109,854 | - | 109,854 |
| Total other financing sources (uses) | <u>109,854</u> | <u>-</u> | <u>109,854</u> |
| Net change in fund balances | 173,652 | (24,990) | 148,662 |
| Fund balances, beginning | <u>780,450</u> | <u>34,584</u> | <u>815,034</u> |
| Fund balances, ending | <u><u>\$ 954,102</u></u> | <u><u>\$ 9,594</u></u> | <u><u>\$ 963,696</u></u> |

Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020

| | 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 | Swan Quarter Water Shed District Fund |
|--|-----------------------------------|---------------------------------|-------------------------------|-----------------------------------|------------------|------------------|--------------------------------------|--|
| Assets: | | | | | | | | |
| Cash and cash equivalents | \$ 719,565 | \$ - | \$ 102,934 | \$ 15,073 | \$ 36,766 | \$ 51,570 | \$ - | \$ 69,599 |
| Accounts receivable, net | - | - | - | - | - | - | 113,001 | - |
| Taxes Receivable, net | - | - | 2,240 | - | - | - | - | 3,493 |
| Other Receivables | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 719,565</u> | <u>\$ -</u> | <u>\$ 105,174</u> | <u>\$ 15,073</u> | <u>\$ 36,766</u> | <u>\$ 51,570</u> | <u>\$ 113,001</u> | <u>\$ 73,092</u> |
| Liabilities and Fund Balances: | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 125 | \$ 4,000 | \$ 650 | \$ - | \$ 8,774 | \$ - |
| Due to other funds | - | 2,222 | - | - | - | - | 98,789 | - |
| Total liabilities | <u>-</u> | <u>2,222</u> | <u>125</u> | <u>4,000</u> | <u>650</u> | <u>-</u> | <u>107,563</u> | <u>-</u> |
| Deferred inflows of resources: | | | | | | | | |
| Taxes receivable | - | - | 2,240 | - | - | - | - | 3,493 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>2,240</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,493</u> |
| Fund Balances: | | | | | | | | |
| Restricted: | | | | | | | | |
| Reserved by State Statute | - | - | - | - | - | - | 113,001 | - |
| Economic and physical development | 719,565 | - | - | - | - | - | - | - |
| Other Purposes | - | - | 102,809 | 11,073 | - | - | - | 69,599 |
| Committed: | | | | | | | | |
| Public Safety | - | - | - | - | - | 51,570 | - | - |
| Environmental Protection | - | - | - | - | - | - | - | - |
| Economic and physical development | - | - | - | - | - | - | - | - |
| Cultural and Recreation | - | - | - | - | 36,116 | - | - | - |
| Assigned: | | | | | | | | |
| Subsequent year's expenditures | - | - | - | - | - | - | - | - |
| Unassigned | - | (2,222) | - | - | - | - | (107,563) | - |
| Total fund balances | <u>719,565</u> | <u>(2,222)</u> | <u>102,809</u> | <u>11,073</u> | <u>36,116</u> | <u>51,570</u> | <u>5,438</u> | <u>69,599</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 719,565</u> | <u>\$ -</u> | <u>\$ 105,174</u> | <u>\$ 15,073</u> | <u>\$ 36,766</u> | <u>\$ 51,570</u> | <u>\$ 113,001</u> | <u>\$ 73,092</u> |

Hyde County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020

| | 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 | CDBG Neighborhood Revitalization (CDBG-NR) Program Fund | Total Non- major Special Revenue Funds |
|--|------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------------|---------------------------------|---------------------------------|---|--|
| Assets: | | | | | | | | | |
| Cash and cash equivalents | \$241,723 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,035 | \$ - | \$ 1,264,265 |
| Accounts receivable, net | - | - | - | - | - | - | - | - | 113,001 |
| Taxes Receivable, net | - | - | - | - | - | - | - | - | 5,733 |
| 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>\$ 1,392,853</u> |
| Liabilities and Fund Balances: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 2,261 | \$ - | \$ 285 | \$ 46,398 | \$ - | \$ 12,690 | \$ 75,183 |
| Due to other funds | 58,249 | 40,965 | 58,001 | 32,726 | 6,465 | 9,930 | - | 50,488 | 357,835 |
| Total liabilities | <u>58,249</u> | <u>40,965</u> | <u>60,262</u> | <u>32,726</u> | <u>6,750</u> | <u>56,328</u> | <u>-</u> | <u>63,178</u> | <u>433,018</u> |
| Deferred inflows of resources: | | | | | | | | | |
| Taxes receivable | - | - | - | - | - | - | - | - | 5,733 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,733</u> |
| Fund Balances: | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Reserved by State Statute | 9,854 | - | - | - | - | - | - | - | 122,855 |
| Economic and physical development | 183,474 | - | - | - | - | - | - | - | 903,039 |
| Other Purposes | - | - | - | - | - | - | - | - | 183,481 |
| Committed: | | | | | | | | | |
| Public Safety | - | - | - | - | - | - | - | - | 51,570 |
| Environmental Protection | - | - | - | - | - | - | 27,035 | - | 27,035 |
| Economic and physical development | - | - | - | - | - | - | - | - | - |
| Cultural and Recreation | - | - | - | - | - | - | - | - | 36,116 |
| Assigned: | | | | | | | | | |
| Subsequent year's expenditures | - | - | - | - | - | - | - | - | - |
| Unassigned | - | (40,965) | (60,262) | (32,726) | (6,750) | (56,328) | - | (63,178) | (369,994) |
| Total fund balances | <u>193,328</u> | <u>(40,965)</u> | <u>(60,262)</u> | <u>(32,726)</u> | <u>(6,750)</u> | <u>(56,328)</u> | <u>27,035</u> | <u>(63,178)</u> | <u>954,102</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$251,577</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,035</u> | <u>\$ -</u> | <u>\$ 1,392,853</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, 2020

| | 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 | Swan Quarter Water Shed District Fund |
|--|-----------------------------------|---------------------------------|-------------------------------|-----------------------------------|------------------|------------------|--------------------------------------|---|
| Revenues: | | | | | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ 31,291 | \$ - | \$ - | \$ - | \$ - | \$ 23,318 |
| Other taxes and licenses | 371,639 | - | - | 6,769 | - | - | - | - |
| Restricted intergovernmental | - | - | - | - | - | - | 11,655 | - |
| Sales and Services | - | 1,110 | - | - | 23,533 | - | 260 | - |
| Investment earnings | 12,624 | - | 259 | - | - | 1,809 | - | - |
| Miscellaneous | 575 | - | - | - | - | - | 5,249 | - |
| Total revenues | <u>384,838</u> | <u>1,110</u> | <u>31,550</u> | <u>6,769</u> | <u>23,533</u> | <u>1,809</u> | <u>17,164</u> | <u>23,318</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | 3,220 | 11,746 | - | - | - | 82,711 | - |
| Public safety | - | - | - | - | - | - | - | - |
| Economic and physical development | 241,601 | - | - | 7,358 | - | - | - | - |
| Environmental Protection | - | - | - | - | - | - | - | 67,412 |
| Cultural and Recreation | - | - | - | - | 22,758 | - | 37,374 | - |
| Education | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Total expenditures | <u>241,601</u> | <u>3,220</u> | <u>11,746</u> | <u>7,358</u> | <u>22,758</u> | <u>-</u> | <u>120,085</u> | <u>67,412</u> |
| Excess (deficiency) of revenues over expenditures | <u>143,237</u> | <u>(2,110)</u> | <u>19,804</u> | <u>(589)</u> | <u>775</u> | <u>1,809</u> | <u>(102,921)</u> | <u>(44,094)</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | - | 109,854 | - |
| Transfers to other funds | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>109,854</u> | <u>-</u> |
| Net change in fund balances | <u>143,237</u> | <u>(2,110)</u> | <u>19,804</u> | <u>(589)</u> | <u>775</u> | <u>1,809</u> | <u>6,933</u> | <u>(44,094)</u> |
| Fund balances, beginning | <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> |
| Fund balances, ending | <u>\$ 719,565</u> | <u>\$ (2,222)</u> | <u>\$ 102,809</u> | <u>\$ 11,073</u> | <u>\$ 36,116</u> | <u>\$ 51,570</u> | <u>\$ 5,438</u> | <u>\$ 69,599</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, 2020

| | 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 | CDBG Neighborhood Revitalization (CDBG-NR) Program Fund | Total Non-major Special Revenue Funds |
|--|---------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------------|------------------------------------|---------------------------------|---|---|
| Revenues: | | | | | | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 54,609 |
| Other taxes and licenses | - | - | - | - | - | - | - | - | 378,408 |
| Restricted intergovernmental | - | - | 85,526 | - | - | 643,231 | - | - | 740,412 |
| Sales and Services | - | - | - | - | - | - | - | - | 24,903 |
| Investment earnings | - | - | - | - | - | - | - | - | 14,692 |
| Miscellaneous | - | - | - | - | - | - | - | - | 5,824 |
| Total revenues | - | - | 85,526 | - | - | 643,231 | - | - | 1,218,848 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | 97,677 |
| Public safety | - | - | - | - | - | - | - | - | - |
| Economic and physical development | - | - | - | - | 285 | - | - | 48,583 | 297,827 |
| Environmental Protection | - | - | 123,806 | - | - | 508,196 | - | - | 699,414 |
| Cultural and Recreation | - | - | - | - | - | - | - | - | 60,132 |
| Education | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total expenditures | - | - | 123,806 | - | 285 | 508,196 | - | 48,583 | 1,155,050 |
| Excess (deficiency) of revenues over expenditures | - | - | (38,280) | - | (285) | 135,035 | - | (48,583) | 63,798 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | - | - | - | 109,854 |
| Transfers to other funds | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | 109,854 |
| Net change in fund balances | - | - | (38,280) | - | (285) | 135,035 | - | (48,583) | 173,652 |
| Fund balances, beginning | 193,328 | (40,965) | (21,982) | (32,726) | (6,465) | (191,363) | 27,035 | (14,595) | 780,450 |
| Fund balances, ending | \$ 193,328 | \$ (40,965) | \$ (60,262) | \$ (32,726) | \$ (6,750) | \$ (56,328) | \$ 27,035 | \$ (63,178) | \$ 954,102 |

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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|----------------|-------------------|------------------------------------|
| Revenues: | | | |
| Other Taxes and Licenses: | | | |
| Occupancy tax | \$ 496,000 | \$ 371,639 | \$ (124,361) |
| Investment Earnings | 4,000 | 12,624 | 8,624 |
| Sales and Services: | | | |
| Rent Income | - | 575 | 575 |
| Total revenues | <u>500,000</u> | <u>384,838</u> | <u>(115,162)</u> |
| Expenditures | | | |
| Economic and Physical Development: | <u>500,000</u> | <u>241,601</u> | <u>258,399</u> |
| Total expenditures | <u>500,000</u> | <u>241,601</u> | <u>258,399</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>143,237</u> | <u>143,237</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from other funds | - | - | - |
| Fund Balance Appropriated | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>143,237</u> | <u>\$ 143,237</u> |
| Fund balance, beginning | | <u>576,328</u> | |
| Fund balance, ending | | <u>\$ 719,565</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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------------|------------------------------------|
| Revenues: | | | |
| Sales and Services: | | | |
| Fees | \$ - | \$ 1,110 | \$ 1,110 |
| Total revenues | <u>-</u> | <u>1,110</u> | <u>1,110</u> |
| Expenditures | | | |
| General Government: | | | |
| Other Expenses | - | 3,220 | (3,220) |
| Total Expenditures | <u>-</u> | <u>3,220</u> | <u>(3,220)</u> |
| Revenues Over (Under) Expenditures) | <u>-</u> | <u>(2,110)</u> | <u>(2,110)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers to other funds | - | - | - |
| Transfers from other funds | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>(2,110)</u> | <u><u>\$ (2,110)</u></u> |
| Fund balance, beginning | | <u>(112)</u> | |
| Fund balance, ending | | <u><u>\$ (2,222)</u></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, 2020**

| | Budget | Actual | Variance Positive (Negative) |
|---|---------------|-------------------|------------------------------------|
| Revenues: | | | |
| Ad valorem taxes | \$ 25,140 | \$ 31,291 | \$ 6,151 |
| Investment Earnings | 150 | 259 | 109 |
| Total revenues | <u>25,290</u> | <u>31,550</u> | <u>6,260</u> |
| Expenditures: | | | |
| General Government | 25,290 | 11,746 | 13,544 |
| Total expenditures | <u>25,290</u> | <u>11,746</u> | <u>13,544</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>19,804</u> | <u>19,804</u> |
| Other financing sources (uses): | | | |
| Fund Balance Appropriated | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>19,804</u> | <u>\$ 19,804</u> |
| Fund balance, beginning | | 83,005 | |
| Beginning of year, total | | <u>\$ 102,809</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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|--------------------|-------------------------|------------------------------------|
| Revenues: | | | |
| Other taxes and licenses: | | | |
| Occupancy taxes | \$ 8,000 | \$ 6,769 | \$ (1,231) |
| Total revenues | <u>8,000</u> | <u>6,769</u> | <u>(1,231)</u> |
| Expenditures: | | | |
| Economic and Physical Development | 8,000 | 7,358 | 642 |
| Total expenditures | <u>8,000</u> | <u>7,358</u> | <u>642</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(589)</u> | <u>(589)</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u><u>(589)</u></u> | <u><u>\$ (589)</u></u> |
| Fund balance, beginning | | <u>11,662</u> | |
| Beginning of year, total | | <u><u>\$ 11,073</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, 2020**

| | Budget | Actual | Variance Positive (Negative) |
|---|--------------------|-------------------------|------------------------------------|
| Revenues: | | | |
| Sales and Services: | | | |
| Fees | \$ 27,780 | \$ 23,533 | \$ (4,247) |
| Total revenues | <u>27,780</u> | <u>23,533</u> | <u>(4,247)</u> |
| Expenditures: | | | |
| Cultural and Recreation | 27,780 | 22,758 | 5,022 |
| Total expenditures | <u>27,780</u> | <u>22,758</u> | <u>5,022</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>775</u> | <u>775</u> |
| Other financing sources (uses): | | | |
| Fund Balance Appropriated | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>775</u> | <u><u>\$ 775</u></u> |
| Fund balance, beginning | | <u>35,341</u> | |
| Beginning of year, total | | <u><u>\$ 36,116</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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|-------------|-------------------------|------------------------------------|
| Revenues: | | | |
| Sales and Services: | | | |
| E-911 and wireless charges | \$ - | \$ - | \$ - |
| Investment Earnings | - | 1,809 | 1,809 |
| Total revenues | - | 1,809 | 1,809 |
| Expenditures: | | | |
| Public Safety | - | - | - |
| Total expenditures | - | - | - |
| Revenues over (under) expenditures | - | 1,809 | 1,809 |
| Other financing sources (uses): | | | |
| Transfer from (to) General Fund | - | - | - |
| Fund Balance Appropriated | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | <u>\$ -</u> | 1,809 | <u>\$ 1,809</u> |
| Fund balance, beginning | | <u>49,761</u> | |
| Beginning of year, total | | <u><u>\$ 51,570</u></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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|---|--------------------|------------------------|------------------------------------|
| Revenues: | | | |
| Restricted Intergovernmental: | | | |
| Federal and State Grants | \$ 14,000 | \$ 11,655 | \$ (2,345) |
| Sales and Services: | | | |
| Rent Income | 400 | 260 | (140) |
| Miscellaneous: | | | |
| Fundraisers | 1,000 | 5,249 | 4,249 |
| Total revenues | <u>15,400</u> | <u>17,164</u> | <u>1,764</u> |
| Expenditures | | | |
| General Government | 83,154 | 82,711 | 443 |
| Cultural and Recreation | 42,100 | 37,374 | 4,726 |
| Total Expenditures | <u>125,254</u> | <u>120,085</u> | <u>5,169</u> |
| Revenues Over (Under) Expenditures | <u>(109,854)</u> | <u>(102,921)</u> | <u>6,933</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from other funds | 109,854 | 109,854 | - |
| Total other financing sources | <u>109,854</u> | <u>109,854</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | 6,933 | <u><u>\$ 6,933</u></u> |
| Fund balance, beginning | | <u>(1,495)</u> | |
| Fund balance, ending | | <u><u>\$ 5,438</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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|---------------|------------------|------------------------------------|
| Revenues: | | | |
| Ad Valorem taxes | \$ 67,250 | \$ 23,318 | \$ (43,932) |
| Total revenues | <u>67,250</u> | <u>23,318</u> | <u>(43,932)</u> |
| Expenditures | | | |
| Environmental Protection | 67,250 | 67,412 | (162) |
| Total Expenditures | <u>67,250</u> | <u>67,412</u> | <u>(162)</u> |
| Net change in fund balance | <u>\$ -</u> | (44,094) | <u>\$ (44,094)</u> |
| Fund balance, beginning | | <u>113,693</u> | |
| Fund balance, ending | | <u>\$ 69,599</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, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|-------------------|---------------------------|-------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted Intergovernmental: | | | | | |
| PDM Grant | \$ - | \$ 447,849 | \$ - | \$ 447,849 | \$ 447,849 |
| Hazard Mitigation Grant | - | 189,101 | - | 189,101 | 189,101 |
| Owners Contribution | - | 74,100 | - | 74,100 | 74,100 |
| Total revenues | - | 711,050 | - | 711,050 | 711,050 |
| Expenditures: | | | | | |
| Economic and Physical Development: | | | | | |
| Planning | - | 765,885 | - | 765,885 | (765,885) |
| Total expenditures | - | 765,885 | - | 765,885 | (765,885) |
| Revenues Over (Under) Expenditures | - | (54,835) | - | (54,835) | (54,835) |
| Other Financing Sources (Uses) | | | | | |
| Transfer from other funds | - | 248,163 | - | 248,163 | 248,163 |
| Total Other Financing Sources (Uses) | - | 248,163 | - | 248,163 | 248,163 |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ 193,328</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, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| FEMA Grant | \$ - | \$ - | \$ - | \$ - | \$ - |
| NC Emergency Management | - | - | - | - | - |
| Total revenues | - | - | - | - | - |
| Expenditures: | | | | | |
| Environmental Protection | - | - | - | - | - |
| Total expenditures | - | - | - | - | - |
| Revenues Over (Under) Expenditures | - | - | - | - | - |
| Other Financing Sources (Uses) | | | | | |
| Transfer from other funds | - | - | - | - | - |
| Transfer to other funds | - | - | - | - | - |
| Insurance Recovery | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - |
| Net change in fund balance | <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 Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|--------------------|---------------------------|--------------------|------------------------------------|
| Revenues: | | | | | |
| FMA Grant | \$ 204,243 | \$ - | \$ 85,526 | \$ 85,526 | \$ (118,717) |
| Contributions | 22,694 | - | - | - | (22,694) |
| Total revenues | <u>226,937</u> | <u>-</u> | <u>85,526</u> | <u>85,526</u> | <u>(141,411)</u> |
| Expenditures: | | | | | |
| Environmental Protection | 226,937 | 21,982 | 123,806 | 145,788 | 81,149 |
| Total expenditures | <u>226,937</u> | <u>21,982</u> | <u>123,806</u> | <u>145,788</u> | <u>81,149</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(21,982)</u> | <u>(38,280)</u> | <u>(60,262)</u> | <u>(60,262)</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (21,982)</u> | <u>(38,280)</u> | <u>\$ (60,262)</u> | <u>\$ (60,262)</u> |
| Fund balance, beginning | | | <u>(21,982)</u> | | |
| Fund balance, ending | | | <u>\$ (60,262)</u> | | |

Hyde County
2016 FMA Program Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|--------------------|---------------------------|--------------------|------------------------------------|
| Revenues: | | | | | |
| FMA Grant | \$ 138,002 | \$ 137,876 | \$ - | \$ 137,876 | \$ (126) |
| Total revenues | <u>138,002</u> | <u>137,876</u> | <u>-</u> | <u>137,876</u> | <u>(126)</u> |
| Expenditures: | | | | | |
| Environmental Protection | 138,002 | 170,602 | - | 170,602 | (32,600) |
| Total expenditures | <u>138,002</u> | <u>170,602</u> | <u>-</u> | <u>170,602</u> | <u>(32,600)</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(32,726)</u> | <u>-</u> | <u>(32,726)</u> | <u>(32,726)</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (32,726)</u> | <u>-</u> | <u>\$ (32,726)</u> | <u>\$ (32,726)</u> |
| Fund balance, beginning | | | <u>(32,726)</u> | | |
| Fund balance, ending | | | <u>\$ (32,726)</u> | | |

Hyde County
CDBG Disaster Recovery Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|-------------------|---------------------------|-------------------|------------------------------------|
| Revenues: | | | | | |
| CDBG Grant | \$ 500,000 | \$ - | \$ - | \$ - | \$ (500,000) |
| Total revenues | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(500,000)</u> |
| Expenditures: | | | | | |
| Economic and Physical Development | 500,000 | 6,465 | 285 | 6,750 | 493,250 |
| Total expenditures | <u>500,000</u> | <u>6,465</u> | <u>285</u> | <u>6,750</u> | <u>493,250</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(6,465)</u> | <u>(285)</u> | <u>(6,750)</u> | <u>(6,750)</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (6,465)</u> | <u>(285)</u> | <u>\$ (6,750)</u> | <u>\$ (6,750)</u> |
| Fund balance, beginning | | | <u>(6,465)</u> | | |
| Fund balance, ending | | | <u>\$ (6,750)</u> | | |

Hyde County
Hurricane Irene HMGP Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|---------------------|---------------------------|--------------------|------------------------------------|
| Revenues: | | | | | |
| HMGP Grant | \$ 1,228,280 | \$ - | \$ 643,231 | \$ 643,231 | \$ (585,049) |
| Total revenues | <u>1,228,280</u> | <u>-</u> | <u>643,231</u> | <u>643,231</u> | <u>(585,049)</u> |
| Expenditures: | | | | | |
| Environmental Protection | 1,228,280 | 191,363 | 508,196 | 699,559 | 528,721 |
| Total expenditures | <u>1,228,280</u> | <u>191,363</u> | <u>508,196</u> | <u>699,559</u> | <u>528,721</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(191,363)</u> | <u>135,035</u> | <u>(56,328)</u> | <u>(56,328)</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (191,363)</u> | <u>135,035</u> | <u>\$ (56,328)</u> | <u>\$ (56,328)</u> |
| Fund balance, beginning | | | <u>(191,363)</u> | | |
| Fund balance, ending | | | <u>\$ (56,328)</u> | | |

Hyde County
2016 FMA Program 002 Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|------------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| FMA Grant | \$ 275,646 | \$ 220,776 | \$ - | \$ 220,776 | \$ (54,870) |
| Total revenues | <u>275,646</u> | <u>220,776</u> | <u>-</u> | <u>220,776</u> | <u>(54,870)</u> |
| Expenditures: | | | | | |
| Environmental Protection | 275,646 | 193,741 | - | 193,741 | 81,905 |
| Total expenditures | <u>275,646</u> | <u>193,741</u> | <u>-</u> | <u>193,741</u> | <u>81,905</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>27,035</u> | <u>-</u> | <u>27,035</u> | <u>27,035</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 27,035</u> | <u>-</u> | <u>\$ 27,035</u> | <u>\$ 27,035</u> |
| Fund balance, beginning | | | <u>27,035</u> | | |
| Fund balance, ending | | | <u>\$ 27,035</u> | | |

Hyde County
CDBG Neighborhood Revitalization (CDBG-NR) Program Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|---|--------------------------|--------------------|---------------------------|--------------------|------------------------------------|
| Revenues: | | | | | |
| FMA Grant | \$ 750,000 | \$ - | \$ - | \$ - | \$ (750,000) |
| Total revenues | <u>750,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(750,000)</u> |
| Expenditures: | | | | | |
| Economic and Physical Development | 750,000 | 14,595 | 48,583 | 63,178 | 686,822 |
| Total expenditures | <u>750,000</u> | <u>14,595</u> | <u>48,583</u> | <u>63,178</u> | <u>686,822</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>(14,595)</u> | <u>(48,583)</u> | <u>(63,178)</u> | <u>(63,178)</u> |
| Other Financing Sources (Uses) | | | | | |
| 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> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (14,595)</u> | <u>(48,583)</u> | <u>\$ (63,178)</u> | <u>\$ (63,178)</u> |
| Fund balance, beginning | | | <u>(14,595)</u> | | |
| Fund balance, ending | | | <u>\$ (63,178)</u> | | |

CAPITAL PROJECT FUNDS

**Hyde County
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2020**

| | Capital Project Funds | |
|--|--------------------------|---|
| | Airport Grant Fund | Total Non-major Capital Project Funds |
| Assets: | | |
| Cash and cash equivalents | \$ 9,594 | \$ 9,594 |
| Accounts receivable, net | - | - |
| Due from other funds | - | - |
| Due from other governments | - | - |
| Total assets | <u>\$ 9,594</u> | <u>\$ 9,594</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 | 9,594 | 9,594 |
| Unassigned | - | - |
| Total fund balances | <u>9,594</u> | <u>9,594</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 9,594</u> | <u>\$ 9,594</u> |

Hyde County
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2020

| | Capital Project Funds | |
|--|--------------------------|---|
| | Airport Grant Fund | Total Non-major Capital Project Funds |
| Revenues: | | |
| Restricted Intergovernmental | \$ 139,332 | \$ 139,332 |
| Miscellaneous | - | - |
| Total revenues | <u>139,332</u> | <u>139,332</u> |
| Expenditures: | | |
| Current: | | |
| Capital Outlay | 164,322 | 164,322 |
| Total expenditures | <u>164,322</u> | <u>164,322</u> |
| Excess (deficiency) of revenues over expenditures | <u>(24,990)</u> | <u>(24,990)</u> |
| Other financing sources (uses): | | |
| Transfers from other funds | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> |
| Net change in fund balances | (24,990) | (24,990) |
| Fund balances, beginning | <u>34,584</u> | <u>34,584</u> |
| Fund balances, ending | <u><u>\$ 9,594</u></u> | <u><u>\$ 9,594</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, 2020

| | Project Authorization | Prior Years | Actual Current Year | Total To Date | Variance Positive (Negative) |
|--|--------------------------|------------------|---------------------------|------------------|------------------------------------|
| Revenues: | | | | | |
| Restricted Intergovernmental - State Grant | \$ 144,000 | \$ 312,367 | \$ 139,332 | \$ 451,699 | \$ 307,699 |
| Miscellaneous - Local Match | 16,000 | 149,548 | - | 149,548 | 133,548 |
| Total revenues | <u>160,000</u> | <u>461,915</u> | <u>139,332</u> | <u>601,247</u> | <u>441,247</u> |
| Expenditures: | | | | | |
| Capital Outlay: | | | | | |
| Airport Improvements | 160,000 | 427,331 | 164,322 | 591,653 | (431,653) |
| Total expenditures | <u>160,000</u> | <u>427,331</u> | <u>164,322</u> | <u>591,653</u> | <u>(431,653)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 34,584</u> | (24,990) | <u>\$ 9,594</u> | <u>\$ 9,594</u> |
| Fund balance, beginning | | | <u>34,584</u> | | |
| Fund balance, ending | | | <u>\$ 9,594</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, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Charges for Services: | | | |
| Water sales | \$ 1,263,000 | \$ 1,294,220 | \$ 31,220 |
| Sewer charges | 300,000 | 187,146 | (112,854) |
| Penalties and Interest | 18,000 | 13,798 | (4,202) |
| Meter Installations | 10,000 | 9,713 | (287) |
| Other operating revenues | 5,000 | 117,276 | 112,276 |
| Total operating revenues | <u>1,596,000</u> | <u>1,622,153</u> | <u>(117,056)</u> |
| Nonoperating revenues: | | | |
| Interest Earnings | 4,000 | 11,983 | 7,983 |
| Total nonoperating revenues | <u>4,000</u> | <u>11,983</u> | <u>7,983</u> |
| Total revenues | <u>1,600,000</u> | <u>1,634,136</u> | <u>(109,073)</u> |
| Expenditures: | | | |
| Water distribution and Sewage Collection: | | | |
| Salaries and employee benefits | 793,559 | 771,924 | 21,635 |
| Other operating expenditures | 832,154 | 727,116 | 105,038 |
| Computer support | 5,000 | 2,705 | 2,295 |
| Total water distribution and sewage collection | <u>1,630,713</u> | <u>1,501,745</u> | <u>128,968</u> |
| Debt Service: | | | |
| Interest and Other Charges | 88,020 | 88,020 | - |
| Debt Principal | 143,867 | 143,867 | - |
| Total debt service | <u>231,887</u> | <u>231,887</u> | <u>-</u> |
| Capital outlay | 30,000 | 28,844 | 1,156 |
| Total expenditures | <u>1,892,600</u> | <u>1,762,476</u> | <u>130,124</u> |
| Revenues over (under) expenditures | <u>(292,600)</u> | <u>(128,340)</u> | <u>21,051</u> |
| Other financing sources (uses): | | | |
| Transfer from (to) other funds | | | |
| USDA Reserve | (7,400) | - | 7,400 |
| Fund Balance Appropriated | 300,000 | - | (300,000) |
| Total other financing sources (uses) | <u>292,600</u> | <u>-</u> | <u>(292,600)</u> |
| Revenues and other financing sources (uses) over (under) expenditures | <u>\$ -</u> | <u>(128,340)</u> | <u>\$ (271,549)</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, 2020

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|---------------|---------------------|------------------------------------|
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Revenues and other financing sources (uses) | | | |
| over (under) expenditures | | (128,340) | |
| Reconciling items: | | | |
| Capital Outlay | | 28,844 | |
| Depreciation | | (416,800) | |
| Principal retirement | | 143,867 | |
| Increase (decrease) in deferred outflows of resources | | | |
| - pensions | | (15,161) | |
| Increase (decrease) in deferred outflows of resources | | | |
| - OPEB | | 4,269 | |
| (Increase) Decrease in deferred inflows of resources - | | | |
| pensions | | 2,006 | |
| (Increase) Decrease in deferred inflows of resources - | | | |
| OPEB | | (29,485) | |
| (Increase) decrease in net pension liability | | (28,005) | |
| (Increase) decrease in OPEB liability | | 23,298 | |
| (Increase) decrease in accrued interest | | 2,074 | |
| (Increase) decrease in accrued compensated | | | |
| absences | | (5,758) | |
| Change in net position | | <u>\$ (419,190)</u> | |

AGENCY FUNDS

**Hyde County
Agency Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2020**

| | Beginning Balance June 30, 2019 | Additions | Deductions | Ending Balance June 30, 2020 |
|---|------------------------------------|------------|------------|---------------------------------|
| Social Services Fund | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 1,454 | \$ 12,208 | \$ 10,382 | \$ 3,280 |
| Liabilities: | | | | |
| Miscellaneous Liabilities | \$ 1,454 | \$ 12,208 | \$ 10,382 | \$ 3,280 |
| Ocracoke Special Mosquito Control Fund | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 39,690 | \$ 77,631 | \$ 39,690 | \$ 77,631 |
| Receivables | 1,847 | 78,688 | 77,631 | 2,904 |
| Total Assets: | \$ 41,537 | \$ 156,319 | \$ 117,321 | \$ 80,535 |
| Liabilities: | | | | |
| Miscellaneous Liabilities | \$ 39,754 | \$ 77,631 | \$ 39,754 | \$ 77,631 |
| Deferred Revenues | 1,847 | 78,688 | 77,631 | 2,904 |
| | \$ 41,601 | \$ 156,319 | \$ 117,385 | \$ 80,535 |
| Fines and Forfeitures Fund | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 16,576 | \$ 19,375 | \$ 19,507 | \$ 16,444 |
| Receivables | 1,433 | 846 | 1,433 | 846 |
| Total Assets: | \$ 18,009 | \$ 20,221 | \$ 20,940 | \$ 17,290 |
| Liabilities: | | | | |
| Miscellaneous Liabilities | \$ 18,009 | \$ 17,290 | \$ 18,009 | \$ 17,290 |
| Totals - All Agency Funds | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 57,720 | \$ 109,214 | \$ 69,579 | \$ 97,355 |
| Receivables | 3,280 | 79,534 | 79,064 | 3,750 |
| Total assets | \$ 61,000 | \$ 188,748 | \$ 148,643 | \$ 101,105 |
| Liabilities: | | | | |
| Miscellaneous liabilities | \$ 59,217 | \$ 107,129 | \$ 68,145 | \$ 98,201 |
| Deferred Revenues | 1,847 | 78,688 | 77,631 | 2,904 |
| Total liabilities | \$ 61,064 | \$ 185,817 | \$ 145,776 | \$ 101,105 |

OTHER SCHEDULES

**Hyde County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2020**

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2019</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2020</u> |
|--------------------|--|---------------------|------------------------------------|--|
| 2019-2020 | \$ - | \$ 7,387,360 | \$ 7,034,274 | \$ 353,086 |
| 2018-2019 | 269,987 | 2,545 | 150,535 | 121,997 |
| 2017-2018 | 154,716 | - | 33,694 | 121,022 |
| 2016-2017 | 108,147 | - | 23,651 | 84,496 |
| 2015-2016 | 77,903 | - | 18,086 | 59,817 |
| 2014-2015 | 63,847 | - | 10,146 | 53,701 |
| 2013-2014 | 55,967 | - | 9,596 | 46,371 |
| 2012-2013 | 48,273 | - | 5,907 | 42,366 |
| 2011-2012 | 34,653 | - | 3,550 | 31,103 |
| 2010-2011 | 27,993 | - | 1,624 | 26,369 |
| 2009-2010 | 26,511 | - | 26,511 | - |
| | <u>\$ 867,997</u> | <u>\$ 7,389,905</u> | <u>\$ 7,317,574</u> | <u>\$ 940,328</u> |

Less: allowance for uncollectible accounts:
General Fund

365,600

Ad valorem taxes receivable - net:
General Fund

\$ 574,728

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 7,807,462

Reconciling items:

Interest Collected

(130,547)

Discoveries and Adjustments

(385,852)

Taxes written off

26,511

Total reconciling items

(489,888)

Total collections and credits

\$ 7,317,574

Hyde County
Analysis of Current Tax Levy
County-wide Levy
June 30, 2020

| | | | | 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: | \$ 959,397,403 | 0.77 | \$ 7,387,360 | \$ 7,000,340 | \$ 387,020 |
| Discoveries: | - | 0.77 | - | - | - |
| Abatements: | - | 0.77 | - | - | - |
| Total property valuation | <u>\$ 959,397,403</u> | | | | |
| Net levy | | | 7,387,360 | 7,000,340 | 387,020 |
| Uncollected taxes at June 30, 2020 | | | <u>353,086</u> | <u>353,086</u> | - |
| Current year's taxes collected | | | <u>\$ 7,034,274</u> | <u>\$ 6,647,254</u> | <u>\$ 387,020</u> |
| Current levy collection percentage | | | <u>95.22%</u> | <u>94.96%</u> | <u>100.00%</u> |

COMPLIANCE SECTION



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**Alan W. Thompson, CPA
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Gregory S. Adams, CPA**

**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 units, each major fund, the aggregate remaining fund information of Hyde County, North Carolina, as of and for the year ended June 30, 2020, 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 6, 2021. 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 questioned costs, 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 [2020-001, 2020-002] to be material weaknesses.

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 [2020-003, 2020-004, 2020-005, 2020-006, 2020-007] to be significant deficiencies.

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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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2020-002, 2020-004, 2020-006, 2020-007].

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 questioned costs and corrective action plan. 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 6, 2021



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, 2020. 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 charged with governance. amining, on a test basis, evidence about Hyde County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each 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 major federal programs for the year ended June 30, 2020.

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 [2020-008, 2020-009]. 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 Hyde County's internal control over compliance with the types of requirements that could have direct and material effect on major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal controls over compliance.

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

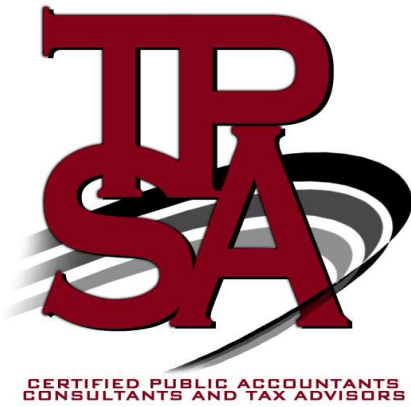
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-008, 2020-009, 2020-010, 2020-011] that we consider 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.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
July 6, 2021



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, 2020. 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 a major state program occurred. An audit includes examining, on a test basis, evidence about Hyde County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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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, 2020.

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 [2020-008, 2020-009, 2020-010, 2020-011, 2020-12] 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 6, 2021

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section I - Summary of Auditors' Results

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? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes no
- Noncompliance material to financial statements noted X yes no

Federal Awards

Internal control over major federal programs:

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

 X yes no

Identification of major federal programs:

| <u>CFDA #</u> | <u>Program Name</u> |
|---------------|----------------------------|
| 21.019 | Coronavirus Relief Fund |
| 93.778 | Medical Assistance Program |
| 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 X no

State Awards

Internal control over major State programs:

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

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

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section I - Summary of Auditors' Results (continued)

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

Hazard Mitigation Grant

State Revolving Loan for Temporary Cash Assistance

Section II - Financial Statement Findings

Finding: 2020-001

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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-001. |
| 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. |

Finding: 2020-002

Budget Violation

MATERIAL NONCOMPLIANCE / MATERIAL WEAKNESS

| | |
|-----------|--|
| Criteria: | G.S. 159-13.2 states that a local government may authorize and budget a capital project or a grant project by a project ordinance, which authorizes all appropriations necessary for the completion of the project and neither it nor any part of it need be readopted in any subsequent fiscal year. G.S. 159-26 states that a separate fund shall be established by each project ordinance. NCORR Grant and Loan agreements states that funds shall be accounted for in a separate fund. |
|-----------|--|

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section II - Financial Statement Findings (continued)

| | |
|---------------------------------|---|
| Condition: | The County adopted project ordinances for the following projects while the funds have been accounted for in General Fund instead of establishing a special revenue fund and/or capital project fund for each project: Ocracoke Tram Project, Ocracoke Dorian Housing Project, Ocracoke Home Repair and Rebuild, NCORR Grant for FDLG, NCORR Loan TCALG, Hurricane Dorian FEMA project, Lake Mattamuskeet Stream Debris Removal Project. |
| Effect: | Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes. |
| Cause: | The County did not properly adopt and record budget and budget amendments for the revenues and expenditures for these projects and funds. |
| Recommendation: | The finance office should review the General Statutes and the grant and loan agreements more carefully to ensure projects are properly authorized and the funds are properly accounted for. |
| Views of responsible officials: | The County agrees with this finding. |

Finding: 2020-003**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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-002. |
| 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. |

Finding: 2020-004**Budget Violation****NONCOMPLIANCE/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. |
|-----------|---|

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section II - Financial Statement Findings (continued)

| | |
|-------------------------------------|--|
| Condition: | The County reflected no budgeted amounts for the Revolving Loan Fund, Hydeland Home Health Fund and 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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-003. |
| Recommendation: | A budget should be prepared for each fund. |
| Views of responsible officials: | The County agrees with this finding. |

Finding: 2020-005**Deficit Fund Balance****SIGNIFICANT DEFICIENCY**

| | |
|-------------------------------------|---|
| Criteria: | The County should maintain a positive fund balance in each of its funds. |
| Condition: | The following funds have negative fund balance: Hurricane Matthew, 2015 FMA Program, 2016 FMA Program, CDBG Disaster Recovery, Hurricane Irene HMGP, and CDBG Neighborhood Revitalization (CDBG-NR) Program. |
| 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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-004. |
| 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. |

Finding: 2020-006**Budget Violation****NONCOMPLIANCE/SIGNIFICANT DEFICIENCY**

| | |
|------------|---|
| Criteria: | All excess expenditures over appropriations should be disclosed. |
| Condition: | The budget was overspent in the following departments in General Fund: Tax, Register of Deeds, Inspections, Juvenile Crime Prevention, Soil and Water Conservation, COVID-19, FEMA, Mental Health - Navigator, SBA Home Loans/Grants, Peer Counselor, Wise Women Project, Public School - Capital Outlay. |

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section II - Financial Statement Findings (continued)

| | |
|-------------------------------------|--|
| 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 |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-005. |
| Recommendation: | The budget should be reviewed and appropriated amendments made during the year. |
| Views of responsible officials: | The County agrees with this finding. |

Finding: 2020-007**Contractual Violation****NONCOMPLIANCE/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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-006. |
| 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, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section III - Federal Award Findings and Questioned Costs

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: 2020-008**SSI Terminations****NONCOMPLIANCE / SIGNIFICANT DEFICIENCY****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: | One applicant was not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated. |
| Questioned Costs: | \$4,278. This amount was determined by totaling all the aid received by the ineligible beneficiary for all claims during the fiscal year ending 6/30/2020 which had dates of service occurring after the SSI determined the beneficiary ineligible. |
| Context: | We examined 60 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 the Medicaid administrative cost compliance audit. |
| Effect: | The County did not initiate an 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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-008. |
| 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. |

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

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

| | |
|-----------------|--|
| 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: 2020-009

Inaccurate Information Entry

NONCOMPLIANCE / SIGNIFICANT DEFICIEN

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 thirty-seven errors discovered during our procedures that inaccurate information was entered when determining eligibility. Of these, two applicant/beneficiaries received assistance for which the recipient was not eligible. |
|------------|---|

Questioned Cost: \$7,337. This amount was determined by totaling all the aid received by the ineligible beneficiaries for all claims during the fiscal year ending 6/30/2020 which had dates of service occurring within the certification period in question.

Context: We examined 60 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2019-009.

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

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

| | |
|---------------------------------|--|
| 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 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. |

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: 2020-010

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 eighteen 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 known affect to eligibility and there were no known questioned costs. |
| Context: | We examined 60 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. |

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

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

| | |
|-------------------------------------|--|
| 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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-010. |
| 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. |

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: 2020-011

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 two errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made. |
| Questioned Costs: | There was no known affect to eligibility and there were no known questioned costs. |
| Context: | We examined 60 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. |

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

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

| | |
|-------------------------------------|---|
| 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. |
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-011. |
| 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. |

Section IV - State Award Findings and Questioned Costs

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 DEFICENCY: Finding 2020-008, 2020-009, 2020-010, 2020-011 also apply to State requirements and State Awards.

N.C. Department of Public Safety, Office of Recovery and Resiliency
 Program Name: State Revolving Loans for Temporary Cash Assistance to Local Governments

Finding: 2020-012

Grant Monitoring

SIGNIFICANT DEFICIENCY

Reporting

| | |
|------------|---|
| Criteria: | NCORR requires that the loan proceeds shall be accounted for in a separate fund, and quarterly progress reports shall be submitted on or before the 7th day of the following month of the calendar quarter of each year of the agreement. |
| Condition: | Funds have been accounted for in General Funds instead of establishing a separate fund. No quarterly report was submitted to NCORR. |
| Effect: | The project would not be monitored as required by the State agency. |

Hyde County, North Carolina
Schedule of Findings and Questioned Costs
June 30, 2020

Section IV - State Award Findings and Questioned Costs (continued)

| | |
|-------------------------------------|---|
| Identification of a repeat finding: | This is a repeat finding from the immediate previous audit, 2019-013. |
| Cause: | Ineffective record keeping and reviewing process. |
| Recommendation: | We recommend that the County implement procedures to ensure funds are properly accounted for and monitored. |
| Views of responsible officials: | The County agrees with the finding. |

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 Benjamin Simmons
 Shannon Swindell
 James Topping

COUNTY OF HYDE

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Kristen Noble
 County Manager

Franz Holscher
 County Attorney

Lois Stotesberry, CMC, NCCCC
 Clerk to the Board

Corrective Action Plan
June 30, 2020

Section II - Financial Statement Findings

Finding: 2020-001

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: 2020-002

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: 2020-003

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: 2020-004

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: 2020-005

Name of Contact Person:

Deficit Fund Balance

Kris Noble, County Manager

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Corrective Action Plan
June 30, 2020

Section II - Financial Statement Findings

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

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

Finding: 2020-006**Budget Violation**

Name of Contact Person: Kris Noble, County Manager

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

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

Finding: 2020-007**Contractual Violation**

Name of Contact Person: Kris Noble, County Manager

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

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

Finding: 2020-008**SSI Terminations**

Name of Contact Person: Laurie Potter, DSS Director & Linda McCabe, Medicaid Supervisor

Corrective Action: At the current time Supervisor is pulling up the (only report accessible to Supervisor at this time) SSI Termination/Alert Detail Report under XPTR Verification Reporting in NC FAST and is shaing this information with IMC. Agency is in the process of removing all old IMC's who had cases and worked under old Medicaid Supervisor who is currently assigned to the SSI/Termination queues. The IMC is currently working the backlog of SSI Termination/Alert Detail report. IMC will continue to follow policy and State communications as it is received.

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**Corrective Actions**

June 30, 2020

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

| | |
|---------------------------|--|
| Proposed Completion Date: | Ongoing |
| Finding: 2020-009 | Inaccurate Information Entry |
| Name of Contact Person: | Laurie Potter, DSS Director & Linda McCabe, Medicaid Supervisor |
| Corrective Action: | Supervisor will continue to 2nd party applications and expartes to insure IMC"S have requested and documented the proper and correct documentation used for verification of evidence. IMC's will request any verification needed to support documentation used, request online verification, use the work number and check other active files in the agency. IMC's will document what, how, where and why income was used. IMC's will also be retrained on how the income is calculated. |
| Proposed Completion Date: | Ongoing |
| Finding: 2020-010 | Inaccurate Resource Calculation |
| Name of Contact Person: | Laurie Potter, DSS Director & Linda McCabe, Medicaid Supervisor |
| Corrective Action: | Supervisor will continue to perform second party reviews to ensure proper documentation is in place for eligibility. IMC's will continue to be reminded of what the case files should contain and the importance of completed and accurate record keeping. IMC's will double check all entries to insure countable resources be calculated correctly and agrees the amount in NC FAST evidence. All countable and noncountable resources should clearly be explained within the documentation and what actions and results were performed. |
| Proposed Completion Date: | Ongoing |
| Finding: 2020-011 | IV-D Child Support Non-Cooperation |
| Name of Contact Person: | Laurie Potter, DSS Director & Linda McCabe, Medicaid Supervisor |

COUNTY OF HYDE

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Corrective Actions June 30, 2020

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

| | |
|---------------------------|--|
| Corrective Action: | Supervisor will continue to perform second party reviews to ensure proper information is in place and necessary procedures are taken when determining eligibility. IMC's have been trained on the important of assisting family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent for case where the caretaker is receiving Medicaid assistance. IMC's will properly document and add required verification and evidence to new and existing case where caretaker is receiving Medicaid. |
| Proposed Completion Date: | Ongoing |

Section IV - State Award Findings and Questioned Costs

Corrective actions for finding 2020-008, 2020-009, 2020-010 and 2020-011 also apply to the State Awards findings.

Finding: 2020-012

Grant Monitoring

Name of Contact Person: Kris Noble, County Manager

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: The Board will implement this procedure immediately.

Hyde County, North Carolina
Summary Schedule of Prior Year Audit Findings
June 30, 2020

| | |
|----------|----------------------------|
| Finding: | 2019-001 |
| Status: | Repeat as finding 2020-001 |
| Finding: | 2019-002 |
| Status: | Repeat as finding 2020-003 |
| Finding: | 2019-003 |
| Status: | Repeat as finding 2020-004 |
| Finding: | 2019-004 |
| Status: | Repeat as finding 2020-005 |
| Finding: | 2019-005 |
| Status: | Repeat as finding 2020-006 |
| Finding: | 2019-006 |
| Status: | Repeat as finding 2020-007 |
| Finding: | 2019-007 |
| Status: | Corrected |
| Finding: | 2019-008 |
| Status: | Repeated as 2020-008 |
| Finding: | 2019-009 |
| Status: | Repeated as 2020-009 |
| Finding: | 2019-010 |
| Status: | Repeated as 2020-010 |
| Finding: | 2019-011 |
| Status: | Repeated as 2020-011 |
| Finding: | 2019-012 |
| Status: | Corrected |
| Finding: | 2019-013 |
| Status: | Corrected |

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Subrecipients | Local Expenditures |
|--|---------------------------|---|---|-----------------------|---------------------------------|-----------------------|
| Federal Awards: | | | | | | |
| <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 | | \$ 108,967 | \$ - | \$ - | \$ 108,966 |
| Passed-through N.C. Dept of Health and Human Services: Division of Public Health: Special Supplemental Nutrition Program for Women, Infants, & Children | 10.557 | | 30,901 | - | - | - |
| Total U.S. Dept. of Agriculture | | | 139,868 | - | - | 108,966 |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | | |
| Passed-through N.C. Department of Commerce CDBG-DR | 14.228 | | 285 | - | - | - |
| CDBG-NR | 14.228 | | 48,583 | - | - | - |
| CDBG-I | 14.228 | | 44,761 | - | - | - |
| Total U.S. Dept. of Treasury | | | 93,629 | - | - | - |
| <u>U.S. Department of the Treasury</u> | | | | | | |
| Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund | 21.019 | | 330,327 | - | - | - |
| Total U.S. Dept. of Treasury | | | 330,327 | - | - | - |
| <u>US Dept of Health and Human Services</u> | | | | | | |
| Division of Aging and Adult Services Passed-through Albemarle Commission <u>Aging Cluster</u> Special Programs for the Aging Title IIIB Grants for Supportive Services and Senior Centers | 93.044 | | 48,799 | 2,870 | - | 5,741 |
| Special Programs for the Aging - Title III C Nutrition Services | 93.045 | | 32,532 | 1,914 | - | 3,827 |
| Nutrition Services Incentive Program | 93.053 | | 3,592 | - | - | - |
| Total Aging Cluster | | | 84,923 | 4,784 | - | 9,568 |
| <u>Temporary Assistance Needy Family Cluster</u> | | | | | | |
| Division of Social Services TANF - Work First | 93.558 | | 49,244 | - | - | 17,530 |
| Division of Public Health TANF - Work First | 93.558 | | 966 | - | - | - |
| Total TANF Cluster | | | 50,210 | - | - | 17,530 |
| Foster Care and Adoption Cluster: Foster Care - Title IV-E | 93.658 | | 81,706 | 13,422 | - | 55,728 |
| Foster Care | N/A | | 1,800 | - | - | 1,132 |
| Total Foster Care and Adoption Cluster | | | 83,506 | 13,422 | - | 56,860 |
| Child Support Enforcement | 93.563 | | 88,075 | (33) | - | 45,405 |
| Low-Income Home Energy Assistance Administration | 93.568 | | 5,068 | - | - | - |
| Energy Assistance Payments | 93.568 | | 38,708 | - | - | - |
| Crisis Intervention Program | 93.568 | | 20,928 | - | - | - |
| Total Low-Income Energy Assistance | | | 64,704 | - | - | - |

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Subrecipients | Local Expenditures |
|---|---------------------------|---|---|-----------------------|---------------------------------|-----------------------|
| Stephanie Tubbs Jones Child Welfare Services Program | | | | | | |
| Permanency Planning - Families for Kids | 93.645 | | 1,534 | - | - | 511 |
| Total Stephanie Tubbs Jones Child Welfare Services | | | 1,534 | - | - | 511 |
| SSBG - Other Service and Training | 93.667 | | 45,607 | - | - | 15,202 |
| SSBG - State In Home Service Fund | 93.667 | | 2,497 | - | - | 357 |
| Total Social Service Block Grant | | | 48,104 | - | - | 15,559 |
| Division of Social Services: | | | | | | |
| Subsidized Child Care: | | | | | | |
| Child Care Development Fund - Administration | 93.596 | | 5,770 | - | - | - |
| Total Subsidized Child Care Cluster | | | 5,770 | - | - | - |
| Passed-through the N.C. Department of Health and Human Services | | | | | | |
| Division of Social Services: | | | | | | |
| Administration | | | | | | |
| Medical Assistance Program | 93.778 | | 291,336 | - | - | 123,437 |
| Total Medical Assistance Program | | | 291,336 | - | - | 123,437 |
| Family Perservation | 93.556 | | 673 | - | - | - |
| State Children's Insurance Program - NC Health Choice | 93.767 | | 6,465 | (48) | - | 460 |
| Passed through N.C. Department of Health and Human Services: | | | | | | |
| Division of Public Health | | | | | | |
| Hospital Preparedness Program (HPP) and Public Health | 93.074 | | | | | |
| Emergency Preparedness (PHEP) Aligned Cooperative | | | | | | |
| Agreements | | | 29,718 | - | - | - |
| Project Grants and Cooperative Agreements for | 93.116 | | 50 | - | - | - |
| Family Planning Services | 93.217 | | 27,460 | - | - | - |
| Immunization Grants | 93.268 | | 4,240 | - | - | - |
| COVID-19 - Public Health Emergency Response: | 93.354 | | | | | |
| Cooperative Agreement for Emergency Response: Public | | | | | | |
| Health Crisis Response | | | 29,199 | - | - | - |
| Cancer Prevention and Control Programs for State, | 93.898 | | | | | |
| Territorial and Tribal Organizations | | | 2,925 | - | - | - |
| Preventive Health Services _Sexually Transmitted | 93.977 | | 42 | - | - | - |
| Preventive Health and Health Services Block Grant | 93.991 | | 30,921 | - | - | - |
| Maternal and Child Health Services Block Grant | 93.994 | | 25,559 | 8,649 | - | - |
| Total U. S. Department of Health and Human Services | | | 875,414 | 26,774 | - | 269,330 |
| <u>U.S. Dept. of Homeland Security</u> | | | | | | |
| Passed through the NC Dept. of Public Safety | | | | | | |
| Flood Mitigation Assistance | 97.029 | | 123,808 | - | - | - |
| Disaster Grants - Public Assistance | 97.036 | | 6,583 | 2,194 | - | - |
| Hazard Mitigation Grant | 97.039 | | 381,147 | 127,049 | - | - |
| Emergency Management Performance Grants | 97.042 | | 38,584 | - | - | - |
| Total U.S. Dept. of Homeland Security | | | 550,122 | 129,243 | - | - |
| <u>U. S. Department of Transportation</u> | | | | | | |
| Passed through the N.C. Department of Transportation | | | | | | |
| Airport Improvement Program | 20.106 | DOT-8 | | | | |
| | | 36237.57.14.2 | 19,224 | 2,136 | - | - |
| Airport Improvement Program | 20.106 | 36237.57.14.1 | 21,287 | - | - | - |
| 19-ED-110 Hyde Co Health Department Capital | 20.513 | DOT-11 | | | | |
| | | 51001.49.6.3 | 2,612 | 327 | - | - |
| 20-ED-825 Hyde Co Health Department Capital | 20.513 | DOT-14 | | | | |
| | | 51001.49.7.3 | 4,022 | 502 | - | - |
| Total U. S. Department of Transportation | | | 47,145 | 2,965 | - | - |
| Total Federal Awards | | | \$ 2,036,505 | \$ 158,982 | \$ - | \$ 378,296 |

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Subrecipients | Local Expenditures |
|--|---------------------------|---|---|-----------------------|---------------------------------|-----------------------|
| State Awards: | | | | | | |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | | |
| Division of Public Health: | | | | | | |
| Food and Lodging Fees | | | \$ - | \$ 6,100 | \$ - | \$ - |
| General Aid to Counties | | | - | 71,654 | - | - |
| General Communicable Disease Control | | | - | 11,044 | - | - |
| Child Health | | | - | 645 | - | - |
| HIV/STD State | | | - | 500 | - | - |
| Gonorrhea Partner Services | | | - | 20 | - | - |
| Healthy Community Activities | | | - | 3,785 | - | - |
| Breast and Cervical Cancer Program | | | - | 3,250 | - | - |
| Family Planning - State | | | - | 9,210 | - | - |
| Maternal Health | | | - | 13,116 | - | - |
| Women's Health Service Fund | | | - | 4,654 | - | - |
| TB Control | | | - | 1,566 | - | - |
| Total Division of Public Health | | | - | 125,544 | - | - |
| Division of Social Services: | | | | | | |
| State Child Welfare/CPS/CS LD | | N/A | - | 995 | - | - |
| County Funded Programs | | N/A | - | - | - | 330,734 |
| Non-Allocating County Cost | | N/A | - | - | - | 100,604 |
| Work First Non Reimbursable | | N/A | - | - | - | 15,229 |
| SFHF Maximization | | N/A | - | 11,912 | - | 11,912 |
| State Foster Home | | N/A | - | 10,282 | - | 10,282 |
| Total Division of Social Services | | | - | 23,189 | - | 468,761 |
| Total N.C. Dept. Health and Human Services | | | - | 148,733 | - | 468,761 |
| <u>N.C. Dept. of Administration</u> | | | | | | |
| Veteran Grant | | N/A | - | 1,400 | - | - |
| Total of N.C. Dept. of Administration | | | - | 1,400 | - | - |
| <u>N.C. Dept. of Transportation</u> | | | | | | |
| Pass-through to Hyde Interagency Transportation: | | | | | | |
| ROAP EDTAP | | 36220.10.9.1 | - | 36,443 | - | - |
| ROAP RGP | | 36228.22.9.1 | - | 30,542 | - | - |
| ROAP Employment | | 36236.11.8.1 | - | 4,930 | - | - |
| Total ROAP Cluster | | | - | 71,915 | - | - |
| State Aid to Airports (AV-5812) | | DOT-8 | | | | |
| | | 47169.1.1 | - | 98,426 | - | - |
| Ocracoke Operation | | DOT-11 | | | | |
| | | 36223.124.1.3 | - | 109,595 | - | - |
| Total N. C. Department of Transportation | | | - | 279,936 | - | - |
| <u>N.C. Dept. of Environmental Quality</u> | | | | | | |
| Division of Water Infrastructure | | | | | | |
| DW Asset Inventory & Assessment | | H-AIA-D-2019-102-2347-536919 | - | 26,339 | - | - |
| Total N.C. Dept. of Environmental Quality | | | - | 26,339 | - | - |
| <u>N.C. Department of Natural and Cultural Resources</u> | | | | | | |
| Agricultural Development and Farmland Preservation Grant | | | - | 240,572 | - | - |
| Total N.C. Department of Agriculture and Consumer Services | | | - | 240,572 | - | - |

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Subrecipients | Local Expenditures |
|---|---------------------------|---|---|-----------------------|---------------------------------|-----------------------|
| <u>N.C. Dept. of Public Safety</u> | | | | | | |
| Juvenile Crime Prevention Program | | | - | 24,713 | - | - |
| Tier II Grant | | | - | 1,000 | - | - |
| Office of Recovery and Resiliency | | | | | | |
| State Revolving Loan for Temporary Cash Assistance | | NCORR-TCALG-22 | | | | |
| | | NCORR-TCALG-25 | - | 2,000,000 | - | - |
| State Grants for Financially Distressed Local Governments | | NCORR-FDLG-037 | - | 4,905 | - | - |
| Total N.C. Dept. of Public Safety | | | - | 2,030,618 | - | - |
| <u>N.C. Department of Agriculture and Consumer Services</u> | | | | | | |
| Stream Debris Removal Project | | | - | 54,946 | - | - |
| Total N.C. Department of Agriculture and Consumer Services | | | - | 54,946 | - | - |
| <u>Office of State and Budget and Management</u> | | | | | | |
| State Emergency Response & Disaster Relief Fund | | | - | 307,445 | - | - |
| Total N.C. 911 Board Emergency PSAP Center | | | - | 307,445 | - | - |
| Total State Awards | | | \$ - | \$ 3,089,989 | \$ - | \$ 468,761 |
| Total Federal and State Awards | | | \$ 2,036,505 | \$ 3,248,971 | \$ - | \$ 847,057 |

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, 2020. 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.

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: Loans Outstanding

Hyde County had the following loan balances outstanding at June 30, 2020 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2020 consist of:

| Program Title | CFDA Number | Pass-through Grantor's Number | Amount Outstanding |
|--|----------------|-------------------------------------|-----------------------|
| State Revolving Loan for Temporary Cash Assistance | N/A | NCORR-TCALG-22 | \$ 1,000,000 |
| State Revolving Loan for Temporary Cash Assistance | N/A | NCORR-TCALG-25 | 1,000,000 |

Note 5: 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.

Hyde County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Provided to Subrecipients | Local Expenditures |
|--|---------------------------|---|---|-----------------------|---------------------------------|-----------------------|
| Program Title | CFDA No. | | Federal | State | | |
| Special Supplemental Nutrition Program for Women | | | | | | |
| Infant and Children | 10.557 | | \$ 3,856 | \$ - | | |
| Food and Nutrition Services | 10.551 | | 1,419,161 | - | | |
| Medical Assistance Program | 93.778 | | 5,496,763 | 2,612,895 | | |
| Children's Health Insurance Program | 93.767 | | 97,444 | 8,163 | | |
| IV-E Adoption Assistance | 93.659 | | - | (951) | | |
| TANF Payments & Penalties | 93.558 | | 12,707 | - | | |
| CWS Adoption | N/A | | - | 1,902 | | |
| SC/SA Domiciliary Care | N/A | | - | 47,294 | | |

Note 7: Coronavirus Relief Funds

Hyde County received \$330,327 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$95,817 in July 2020. Counties are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. CRF must be spent during the period March 1, 2020 to December 30, 2020. Hyde County does not have any municipalities to distribute funds to or monitor as a subrecipient