

TYRRELL COUNTY, NORTH CAROLINA

FINANCIAL REPORT

As of and for the Year Ended June 30, 2017

And Report of Independent Auditor

TYRRELL COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-10
FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Exhibit 1 – Statement of Net Position	11
Exhibit 2 – Statement of Activities	12-13
Fund Financial Statements	
Exhibit 3 – Balance Sheet – Governmental Funds.....	14
Exhibit 3 – Reconciliation of the Governmental Funds Balance Sheet to the Statements of Net Position	15
Exhibit 4 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Exhibit 4 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	17
Exhibit 5 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	18
Exhibit 6 – Statement of Net Position – Proprietary Fund	19
Exhibit 7 – Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	20
Exhibit 8 – Statement of Cash Flows – Proprietary Fund	21
Exhibit 9 – Statement of Fiduciary Net Positions – Fiduciary Fund.....	22
Notes to Financial Statements.....	23-65
Required Supplementary Financial Information	
Schedule of Changes in Total Pension Liability Law Enforcement Officers’ Special Separation Allowance	66
Schedule of Funding Progress for Other Postemployment Benefits	67
Schedule of Employer Contributions for Other Postemployment Benefits	68
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset) for Local Government Retirement System	69
Schedule of County Contributions for Local Government Employees’ Retirement System.....	70
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset) for Register of Deeds’ Supplemental Pension Fund	71
Schedule of County Contributions for Register of Deeds’ Supplemental Pension Fund.....	72

TYRRELL COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

Combining and Individual Fund Statements and Schedules

Schedule 1 – Schedules of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	73-78
Schedule 2 – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Capital Reserve Fund – Budget and Actual	79
Schedule 3 – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Revaluation Fund – Budget and Actual	80
Schedule 4 – Combining Balance Sheet – Non-major Governmental Funds	81-82
Schedule 5 – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	83-84
Schedule 6 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Emergency Telephone System Fund – Budget and Actual	85
Schedule 7 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – School Capital Outlay Fund – Budget and Actual	86
Schedule 8 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Commerce Fellows Grant Fund	87
Schedule 9 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – CDBG Scattered Sites Fund	88
Schedule 10 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cahoon Center Site Improvement Project Fund	89
Schedule 11 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Inclusive Playground Project Fund	90
Schedule 12 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Estuarine Access Park Project Fund	91
Schedule 13 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road Street Project Fund	92
Schedule 14 – Schedule of Revenues and Expenditures – Budget and Actual – Proprietary Fund – Water and Sewer Operations	93-94
Schedule 15 – Schedule of Revenues and Expenditures – Budget and Actual – Wastewater Capital Projects No. 1 and No. 2 Fund	95-96
Schedule 16 – Schedule of Revenues and Expenditures – Budget and Actual – Alligator Sewer Project Fund	97
Schedule 17 – Combining Schedule of Changes in Assets and Liabilities – Agency Funds	98

Other Supplemental Information

Schedule 18 – Schedule of Ad Valorem Taxes Receivable	99
Schedule 19 – Analysis of Current Tax Levy – County-Wide Levy	100

TYRRELL COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

Compliance Section

Report of Independent Auditor 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	101-102
Report of Independent Auditor on Compliance For Each Major Federal Program and on Internal Control Over Compliance in accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act	103-104
Report of Independent Auditor on Compliance For Each Major State Program and on Internal Control Over Compliance in Accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act	105-106
Schedule of Findings and Questions Costs	107-110
Corrective Action Plan	111
Summary Schedule of Prior Audit Findings	112
Schedule of Expenditures of Federal and State Awards	113-116

Report of Independent Auditor

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Tyrrell County, North Carolina (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statement of the Tyrrell County ABC Board (the "Board"). 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 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 the 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 the Tyrrell County Tourism Development Authority (The "Authority") and the Board were not audited in accordance with *Government 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 County'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 County'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 and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position and cash flows, 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.

Emphasis of Matter

As discussed in Note 8 to the basic financial statements, the County fully implemented Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain provisions of GASB Statements 67 and 68*, beginning July 1, 2016. As a result, net position as of June 30, 2016 has been restated. Our opinions are not modified with respect to this matter.

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 Required Supplementary Information as listed in the table of contents 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 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 the County. The combining and individual financial statements and schedules, other supplemental information and the Schedule of Federal and State Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual financial statements and schedules, other supplemental information and the Schedule 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. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the County's 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 of that 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 the County's internal control over financial reporting and compliance.

Chemy Bekaert LLP

Raleigh, North Carolina
December 15, 2017

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

As management of Tyrrell County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,617,979 (net position).
- The government's total net position increased by \$223,425 (including restatement).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$2,769,488 after a net decrease in fund balances of \$616,714. Approximately 50.6% of this total amount, or \$1,401,114, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$204,104 or 3.03% of total general fund expenditures for the fiscal year.
- The County's total debt increased by \$315,182 (3.10%) during the current fiscal year. The key factors in the increase was the increase in the County's other postemployment employment benefit liabilities and net pension liabilities.

Overview of the Financial Statements

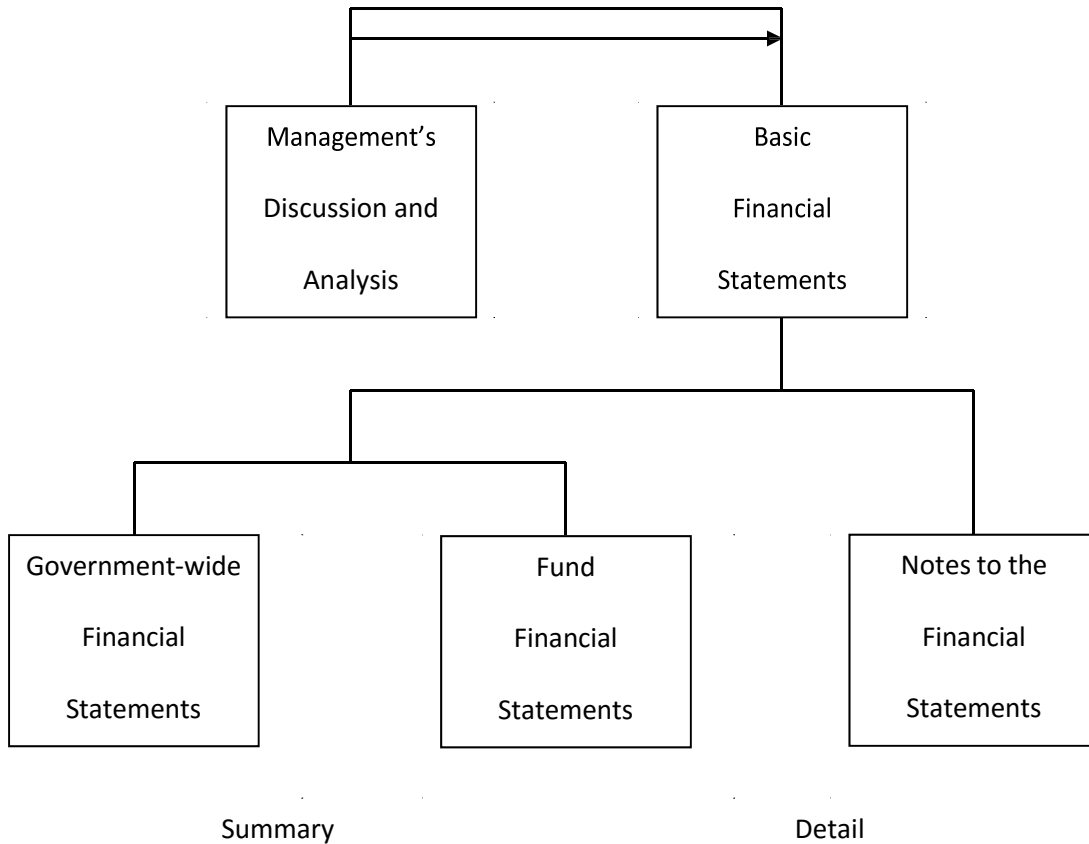
This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of the following three components; 1.) government-wide financial statements, fun financial statements, and notes to the financial statements.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

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Required Components of Annual Financial Report

Figure 1



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

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

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's major and non-major governmental 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.

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

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 three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, 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 offered by County. The final category is the component units. The County ABC Board and the Tourism Authority are legally separate from the County however the County is financially accountable for these Boards by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 the 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 governmental 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.

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

The 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 decision 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 – The 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. The County uses enterprise funds to account for its water and sewer activity 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. The County has four fiduciary funds, which are presented as 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 on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 66 of this report.

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 liabilities and deferred inflows of resources by \$14,617,979 as of June 30, 2017. The County's net position increased by \$223,425 during fiscal year ended June 30, 2017. One of the largest portions \$13,701,668 (96.73%) reflects the County's net investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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 the County's net position \$1,560,232 (10.67%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$643,921) is unrestricted.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

	<u>Governmental Activities</u> 2016	<u>Governmental Activities</u> 2017	<u>Business Type Activities</u> 2016	<u>Business Type Activities</u> 2017	<u>Total Primary Government</u> 2016	<u>Total Primary Government</u> 2017
Assets						
Current and other assets	\$ 4,374,865	\$ 3,486,024	\$ 1,523,774	\$ 1,059,592	\$ 5,898,639	\$ 4,545,616
Capital assets	3,255,880	3,300,703	16,406,199	16,873,057	19,662,079	20,173,760
Total assets	<u>7,630,745</u>	<u>6,786,727</u>	<u>17,929,973</u>	<u>17,932,649</u>	<u>25,560,718</u>	<u>24,719,376</u>
Deferred outflows of resources	<u>127,953</u>	<u>549,727</u>	<u>17,829</u>	<u>76,596</u>	<u>145,782</u>	<u>626,323</u>
Liabilities						
Accounts payable and accrued liabilities	691,876	157,085	2,042,471	35,334	2,734,347	192,419
Total long-term liabilities	4,850,949	5,377,976	3,623,515	5,100,187	8,474,464	10,478,163
Total liabilities	<u>5,542,825</u>	<u>5,535,061</u>	<u>5,665,986</u>	<u>5,135,521</u>	<u>11,208,811</u>	<u>10,670,582</u>
Deferred inflows of resources	<u>93,003</u>	<u>53,238</u>	<u>10,132</u>	<u>3,899</u>	<u>103,135</u>	<u>57,137</u>
Net position						
Net investment in capital assets	2,549,780	1,569,611	11,611,199	12,132,057	14,160,979	13,701,668
Restricted	1,455,109	1,463,312	234,894	96,920	1,690,003	1,560,232
Unrestricted	(1,882,019)	(1,284,769)	425,591	640,848	(1,456,428)	(643,921)
Total net position	<u>\$ 2,122,870</u>	<u>\$ 1,748,154</u>	<u>\$ 12,271,684</u>	<u>\$ 12,869,825</u>	<u>\$ 14,394,554</u>	<u>\$ 14,617,979</u>

Several key aspects of the County's financial operations are as follows:

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of approximately 94.94 percent.
- Capital contributions from other governments of \$901,605 were received and used for major construction on the County's sewer system.
- The County received several grants to fund various improvement projects in the County.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

	<u>Governmental Activities</u> 2016	<u>Governmental Activities</u> 2017	<u>Business Type Activities</u> 2016	<u>Business Type Activities</u> 2017	<u>Total Primary Government</u> 2016	<u>Total Primary Government</u> 2017
Revenues						
Program Revenues						
Charges for Services	\$ 283,999	\$ 280,476	\$ 1,054,760	\$ 1,119,450	\$ 1,338,759	\$ 1,399,926
Operating Grants and Contributions	1,488,996	1,478,557	-	-	1,488,996	1,478,557
Capital Grants and Contributions	714,027	180,162	2,464,314	901,605	3,178,341	1,081,767
General Revenues					-	-
Property Taxes	3,807,507	3,766,099	-	-	3,807,507	3,766,099
Other Taxes	657,458	775,151	-	-	657,458	775,151
Other	157,074	140,255	1,223	2,822	158,297	143,077
Total Revenues	<u>7,109,061</u>	<u>6,620,700</u>	<u>3,520,297</u>	<u>2,023,877</u>	<u>10,629,358</u>	<u>8,644,577</u>
Expenses						
General government	1,626,471	1,726,495	-	-	1,626,471	1,726,495
Public safety	1,700,576	1,842,414	-	-	1,700,576	1,842,414
Human services	1,996,874	1,958,267	-	-	1,996,874	1,958,267
Education	638,895	691,098	-	-	638,895	691,098
Environmental protection	473,230	461,761	-	-	473,230	461,761
Economic and physical development	398,639	235,451	-	-	398,639	235,451
Cultural and recreational	149,753	166,689	-	-	149,753	166,689
Interest on Debt	67,628	57,852	-	-	67,628	57,852
Water and Sewer	-	-	1,158,210	1,425,736	1,158,210	1,425,736
Total Expenses	<u>7,052,066</u>	<u>7,140,026</u>	<u>1,158,210</u>	<u>1,425,736</u>	<u>8,210,276</u>	<u>8,565,762</u>
Increase (decrease) in net position	<u>56,995</u>	<u>(519,326)</u>	<u>2,362,087</u>	<u>598,141</u>	<u>2,419,082</u>	<u>78,815</u>
Net Position, beginning restated	<u>2,065,875</u>	<u>2,267,480</u>	<u>9,909,597</u>	<u>12,271,684</u>	<u>11,975,472</u>	<u>14,539,164</u>
Net Position, ending	<u>\$ 2,122,870</u>	<u>\$ 1,748,154</u>	<u>\$ 12,271,684</u>	<u>\$ 12,869,825</u>	<u>\$ 14,394,554</u>	<u>\$ 14,617,979</u>

Governmental Activities – Governmental activities decreased the County's net position by \$374,716 (including the restatement). Key elements of this decrease are as follows:

- A decrease in revenues from property taxes.
- A decrease in local option sales taxes due to budgeting Article 44 in School Capital Outlay Fund.
- A decrease in intergovernmental revenues excluding FEMA for Hurricane Matthew
- A decrease in building permits
- A decrease in other revenue from reimbursement grants and agreements
- An increase in expenditures to Fire Department of \$100,000 for purchase of fire truck
- An increase in expenditures due to Hurricane Matthew of approximately \$92,000
- An increase in personnel at Ag Extension from prior year
- An increase in inmate detention costs
- An increase in purchase of autos for Sheriff's Department
- The County adopted the State Cooperative Extension staffing plan which included more positions and increased County participation over the prior year.

Business-type Activities – Business-type activities increased the County's net position by \$598,141. Key elements for this overall increase were:

- Capital contributions from other governments in the 2 sewer capital projects.
- An increase in water and sewer revenues.
- An overall increase in expenditures.

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Financial Analysis of the County's Funds

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

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the 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.

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 increased total budgeted revenues by \$47,061.

Capital Assets – The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totals \$20,173,760 (net of accumulated depreciation). These assets include land, construction in process, buildings, machinery, vehicles, and equipment.

Major capital asset transactions during the year include the following additions:

- 3 Sheriff's Department vehicles
- Maintenance equipment including a 72" mower and a 2011 Ford Van
- Water Meter Replacement Registers & a 60HP 6" submersible motor
- Equipment & vehicles to maintain the Sewer System

	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Land	\$ 831,482	\$ 843,758	\$ 68,261	\$ 68,261	\$ 899,743	\$ 912,019
Buildings & Improvements	1,592,689	1,943,451	10,901	9,278	1,603,590	1,952,729
Equipment and motorized vehicle	361,151	357,445	49,223	281,166	410,374	638,611
Plant and distribution system	-	-	12,248,126	15,941,691	12,248,126	15,941,691
Construction in Process	470,558	156,049	4,029,688	572,661	4,500,246	728,710
Total Capital assets, net	<u>\$ 3,255,880</u>	<u>\$ 3,300,703</u>	<u>\$ 16,406,199</u>	<u>\$ 16,873,057</u>	<u>\$ 19,662,079</u>	<u>\$ 20,173,760</u>

Additional information on the County's capital assets can be found in note 3.A.5 of the Basic Financial Statements.

Long-term Debt – As of June 30, 2017, the County had total debt outstanding of \$10,478,163. This debt consists of a term debt with the United States Department of Agriculture for construction projects, renovation of court facilities, a bank financed installment agreement for computer equipment, revenue bond for the construction the sewer projects, compensated absences, net pension liabilities, and other postemployment benefits.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2017

	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Term Debt	\$ 1,885,115	\$ 1,676,689	\$ -	\$ -	\$ 1,885,115	\$ 1,676,689
Installment purchase	69,057	54,403	-	-	69,057	54,403
Revenue bonds	-	-	3,420,000	4,741,000	3,420,000	4,741,000
Bond anticipation notes	-	-	1,375,000	-	1,375,000	-
Net pension liabilities	390,602	753,041	19,033	89,296	409,635	842,337
Compensated absences	121,097	123,455	24,482	28,973	145,579	152,428
Other postemployment benefits	2,638,474	2,770,388	220,121	240,918	2,858,595	3,011,306
Total Capital assets, net	<u>\$ 5,104,345</u>	<u>\$ 5,377,976</u>	<u>\$ 5,058,636</u>	<u>\$ 5,100,187</u>	<u>\$ 10,162,981</u>	<u>\$ 10,478,163</u>

Additional information on the County’s long-term debt can be found in note 3.B.8 of the Basic Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

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

- Increase in farmland production.
- Visitor center traffic increased.
- Increase in crabbing/aquaculture provided additional employment & revenue.
- Assisted Living Center provided additional economic engine.
- Local entities such as winery (for-profit) and arts/crafts school (non-profit) attracted visitors and spending.
- County began sewer expansion and updated park.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities – The County implemented a new re-classification pay study and salaries were increased by 2% County wide. Property tax rate was increased to .83 mostly due to loss in tax base after tax revaluation. An LCID availability fee was imposed to help cover costs of the site. The consolidated E-911 Center located in Dare County now is the budget center for that service in Tyrrell County. Therefore, budgeted Salaries for the Sheriff Non-certified employees was reduced due to the shift in personnel to the new center.

Business-type Activities – The County does not foresee an increase in the water/sewer rates during the 2018 fiscal year due to water rates being increased effective March 1, 2015. Sewer Fund expenditures are expected to increase as operations will be for a full year for Phase III. Bond Interest payments start on Phase III debt. Capital contributions will increase as the Alligator Sewer Project progresses. Capital contributions will increase in the Water Fund as the service area is budgeted to be expanded.

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 the County Manager, Tyrrell County, Post Office Box 449, Columbia, NC 27925.

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 1 – STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities	Business Type Activities	Total Primary Government	Tyrrell County Tourism Development Authority	Tyrrell County ABC Board
Assets					
Cash and cash equivalents	\$ 1,391,068	\$ 832,170	\$ 2,223,238	\$ -	\$ 85,457
Restricted cash and cash equivalents	839,921	96,920	936,841	23,005	-
Receivables, net	574,566	168,904	743,470	731	-
Due from other governments	514,608	-	514,608	-	-
Internal balances	116,807	(116,807)	-	-	-
Prepays	42,090	-	42,090	-	-
Inventories	-	78,405	78,405	-	67,109
Net pension asset - ROD	6,964	-	6,964	-	-
Capital assets:					
Nondepreciable	999,807	640,922	1,640,729	-	-
Depreciable, net	2,300,896	16,232,135	18,533,031	-	339,103
Total capital assets	3,300,703	16,873,057	20,173,760	-	339,103
Total assets	6,786,727	17,932,649	24,719,376	23,736	491,669
Deferred outflows of resources	549,727	76,596	626,323	-	9,258
Liabilities					
Accounts payable and accrued liabilities	148,035	35,334	183,369	22	32,982
Customer deposits	9,050	-	9,050	-	-
Long-term liabilities:					
Net pension liability - LGERS	630,600	89,296	719,896	-	-
Net pension liability - LEOSSA	122,441	-	122,441	-	-
Due in less than one year	228,652	56,000	284,652	-	13,746
Due in more than one year	4,396,283	4,954,891	9,351,174	-	223,344
Total long-term liabilities	5,377,976	5,100,187	10,478,163	-	237,090
Total liabilities	5,535,061	5,135,521	10,670,582	22	270,072
Deferred inflows of resources	53,238	3,899	57,137	-	1,110
Net position					
Net investment in capital assets	1,569,611	12,132,057	13,701,668	-	175,662
Restricted for:					
Stabilization by State statute	676,648	-	676,648	-	-
Emergency telephone system	347,384	-	347,384	-	-
Seizure funds	1,314	-	1,314	-	-
HAVA grant funds	8,805	-	8,805	-	-
Drug forfeiture funds	33,430	-	33,430	-	-
Court facilities	28,126	-	28,126	-	-
Register of Deeds	8,567	-	8,567	-	-
School capital outlay	215,644	-	215,644	-	-
USDA reserve	58,485	96,920	155,405	-	-
Tax revaluation	22,711	-	22,711	-	-
Tourism Development	-	-	-	23,714	-
Capital improvements	62,198	-	62,198	-	-
Working capital	-	-	-	-	13,698
Unrestricted	(1,284,769)	640,848	(643,921)	-	40,385
Total net position	\$ 1,748,154	\$ 12,869,825	\$ 14,617,979	\$ 23,714	\$ 229,745

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 2 – STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,726,495	21,438	127,082	\$ -
Public safety	1,842,414	244,907	159,458	-
Human services	1,958,267	-	1,170,790	-
Education	691,098	-	-	40,000
Environmental protection	461,761	-	21,227	-
Economic and physical development	235,451	-	-	48,865
Cultural and recreational	166,689	14,131	-	91,297
Interest on debt	57,852	-	-	-
Total governmental activities	<u>7,140,026</u>	<u>280,476</u>	<u>1,478,557</u>	<u>180,162</u>
Business-type activities:				
Water and sewer	1,425,736	1,119,450	-	901,605
Total business-type activities	<u>1,425,736</u>	<u>1,119,450</u>	<u>-</u>	<u>901,605</u>
Total primary government	<u>\$ 8,565,762</u>	<u>\$ 1,399,926</u>	<u>\$ 1,478,557</u>	<u>\$ 1,081,767</u>
Component units:				
Tyrrell Tourism Development Authority	\$ 4,596	\$ 5,822	\$ -	\$ -
Tyrrell County ABC Board	441,849	460,792	-	-
Total component units	<u>\$ 446,445</u>	<u>\$ 466,614</u>	<u>\$ -</u>	<u>\$ -</u>

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 2 – STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Tyrrell County Tourism Development Authority	Tyrrell County ABC Board
	Governmental Activities	Business-type Activities	Total		
Governmental activities:					
General government	\$ (1,577,975)	\$ -	\$ (1,577,975)	\$ -	\$ -
Public safety	(1,438,049)	-	(1,438,049)	-	-
Human Services	(787,477)	-	(787,477)	-	-
Education	(651,098)	-	(651,098)	-	-
Environmental protection	(440,534)	-	(440,534)	-	-
Economic and physical development	(186,586)	-	(186,586)	-	-
Cultural and recreational	(61,261)	-	(61,261)	-	-
Interest on debt	(57,852)	-	(57,852)	-	-
Total governmental activities	<u>(5,200,831)</u>	<u>-</u>	<u>(5,200,831)</u>	<u>-</u>	<u>-</u>
Business-type activities:					
Water and sewer	-	595,319	595,319	-	-
Total business-type activities	<u>-</u>	<u>595,319</u>	<u>595,319</u>	<u>-</u>	<u>-</u>
Total primary government	<u>(5,200,831)</u>	<u>595,319</u>	<u>(4,605,512)</u>	<u>-</u>	<u>-</u>
Component units:					
Tyrrell Tourism Development Authority	-	-	-	1,226	-
Tyrrell County ABC Board	-	-	-	-	18,943
Total component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>18,943</u>
General revenues:					
Property taxes, levied for general purpose	3,766,099	-	3,766,099	-	-
Local option sales taxes	727,941	-	727,941	-	-
Other taxes and licenses	47,210	-	47,210	-	-
Unrestricted intergovernmental	72,321	-	72,321	-	-
Investment earnings, unrestricted	10,033	2,822	12,855	8	34
Miscellaneous, unrestricted	57,901	-	57,901	-	-
Total general revenues and transfers	<u>4,681,505</u>	<u>2,822</u>	<u>4,684,327</u>	<u>8</u>	<u>34</u>
Change in net position	(519,326)	598,141	78,815	1,234	18,977
Net position - beginning	2,122,870	12,271,684	14,394,554	22,480	210,768
Prior Period Adjustment	144,610	-	144,610	-	-
Net position - beginning, as restated	<u>2,267,480</u>	<u>12,271,684</u>	<u>14,539,164</u>	<u>22,480</u>	<u>210,768</u>
Net position - ending	<u>\$ 1,748,154</u>	<u>\$ 12,869,825</u>	<u>\$ 14,617,979</u>	<u>\$ 23,714</u>	<u>\$ 229,745</u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 3 – BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2017

	<u>Major</u>	<u>Non-Major</u>	
		<u>Other</u>	
	<u>General</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	<u>Governmental</u>
			<u>Funds</u>
Assets			
Cash and cash equivalents	\$ 1,391,068	\$ -	\$ 1,391,068
Restricted cash and cash equivalents	276,893	563,028	839,921
Receivables, net	574,566	-	574,566
Prepays	42,090	-	42,090
Due from other funds	116,807	1,975	118,782
Due from other governments	426,019	88,589	514,608
Total assets	<u>\$ 2,827,443</u>	<u>\$ 653,592</u>	<u>\$ 3,481,035</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 145,410	\$ 2,625	\$ 148,035
Customer deposits	9,050	-	9,050
Due to other funds	1,975	-	1,975
Total liabilities	<u>156,435</u>	<u>2,625</u>	<u>159,060</u>
Deferred inflows of resources	<u>552,487</u>	<u>-</u>	<u>552,487</u>
Fund balances:			
Nonspendable:			
Prepays	42,090	-	42,090
Restricted:			
Stabilization by State Statute	588,709	87,939	676,648
Seizure funds	1,314	-	1,314
HAVA grant funds	8,805	-	8,805
Drug forfeiture funds	33,430	-	33,430
Court facilities	28,126	-	28,126
Register of Deeds	8,567	-	8,567
School capital outlay	-	215,644	215,644
USDA reserve	58,485	-	58,485
Emergency telephone system	-	347,384	347,384
Tax revaluation	22,711	-	22,711
Committed:			
Capital outlay	62,198	-	62,198
Assigned:			
Recreation	45,521	-	45,521
Fire Protection	118	-	118
Subsequent year's expenditures	1,014,343	-	1,014,343
Unassigned	204,104	-	204,104
Total fund balances	<u>2,118,521</u>	<u>650,967</u>	<u>2,769,488</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,827,443</u>	<u>\$ 653,592</u>	<u>\$ 3,481,035</u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

EXHIBIT 3 – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENTS OF NET POSITION

JUNE 30, 2017

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

Ending fund balance - governmental funds	\$	2,769,488
Capital assets are not financial resources, and therefore, are not reported in the funds		3,300,703
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		139,780
Net pension asset - ROD		6,964
Net pension liability - LGERS and LEOSSA		(753,041)
Pension related deferrals		381,825
Deferred inflows of resources for taxes and special assessments receivable		527,369
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(4,624,934)
Net position of governmental activities	\$	<u>1,748,154</u>

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 4 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	\$ 3,755,680	\$ -	\$ 3,755,680
Other taxes	441,657	-	441,657
Unrestricted intergovernmental revenue	72,321	-	72,321
Restricted intergovernmental revenue	1,438,278	581,787	2,020,065
Licenses and permits	205,580	-	205,580
Sales and services	25,307	-	25,307
Interest earned on investments	10,033	-	10,033
Miscellaneous	81,109	641	81,750
Total revenues	<u>6,029,965</u>	<u>582,428</u>	<u>6,612,393</u>
Expenditures			
Current:			
General government	1,658,695	2,500	1,661,195
Public safety	1,644,561	30,388	1,674,949
Economic and physical development	213,617	20,032	233,649
Human services	1,945,056	-	1,945,056
Cultural and recreational	166,689	-	166,689
Education	567,595	123,503	691,098
Environmental protection	461,761	-	461,761
Capital outlay		114,894	114,894
Debt service:			
Principal payments	42,193	180,887	223,080
Interest and fees	31,930	25,922	57,852
Total expenditures	<u>6,732,097</u>	<u>498,126</u>	<u>7,230,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(702,132)</u>	<u>84,302</u>	<u>(617,830)</u>
Other financing sources (uses)			
Sale of capital assets	765	-	765
Other	-	351	351
Transfers in	5,000	4,325	9,325
Transfers out	(9,325)	-	(9,325)
Total other financing sources (uses)	<u>(3,560)</u>	<u>4,676</u>	<u>1,116</u>
Net change in fund balances	(705,692)	88,978	(616,714)
Fund balance - beginning	<u>2,824,213</u>	<u>561,989</u>	<u>3,386,202</u>
Fund balance - ending	<u>\$ 2,118,521</u>	<u>\$ 650,967</u>	<u>\$ 2,769,488</u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

**EXHIBIT 4 – RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2017

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

Net change in fund balances - total governmental funds \$ (616,714)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 44,824

Capital Outlay	\$ 249,910
Depreciation	(203,518)
Other asset activity	<u>(1,568)</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 219,853

Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements. 10,419

Some expenses reported in the statement of activities does not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds. (177,708)

Change in net position of governmental activities \$ (519,326)

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

EXHIBIT 5 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2017

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 3,805,307	\$ 3,805,307	\$ 3,755,680	\$ (49,627)
Other taxes	590,025	473,275	441,657	(31,618)
Unrestricted intergovernmental revenue	62,500	63,317	72,321	9,004
Restricted intergovernmental revenue	1,338,730	1,472,519	1,438,278	(34,241)
Licenses and permits	196,626	196,626	205,580	8,954
Sales and services	26,894	26,894	25,307	(1,587)
Interest earned on investments	5,000	5,000	9,387	4,387
Miscellaneous	64,885	94,090	81,109	(12,981)
Total revenues	6,089,967	6,137,028	6,029,319	(107,709)
Expenditures:				
Current:				
General government	1,499,053	1,617,411	1,553,455	63,956
Public safety	1,653,797	1,740,960	1,644,561	96,399
Economic and physical development	220,227	223,662	213,617	10,045
Human services	2,267,768	2,267,803	1,945,056	322,747
Cultural and recreational	165,093	169,000	166,689	2,311
Education	567,595	567,595	567,595	-
Environmental protection	476,923	487,605	461,761	25,844
Debt service:				
Principal payments	74,148	74,148	42,193	31,955
Interest and fees			31,930	(31,930)
Total expenditures	6,924,604	7,148,184	6,626,857	521,327
Revenues over (under) expenditures	(834,637)	(1,011,156)	(597,538)	(413,618)
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	765	(9,235)
Transfers out	(5,000)	(13,650)	(9,325)	4,325
Total other financing sources (uses)	5,000	(3,650)	(8,560)	(4,910)
Revenues and other financing sources over expenditures and other financing uses	(829,637)	(1,014,806)	(606,098)	408,708
Appropriated fund balance	829,637	1,014,806	-	(1,014,806)
Net Change in fund balance	\$ -	\$ -	(606,098)	\$ (606,098)
Fund Balances:				
Beginning of year, July 1			<u>2,639,710</u>	
End of year, June 30			<u>2,033,612</u>	
The legally budgeted Revaluation Fund and Capital Reserve Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			646	
Expenditures - general government			(105,240)	
Transfers from other funds			5,000	
Fund Balance, Beginning of year			<u>184,503</u>	
			<u>84,909</u>	
Fund Balance, End of year			<u>\$ 2,118,521</u>	

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 6 – STATEMENT OF NET POSITION – PROPRIETARY FUND

JUNE 30, 2017

	Total Proprietary Funds
Assets	
Current assets	
Cash and investments	\$ 832,170
Other receivables, net	168,904
Inventories	78,405
Total current assets	<u>1,079,479</u>
Noncurrent assets	
Cash and Investments - Restricted	96,920
Capital assets, net of accumulated depreciation	16,873,057
Total noncurrent assets	<u>16,969,977</u>
Total assets	<u>18,049,456</u>
Deferred outflows of resources	76,596
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	35,334
Current portion of bonds	56,000
Due to other funds	116,807
Total current liabilities	<u>208,141</u>
Noncurrent liabilities	
Notes payable, net of current portion	4,685,000
Compensated absences, net of current portion	28,973
Net pension liability - LGERS	89,296
Other postemployment benefits liability	240,918
Total noncurrent liabilities	<u>5,044,187</u>
Total liabilities	<u>5,252,328</u>
Deferred inflows of resources	<u>3,899</u>
Net position	
Net investment in capital assets	12,132,057
Restricted	96,920
Unrestricted	640,848
Total net position	<u>\$ 12,869,825</u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 7 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – PROPRIETARY FUND

YEAR ENDED JUNE 30, 2017

	Total Proprietary Funds
Operating revenues	
Charges for services	\$ 1,108,152
Other operating revenue	1,505
Total operating revenues	<u>1,109,657</u>
Operating expenses	
Salaries and employee benefits	420,642
Operating expenses	458,201
Depreciation	395,181
Total operating expenses	<u>1,274,024</u>
Operating income (loss)	<u>(164,367)</u>
Nonoperating revenue (expense)	
Interest earned on investments	2,822
Sewer project sales tax refunds	9,793
Water project expenditures, not capitalized	(49,249)
Interest	(102,463)
Total nonoperating revenue (expense)	<u>(139,097)</u>
Income (loss) before transfers and contributions	<u>(303,464)</u>
Transfers in	21,530
Transfers out	(21,530)
Capital Contributions	901,605
Change in net position	<u>598,141</u>
Total net position - beginning	<u>12,271,684</u>
Total net position - ending	<u><u>\$ 12,869,825</u></u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 8 – STATEMENT OF CASH FLOWS – PROPRIETARY FUND

YEAR ENDED JUNE 30, 2017

	Total Proprietary Funds
Operating activities	
Cash received from customers	\$ 1,034,241
Cash paid for goods and services	(1,066,076)
Cash paid to employees for services	(390,091)
Other operating revenue	1,505
Net cash provided by (used in) operating activities	<u>(420,421)</u>
Noncapital financing activities	
Decrease (increase) in due from other funds	639,824
Increase (decrease) in due to other funds	(18,109)
Net cash provided (used) by noncapital financing activities	<u>621,715</u>
Capital and related financing activities	
Capital from contributions from other agencies	852,356
Acquisition of capital assets	(862,039)
Sales tax refunds - capital projects	9,793
Purchase of investments	
Interest paid on long term debt	(102,463)
Principal paid on long term debt	(54,000)
Net cash provided (used) by capital and related financing activities	<u>(156,353)</u>
Investing activities	
Investment earnings	2,822
Net cash provided (used) in investing activities	<u>2,822</u>
Net increase (decrease) in cash and cash equivalents	<u>47,763</u>
Cash and cash equivalents	
Beginning of year	<u>881,327</u>
End of year	<u>\$ 929,090</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating Income (loss)	\$ (164,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	395,181
Net pension expense	5,263
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(73,911)
(Increase) decrease in inventory	(35,859)
Increase (decrease) in accounts payable and accrued liabilities	(572,016)
Increase (decrease) in compensated absences	4,491
Increase (decrease) in other post employment benefits liability	20,797
Total adjustments	<u>(256,054)</u>
Net cash provided by (used in) operating activities	<u>\$ (420,421)</u>
Cash and cash equivalents	
Unrestricted	832,170
Restricted	96,920
Total	<u>\$ 929,090</u>

The accompanying notes are an integral part of these financial statements.

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 9 – STATEMENT OF FIDUCIARY NET POSITIONS – FIDUCIARY FUND

JUNE 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	\$ 16,543
Total assets	<u>\$ 16,543</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 16,543
Total liabilities	<u>\$ 16,543</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies

The accounting policies of Tyrrell 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 Tyrrell County ABC Board (the Board) and the Tyrrell County Tourism Development Authority (the Authority), which have a June 30 year-end, are presented as if they were separate proprietary funds of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial Statements
Tyrrell County ABC Board	Discrete	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.	Tyrrell County ABC Board Post Office Box 449 Columbia, NC 27925
Tyrrell County Tourism Development Authority	Discrete	The members of the Authority's governing board are appointed by the County. The County can remove any commissioner of the Authority with or without cause.	None issued.

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) and its component units. 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.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

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 fund:

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. The Revaluation fund and the Capital Reserve fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General Fund.

The County reports the following major enterprise fund:

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

The County reports the following fund types:

Agency Funds – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Tyrrell County Board of Education; and the Deed of Trust Fee fund which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis.

Non-major Funds – The County maintains several non-major funds. The Emergency Telephone System fund, School Capital Outlay fund, Commerce Fellows Grant fund and the CDBG Scattered Sites fund are reported as a non-major special revenue funds. The Cahoon Center Site Improvements Project fund, Inclusive Playground fund, Estuarine Access Park fund and the Road Street Project fund are reported as capital projects funds. In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Government-wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 on these financial statements and are offset by deferred inflows of resources.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Sales taxes and certain intergovernmental revenues, such as the beer and wine 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 is 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.

C. 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 following Special Revenue Funds: Revaluation Fund, School Capital Outlay Fund, Capital Reserve Fund, Emergency Telephone System Fund, and the Water and Sewer Fund. All annual appropriations lapse at the fiscal year end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and the project level for the multi-year funds. The County Manager has the authority to transfer the budget between line item expenditures within a department, excluding salary and benefit line items. The governing board must approve all other amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County, the Authority and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Authority, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Authority and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. State law [G.S. 159-30(c)] authorizes the County, the Authority, and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, a SEC registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

2. Cash and Cash Equivalents

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

3. Restricted Assets

Tyrrell County Restricted Cash

Tyrrell County Restricted Cash		
Governmental Activities:		
General Fund	HAVA grant funds	\$ 8,805
General Fund	Customer deposits	9,050
General Fund	Drug forfeiture finds	33,430
General Fund	Court facilities funds	28,126
General Fund	Register of Deeds	8,567
General Fund	USDA reserve	58,485
General Fund	Capital improvements	62,198
General Fund	Recreation	45,521
General Fund	Tax revaluation	22,711
Emergency Telephone System Fund	Emergency telephone system	347,384
School Capital Outlay Fund	Unexpended Public School Building Funds	215,644
Total Governmental Activities		<u>\$ 839,921</u>
Business-Type Activities		
Water Fund	USDA reserve	\$ 96,920
Total Governmental Activities		<u>\$ 96,920</u>
Tyrrell County Tourism Development Authority Restricted Cash		
Business-Type Activities	Unexpended occupancy tax funds	\$ 23,005
Total Restricted Cash		<u>\$ 23,005</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, 2016.

5. Allowance for Doubtful Accounts

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

6. Inventories and Prepaid Items

The inventories of the County and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventory of the County's enterprise funds and the ABC Board consist of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds and 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 the 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 after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, buildings, improvements, substations, lines and other plant and distribution systems, infrastructure, furniture, equipment and vehicles, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

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

	<u>Useful Life</u>
Buildings	50 years
Improvements	25 years
Furniture and equipment	10 years
Vehicles	6 years
Computer equipment	3 years

Property, plant and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	20 years
Furniture and equipment	10 years
Vehicles	3-5 years
Leasehold improvements	10-20 years
Computer equipment	3 years

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow or resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and therefore, it will not be recognized as an expense or expenditure until then. The County has several items that meet the criterion – pension related deferrals and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so it will not be recognized as revenue until then. The County has only two items that meets the criterion for this category – prepaid taxes and other pension related deferrals.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position.

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

10. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund, and ABC Board statements. The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position – Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents 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.

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:

Non-spendable 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 be maintained intact.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Prepays – portion of fund balance that is not an available resource because it represents resources that have already been spent for expenditures that will be incurred.

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

Restricted by Stabilization of State Statute – portion of fund balance that is restricted by state statute [G.S. 159-8(a)].

Restricted Seizure Funds – portion of fund balance that is restricted that must be held until criminal conviction in the courts and if no conviction results, it must be returned to its original owner.

Restricted HAVA Grant Funds – portion of fund balance that is restricted by revenue source to pay for expenditures to improve the administration of federal elections and to meet the requirements of Title III of the Help America Vote Act of 2002 (HAVA).

Restricted Drug Forfeiture Funds – portion of fund balance that is restricted for law enforcement purposes by state statute [G.S. 159-8(a)].

Restricted for Court Facilities – portion of fund balance that is restricted to provide, maintain, and construct court room and related judicial facilities by state statutes [G.S. 7A-304(a)(2), G.S. 7A-305(a), 7A-306(a), and 7A-307(a)].

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 School Capital Outlay– portion of fund balance that is restricted by revenue source that can only be used for school capital outlay.

Restricted for USDA Reserve – portion of fund balance required to be maintained for debt service by the United States Department of Agriculture for the term debt that the County is liable for.

Restricted for Emergency Telephone System – portion of fund balance that is restricted by revenue source for the 911 system [G.S. 143-1406].

Restricted for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation by state statute [G.S. 153A-150].

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

Committed for Capital Outlay – portion of fund balance that can only be used for governmental capital construction, improvement projects, and other capital outlay.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Assigned Fund Balance – portion of fund balance that the Tyrrell County governing board has budgeted.

Recreation – portion of fund balance that is appropriated for recreation purposes.

Fire Protection – portion of fund balance that is appropriated for the future purchase of a fire truck.

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 within departments in a fund, excluding salaries or other benefit line items.

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

Tyrrell 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 balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

12. Defined Benefit Pension Plans

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$1,021,334) 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	\$ 6,479,097
Less accumulated depreciation	<u>(3,178,394)</u>
Net capital assets	3,300,703
Contributions to the pension plan in the current fiscal year	139,780
Pension related deferrals	381,825
Net pension asset	6,964
Deferred inflows of resources for taxes and special assessments	527,369
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements	
Notes payable	(1,731,091)
Net pension liabilities - LGERS and LEOSSA	(753,041)
Other postemployment benefits	(2,770,388)
Compensated absences	<u>(123,455)</u>
Total adjustment	<u><u>\$ (1,021,334)</u></u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in net position of governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$(97,388) is comprised of the following:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 248,342
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	(203,518)
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	216,658
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	(2,358)
Other postemployment benefits	(131,914)
Pension expense	(40,241)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Increase in deferred inflows of resources - taxes receivable - at the end of year	10,419
Total adjustment	<u>\$ 97,388</u>

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 2 – Stewardship, Compliance, and Accountability

A. Contractual Violations

For the fiscal year ended June 30, 2017, the County was not in compliance with the Bond Order, authorizing the issuance of the Series 2016 sewer revenue bonds. Under this Bond Order, the debt service coverage ratio is to be no less than 110 percent. This ratio was (51)% for the year ended June 30, 2017.

Note 3 – Detail notes on all funds

B. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County, the Authority, and the ABC Board rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, the Authority, and the ABC Board do not have policies regarding custodial credit risk for deposits.

At June 30, 2017, County's deposits had a carrying amount of \$631,319 and a bank balance of \$727,228. Of the bank balance, \$500,000 was covered by federal depository insurance and \$227,228 was covered by collateral held under the Pooling Method.

At June 30, 2017, the County had \$727 cash on hand.

At June 30, 2017, the carrying amount of deposits for the Board was \$84,957 and the bank balance was \$86,542. All of the bank balance was covered by federal depository insurance.

At June 30, 2017, the Board had \$500 cash on hand.

At June 30, 2017, the carrying amount of deposits for the Authority was \$23,005 and the bank balance was \$23,276. All of the bank balance was covered by federal depository insurance.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

2. Investments

At June 30, 2017, the County had the following investments and maturities.

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at June 30, 2017</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 2,389,171	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value Level 1	155,405	.14 Years	Unrated
		<u>\$ 2,544,576</u>		

Credit Risk – The County’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor’s as of June 30, 2017. The County’s investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 581,735	\$ 138,162	\$ 719,897
2015	578,537	85,334	663,871
2016	648,562	37,292	685,854
2017	673,729	-	673,729
	<u>\$ 2,482,563</u>	<u>\$ 260,788</u>	<u>\$ 2,743,351</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

4. Receivables

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

	Accounts	Taxes Receivable	Due from Other Governments	Total
Governmental Activities:				
General Fund	\$ 47,197	\$ 527,369	\$ 426,019	\$ 1,000,585
Other governmental	-		88,589	88,589
Total governmental activities	\$ 47,197	\$ 527,369	\$ 514,608	\$ 1,089,174
Business-type Activities:				
Water and sewer	\$ 162,354	\$ -	\$ 78,548	\$ 240,902
Allowance for doubtful accounts	(71,998)	-	-	(71,998)
Total business-type activities	\$ 90,356	\$ -	\$ 78,548	\$ 168,904

Due from other governments that is owed to the County consists of the following:

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 87,119	\$ -
Sales taxes	246,061	78,548
Capital grants	181,428	-
Total	\$ 514,608	\$ 78,548

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental - Type Activities:				
Capital assets not being depreciated:				
Land	\$ 831,482	\$ 12,276	\$ -	\$ 843,758
Construction in Process	470,558	117,519	432,028	156,049
Total Capital assets not being depreciated	<u>1,302,040</u>	<u>129,795</u>	<u>432,028</u>	<u>999,807</u>
Capital assets being depreciated:				
Buildings & Improvements	3,117,317	432,029	-	3,549,346
Equipment	1,227,636	10,134	-	1,237,770
Furniture	19,206	-	-	19,206
Vehicles	1,028,215	109,980	465,227	672,968
Total Capital assets being depreciated	<u>5,392,374</u>	<u>552,143</u>	<u>465,227</u>	<u>5,479,290</u>
Less accumulated depreciation for:				
Buildings & Improvements	1,524,628	81,267	-	1,605,895
Equipment	1,029,981	49,260	-	1,079,241
Furniture	19,206	-	-	19,206
Vehicles	864,719	72,991	463,658	474,052
Total accumulated depreciation	<u>3,438,534</u>	<u>\$ 203,518</u>	<u>\$ 463,659</u>	<u>3,178,394</u>
Total Capital assets being depreciated, net	<u>1,953,840</u>			<u>2,300,896</u>
Governmental capital assets, net	<u><u>\$ 3,255,880</u></u>			<u><u>\$ 3,300,703</u></u>

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

Governmental activities	
General government	\$ 56,361
Public safety	134,157
Human services	11,439
Economic and Physical development	1,561
Total	<u><u>\$ 203,518</u></u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business - Type Activities:				
Capital assets not being depreciated:				
Land	\$ 68,261	\$ -	\$ -	\$ 68,261
Construction in Process	4,029,688	872,984	4,330,011	572,661
Total Capital assets not being depreciated	<u>4,097,949</u>	<u>872,984</u>	<u>4,330,011</u>	<u>640,922</u>
Capital assets being depreciated:				
Plant and distribution systems	16,159,710	4,058,770	-	20,218,480
Buildings	16,225	-	-	16,225
Furniture	2,430	-	828	1,602
Vehicles & equipment	357,392	260,294	7,736	609,950
Total Capital assets being depreciated	<u>16,535,757</u>	<u>4,319,064</u>	<u>8,564</u>	<u>20,846,257</u>
Less accumulated depreciation for:				
Plant and distribution system	3,911,584	365,205	-	4,276,789
Buildings	5,324	1,623	-	6,947
Furniture	2,430	-	829	1,601
Vehicles & equipment	308,169	28,353	7,735	328,785
Total accumulated depreciation	<u>4,227,507</u>	<u>\$ 395,181</u>	<u>\$ 8,565</u>	<u>4,614,122</u>
Total Capital assets being depreciated, net	<u>12,308,250</u>			<u>16,232,135</u>
Water & Sewer capital assets, net	<u>\$ 16,406,199</u>			<u>\$ 16,873,057</u>

Construction commitments

The County has active construction projects at June 30, 2017. At year-end, the County's commitments with contracts are as follows:

Project	Spent to date	Remaining Commitment
Alligator Sewer Project Fund	<u>\$ 572,662</u>	<u>\$ 2,424,338</u>

Discretely presented component unit

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 21,735	\$ -	\$ -	\$ 21,735
Total Capital assets not being depreciated	<u>21,735</u>	<u>-</u>	<u>-</u>	<u>21,735</u>
Capital assets not being depreciated:				
Machinery and equipment	357,527	-	-	357,527
Furniture and fixtures	24,960	-	-	24,960
Total Capital assets being depreciated	<u>382,487</u>	<u>-</u>	<u>-</u>	<u>382,487</u>
Less accumulated depreciation	53,351	\$ 11,768	\$ -	65,119
Total Capital assets being depreciated, net	<u>329,136</u>			<u>317,368</u>
ABC Board capital assets, net	<u>\$ 350,871</u>			<u>\$ 339,103</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

C. Liabilities

1. Payables

Payables at June 30, 2017 were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 145,410
Other Governmental	2,625
Total governmental activities	<u>\$ 148,035</u>
Business-Type Activities:	
Waste water 1 & 2 project fund	\$ 35,334
Total business-type activities	<u>\$ 35,334</u>

2. Pension Plan and Other Post Employment Obligations

a. Local Governmental Employee's 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 post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

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

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 7.15% of compensation for law enforcement officers and 6.67% 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 \$159,574 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$719,896 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was .03392%, which was a decrease of .00027% from its proportion measured as of June 30, 2015.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

For the year ended June 30, 2017, the County recognized pension expense of \$90,011. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,526	\$ 25,226
Changes of assumptions	49,306	-
Net difference between projected and actual earnings on pension plan investments	398,011	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,099	3,837
Employer contributions subsequent to the measurement date	159,574	-
Total	<u>\$ 622,516</u>	<u>\$ 29,063</u>

\$159,574 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2018	\$ 65,570
2019	65,632
2020	188,897
2021	113,780
2022	-
Thereafter	-
	<u>\$ 433,879</u>

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

Inflation	3.0%
Salary Increases	3.5% to 7.75%, including 3.5% inflation and positivity factor
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be as if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 1,708,649	\$ 719,896	\$ (105,984)

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

All full time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	13
	<u>14</u>

A separate report was not issued for the plan.

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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

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

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

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

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

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

Contributions – The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned 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. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid \$1,893 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of \$122,441. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$17,228.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	3,522
County benefit payments and plan administrative expense made subsequent to the measurement date	947	-
Total	<u>\$ 947</u>	<u>\$ 3,522</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

\$947 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2018	\$	598
2019		598
2020		598
2021		598
2022		598
Thereafter		532
	<u>\$</u>	<u>3,522</u>

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

	1% Decrease	Current	1% Increase
	(2.86%)	Discount Rate	(4.86%)
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total pension liability	137,302	122,441	109,348

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

Beginning Balance	\$	111,580
Service Cost		13,567
Interest on total pension liability		3,938
Changes in assumptions or other inputs		(4,120)
Benefit payments		(2,524)
Net Changes		<u>10,861</u>
Ending Balance of the Total Pension Liability	<u>\$</u>	<u>122,441</u>

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

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

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$27,505, which consisted of \$21,365 from the County and \$6,140 from the law enforcement officers.

d. Supplemental Retirement Income Plan for General Government Employees

Plan Description – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to individuals employed by the general government of 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 General Government Employees 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 General Government Employees. 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 – The general government employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$11,045, which consisted of \$-0- from the County and \$11,045 from the general government employees.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

e. Registers of Deeds' Supplemental Pension Fund

Plan Description – Tyrrell County 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 161 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 Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 \$267 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$6,964 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was .03724%, which was an increase of .00342% from its proportion measured as of June 30, 2015.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

For the year ended June 30, 2017, the County recognized pension expense of \$475. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7	\$ 90
Changes of assumptions	1,855	-
Net difference between projected and actual earnings on pension plan investments	12	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	719	658
Employer contributions subsequent to the measurement date *	267	-
Total	\$ 2,860	\$ 748

\$267 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2018	\$ 1,023
2019	667
2020	235
2021	(80)
2022	-
Thereafter	-
	\$ 1,845

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

Inflation	3.0%
Salary Increases	3.5% to 7.75%, including 3.5% inflation and positivity factor
Investment rate of return	3.75%, 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

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

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2015 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 3.5%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (5,614)	\$ (6,964)	\$ (8,095)

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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

f. Other Post-employment Benefits

Healthcare Benefits

Plan Description – Under the terms of a County resolution, the County administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and meet certain requirements. Retirees hired prior to July 1, 2006 receive unreduced benefits with 10 years of creditable service with the County, while retirees after July 1, 2006 receive unreduced benefits with 20 years of creditable service. At age 65, The County transfers the retiree from the group plan to a Medicare Supplement. The County pays the full cost of coverage for these benefits through private insurers. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Funding Policy – The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board. The County has chosen to fund the healthcare benefits on a pay as you go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In fiscal year ended, June 30, 2017, the County's total contributions were \$90,010.

Annual OPEB Cost and Net OPEB Obligation – The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC).

The County has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

	Governmental	Business-Type	Total
Annual Required Contribution (ARC)	\$ 426,133	\$ 48,925	\$ 475,058
Interest on Net OPEB Obligation	8,509	1,172	9,681
Adjustment to ARC	<u>(212,718)</u>	<u>(29,300)</u>	<u>(242,018)</u>
Annual OPEB Cost (Expense)	221,924	20,797	242,721
Amount Paid in FY2017 for Retiree Benefits	<u>(90,010)</u>	<u>-</u>	<u>(90,010)</u>
Increase in Net OPEB Obligation	131,914	20,797	152,711
Net OPEB Obligation, June 30, 2016	<u>2,638,474</u>	<u>220,121</u>	<u>2,858,595</u>
Net OPEB Obligation, June 30, 2017	<u>\$ 2,770,388</u>	<u>\$ 240,918</u>	<u>\$ 3,011,306</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

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

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 242,721	37.08%	\$ 3,011,306
2016	449,357	20.69%	2,858,595
2015	468,863	20.17%	2,502,230

Funded Status and Funding Progress – As of June 30, 2017, the actuarial accrued liability for benefits was \$3,011,306, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,040,747, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 147.56 percent. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The following simplifying assumptions were made:

Retirement Age for Active Employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital Status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health.

Statistics – The 2013 United States Life Tables for Males and for Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

Healthcare Cost Trend Rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 6.17 percent initially, reduced to range of rates of 5.67 to 4.67 percent, was used.

Health Insurance Premiums – 2016 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation Rate – The expected long-term inflation assumption of 3.3 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) in *The 2013 Annual Report of the Board of Trustees of Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll Growth Rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount rate of 4.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017, was 30 years.

g. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be the minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,533	\$ 25,316
Changes of assumptions	51,161	3,522
Net difference between projected and actual earnings on pension plan investments	398,023	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,818	4,495
Employer contributions subsequent to the measurement date *	160,788	-
Prepaid taxes not yet earned (Government Wide and General Fund)	-	23,804
Taxes receivable, net, less penalties (General Fund)	-	528,683
Total	<u>\$ 626,323</u>	<u>\$ 585,820</u>

4. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in two 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 \$300 million for any one occurrence, general, auto, professional, employment practices liability coverage of \$2 million per occurrence, cyber liability coverage of \$1 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both 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, and \$1,750,000 of each loss in excess of \$250,000 per occurrence for property, and auto physical damage. For workers compensation there is a per occurrence retention of \$750,000. The County provides employee health and dental benefits through a self-insured plan provided by Blue Cross and Blue Shield.

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 as 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

In accordance with G.S. 159-29, County 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 the tax collector are individually bonded for \$57,798 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

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.

Tyrrell County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the finance officer for Tyrrell County Tourism Development Authority is individually bonded for \$50,000.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

5. Commitments

At June 30, 2017, the County had nine service contract commitments. The commitments are as follows:

- | | |
|--|---|
| 1 Washington County, NC | For emergency medical services and non-emergency medical transport services. Initial term is effective 7/1/16 and shall continue for a period of 1 year ending 6/30/17. Agreement will automatically renew each year of 1 year ending 6/30/17. Agreement will automatically renew each year unless notice of non-renewal is provided by either party. Working capital shall be provided at the beginning of the initial term in the amount of \$200,000. Tyrrell shall make monthly payments to Washington in the amount of one twelfth of the budgeted revenues reflected as Tyrrell Operations within Washington's annually approved budget. A final reconciliation shall be made at year-end and Tyrrell shall pay Washington for any and all unreimbursed costs incurred by Washington in its provision of both services. In addition, Tyrrell shall pay Washington \$150,000 per year in equal monthly installments as Washington's earned profit for providing EMS services. If any net profits are generated from the non-emergency medical transport services, then Washington shall be entitled to ½ of the net profits up to a maximum annual amount of \$75,000. |
| 2 Washington County, NC | For Emergency medical services. Initial term is effective 7/7/17 and shall continue for a period of two years ending 6/30/19. Agreement shall be deemed to automatically renew for successive and additional periods of 1 year each, unless notice of non-renewal is provided by either party. In exchange for services, Tyrrell shall pay a flat fee of \$625,000 per year in 12 equal monthly installments. In addition, Tyrrell agrees to make an additional \$25,000 per year available to Washington for unforeseeable emergency maintenance needs related to non-routine maintenance of vehicles used for Tyrrell County services. |
| 3 Dare County, NC | For housing of inmates. Tyrrell shall pay \$50 per day for each day, or any portion thereof, that an inmate from Tyrrell County is housed in the Dare County Detention Center or by Dare County. Tyrrell shall pay for or reimburse Dare County for all medical and per diem costs incurred by the Tyrrell County inmate(s) while confined in the Dare County Detention Center. |
| 4 Tyrrell Volunteer Fire Department, Inc. | For fire protection services. This is a fiscal year agreement requiring monthly per diem payments for a total of \$ 115,600 and shall continue fiscal year to fiscal year unless terminated by either party. |
| 5 Tyrrell Volunteer Fire Department, Inc. | For equipment upgrades. This is a fiscal year agreement requiring quarterly payments for a total of \$ 40,000 and shall continue fiscal year to fiscal year unless terminated by either party. |
| 6 Tyrrell Volunteer Fire Department, Inc. | For Capital Reserve. This is a fiscal year agreement requiring an annual \$25,000 reserve to be held by the County and shall continue fiscal year to fiscal year unless terminated by either party. |
| 7 Republic Services, LLC | For collection of solid waste, recyclable materials, white good and brown goods at the rate of \$12.76 per customer per cart account per month. This fee shall increase on each anniversary date based on the percentage increase of the Consumer Price Index, All Urban Consumers, for All Items, U.S. City Average as compiled and published by the U.S. Dept of Labor for the preceding calendar year, not exceeding 5% annually. This agreement shall be binding for a period of 5 years ending June 30, 2019. |
| 8 CenturyLink | Five year agreement to purchase upgrades and equipment for the enhanced internet system terminating May 30, 2018. |
| 9 Hyde County Non-Profit Private Transportation Corp | For operation and administration of Community Transportation System. This agreement, effective June 6, 2017, is binding for 2 years. The cost of these services is based on the fully allocated cost as determined by the approved fiscal year budget. |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

6. Operating Leases

At June 30, 2017, the Board had 5 operating leases for facilities and equipment. Lease expense under these leases was \$39,106 for the fiscal year ended June 30, 2017. The leases are set to expire at various dates though January 2, 2022, renewable on a year-to-year basis.

Future minimum lease payments during the next 2 years ending June 30, 2019, are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 65,869
2019	16,559
Total	<u>\$ 82,428</u>

7. Claims and Judgments

At June 30, 2017, the County was a defendant in one lawsuit. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

8. Long-Term Obligations

a. Installment Purchase

In October 2015, the County entered into an installment purchase contract to finance the acquisition of computer software and related support services for the Tax office. The financing contract requires quarterly installments of \$4,081, which includes interest at a rate of 2.6%.

Annual debt service requirements to maturity for the County's installment purchase contract are as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 15,033	\$ 1,291
2019	15,434	890
2020	15,835	489
2021	8,101	81
Total	<u>\$ 54,403</u>	<u>\$ 2,751</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

b. Term Debt

Serviced by the County's General Fund:

On March 11, 2002, the County executed an agreement with the US Department of Agriculture for \$900,000 to assist in the construction and renovation of court facilities. The loan is secured by a deed of trust on certain real property and is payable over a 30 year period. The terms of the agreement require annual installments of \$57,798, including interest of 4.75% on March 11 of each year.

\$ 609,504

On July 2, 2007, the County executed an agreement with First National Bank for \$2,500,000 to assist in the construction of a gymnasium for Columbia High School. The loan was subsequently refinanced in November of 2011. The loan is secured by a deed of trust on certain real property and is payable over an 11 year period. The terms of the agreement require semi-annual installments of \$103,404, including interest of 2.125% on December 1 and June 1 of each year beginning in June, 2012. Due to the economic substance of the transaction, the capital assets associated with the note payable are recorded by the Board of Education.

\$ 1,067,185

Annual debt service requirements to maturity for the County's term debt are as follows:

Year Ended June 30	USDA Building		School Gymnasium	
	Principal	Interest	Principal	Interest
2018	\$ 28,816	\$ 28,982	\$ 184,803	\$ 22,006
2019	30,266	27,532	188,806	18,003
2020	31,698	26,100	192,861	13,948
2021	33,197	24,601	197,074	9,735
2022-2026	191,072	97,918	303,641	6,571
2027-2031	240,734	48,256	-	-
2032-2033	53,721	4,217	-	-
Total	<u>\$ 609,504</u>	<u>\$ 257,606</u>	<u>\$ 1,067,185</u>	<u>\$ 70,263</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

c. Revenue Bond

Serviced by the County's Water and Sewer Fund:

\$2,794,000 Water Revenue Bonds, Series 2013A, issued for water system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 3.125%. \$ 2,672,000

\$730,000 Water Revenue Bonds, Series 2013B, issued for water system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an annual interest rate of 2.5%. \$ 694,000

\$1,002,000 Sewer System Revenue Bonds, Series 2016A, issued for sewer system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 2.25%. \$ 1,002,000

\$373,000 Sewer System Revenue Bonds, Series 2016B, issued for sewer system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 2.25%. \$ 373,000

Year Ended June 30	Series 2013A		Series 2013B		Series 2016A		Series 2016B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 43,000	\$ 83,500	\$ 13,000	\$ 17,350	\$ -	\$ 22,545	\$ -	\$ 8,393
2019	44,000	82,156	13,000	17,025	17,000	22,545	6,000	8,393
2020	46,000	80,781	13,000	16,700	17,000	22,163	6,000	8,258
2021	47,000	79,344	14,000	16,375	18,000	21,780	7,000	8,123
2022	49,000	77,875	14,000	16,025	18,000	21,375	7,000	7,965
2023-2027	267,000	365,563	75,000	74,725	97,000	100,553	36,000	37,463
2028-2032	311,000	321,125	85,000	64,850	109,000	89,145	40,000	33,188
2033-2037	363,000	269,438	96,000	53,700	121,000	76,343	45,000	28,463
2038-2042	424,000	208,969	109,000	41,050	135,000	62,123	51,000	23,175
2043-2047	496,000	138,438	123,000	26,775	152,000	46,193	57,000	17,190
2048-2052	582,000	55,719	139,000	10,525	169,000	28,350	63,000	10,508
2053-2056	-	-	-	-	149,000	8,460	55,000	3,128
Total	<u>\$ 2,672,000</u>	<u>\$ 1,762,908</u>	<u>\$ 694,000</u>	<u>\$ 355,100</u>	<u>\$ 1,002,000</u>	<u>\$ 521,575</u>	<u>\$ 373,000</u>	<u>\$ 194,247</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

The County is in compliance with the covenants as to rates, fees, rentals and charges of the Bond Order that authorized the issuance of the Water Revenue Bonds, Series 2013. Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110%.

The County is in not compliance with the covenants as to rates, fees, rentals and charges of the Bond Order, authorizing the issuance of the Sewer Revenue Bonds, Series 2016 A& B. Section 3.01(f) of the Bond Order requires the debt service coverage ratio to be no less than 110%

The debt service coverage ratio calculations for the year ended June 30, 2017, are as follows:

	<u>Water Bonds</u>	<u>Sewer Bonds</u>
Operating revenues	\$ 1,030,392	\$ 77,760
Operating expenses*	<u>(862,462)</u>	<u>(111,802)</u>
Operating income	167,930	(34,042)
Nonoperating revenues (expenses)**	16,322	23,076
Income available for debt service	184,252	(10,966)
Debt service, principal paid (Revenue bond only)	54,000	-
Debt service, interest paid (Revenue bond only)	102,463	21,529
Debt service coverage ratio	1.18	(0.51)

** Per the covenants, operating expenses do not include depreciation expense or debt service expense.

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$3,420,000 in water system revenue bonds issued in February 2013. Proceeds from the bonds provided financing for the construction of a reverse osmosis water treatment plant, wells, pumping stations, water mains, a ground water storage tank and water treatment process effluent transmission and discharge facilities to serve Tyrrell County. The bonds are payable solely from water customer net revenues and are payable through 2052. The total principal and interest remaining to be paid on the bonds is \$5,484,008. Principal and interest paid for the current year and total customer net revenues were \$156,463 and \$184,252, respectively.

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$1,375,000 in sewer system revenue bonds issued in September 2016. Proceeds from the bonds provided financing for the construction improvements and sewer system expansion to serve Tyrrell County. The bonds are payable solely from sewer customer net revenues and are payable through 2056. The total principal and interest remaining to be paid on the bonds is \$2,090,822. Interest paid for the current year and total customer net revenues were \$21,529 and \$(10,966), respectively.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
Governmental activities:					
Installment Purchase	\$ 69,057	\$ -	\$ 14,654	\$ 54,403	\$ 15,033
Term loan - court facility	637,043	-	27,539	609,504	28,816
Term loan - Gymnasium	1,248,072	-	180,887	1,067,185	184,803
Compensated absences	121,097	2,358	-	123,455	-
Net pension liability (LEOSSA)	111,580	17,505	6,644	122,441	-
Net pension liability (LGERS)	134,410	620,011	123,821	630,600	-
OPEB	2,638,474	131,914	-	2,770,388	-
Total Governmental Activities	<u>\$ 4,959,733</u>	<u>\$ 771,788</u>	<u>\$ 353,545</u>	<u>\$ 5,377,976</u>	<u>\$ 228,652</u>
Business-type activities:					
Water Revenue bonds	\$ 2,714,000	\$ -	\$ 42,000	\$ 2,672,000	\$ 43,000
Water Revenue bonds	706,000	-	12,000	694,000	13,000
Bond anticipation notes	1,375,000	-	1,375,000	-	-
Sewer Revenue Bonds	-	1,002,000	-	1,002,000	-
Sewer Revenue Bonds	-	373,000	-	373,000	-
Compensated absences	24,482	4,491	-	28,973	-
Net pension liability (LGERS)	19,033	87,148	16,885	89,296	-
OPEB	220,121	20,797	-	240,918	-
Total business-type activities	<u>\$ 5,058,636</u>	<u>\$ 1,487,436</u>	<u>\$ 1,445,885</u>	<u>\$ 5,100,187</u>	<u>\$ 56,000</u>
ABC Board:					
Construction Note	\$ 176,685	\$ -	\$ 13,244	\$ 163,441	13,746
Net pension liability (LGERS)	1,526	9,510	-	11,036	-
OPEB	60,201	2,412	-	62,613	-
Total business-type activities	<u>\$ 238,412</u>	<u>\$ 11,922</u>	<u>\$ 13,244</u>	<u>\$ 237,090</u>	<u>\$ 13,746</u>

The beginning balance does not agree to the ending balance for fiscal year 2016 due to the implementation of GASB 73 related to the Law Enforcement Special Separation Allowance (LEOSSA). For fiscal year 2016, the ending long term liability was \$256,192. The implementation of GASB 73 required a prior period adjustment of \$144,610.

Compensated absences 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

D. Inter-fund Balances and Activity

The composition of inter-fund balances as of June 30, 2017 is as follows:

	Interfund	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 97,240	\$ -
Sewer Fund	-	97,240
General Fund	1,513	-
Water Fund	-	1,513
General Fund	18,054	-
Alligator Sewer Project Fund	-	18,054
Cahoon Center Grant Fund	1,975	-
General Fund	-	1,975
	<u>\$ 118,782</u>	<u>\$ 118,782</u>

The General Fund made various payments to vendors on behalf of the Alligator Sewer Project Fund. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2017.

The General Fund made various payments to vendors on behalf of the Sewer Fund. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2017.

The General Fund made various payments to vendors on behalf of the Water Fund. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2017.

The Cahoon Center Grant Fund reimbursement had been deposited in the General Fund and not transferred to the Cahoon Center Grant as of June 30, 2017.

Transfers to/from other funds at June 30, 2017, consist of the following:

From the General Fund to Estuarine Park Access Fund as Local Match for Grant	\$ 4,325
From the General Fund to the Capital Reserve Fund for capital outlay	5,000
From the Waste Water Capital Projects Fund to the Sewer Fund to cover bond interest payment	21,530
From the Reverse Osmosis Plant Project to the Water Fund to close the fund	13,585
Total	<u>\$ 44,440</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Detail notes on all funds (continued)

E. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets	\$ 3,300,703	\$ 16,873,057
less: long-term debt	(1,731,092)	(4,741,000)
Net investment in capital assets	<u>\$ 1,569,611</u>	<u>\$ 12,132,057</u>

F. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available to appropriation:

Total Fund Balance - General Fund	<u>\$ 2,118,521</u>
Less:	
Prepays	42,090
Stabilization by State Statute	588,709
Seizure funds	1,314
HAVA grant funds	8,805
Drug forfeiture funds	33,430
Court facilities	28,126
Register of Deeds	8,567
USDA reserve	58,485
Tax revaluation	22,711
Capital outlay	62,198
Recreation	45,521
Fire Protection	118
Subsequent year's expenditures	1,014,343
Remaining Fund Balance	<u>\$ 204,104</u>

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2017, there are no outstanding encumbrances.

Note 4—Joint Ventures

The County participates with four other counties to operate the Pettigrew Regional Library. Each participating government appoints one member to a twelve-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Library, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$125,341 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office at 201 E. 3rd Street, Plymouth, NC 27962.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 4—Joint Ventures (continued)

The County participates with twenty-three other counties to operate Trillium Health Resources. Each participating government appoints members to the Board based upon population. The County currently has three members on the Board. The County has an ongoing financial responsibility for the joint venture because the Clinic's existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Clinic, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$9,906 to the Clinic to supplement its activities. Complete financial statements for the Clinic can be obtained from the Clinic's office at 144 Community College Road, Ahoskie, North Carolina 29710.

The County participates with two other counties to operate the Martin, Tyrrell and Washington Regional Health Department. Each participating government appoints members to the Board based upon population. The County currently has two members on the Board. The County has an ongoing financial responsibility for the joint venture because the Health Department's existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Health Department, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$74,346 to the Health Department to supplement its activities. Complete financial statements for the Health Department can be obtained from the Regional offices at the Washington County Health Department, Plymouth, NC 27962.

The County participates with nine other counties to operate the Albemarle Commission. Each participating government appoints one member to a fourteen-member board. The County has an ongoing financial responsibility for the joint venture because the Albemarle Commission's existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Albemarle Commission, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$3,519 to the Albemarle Commission to supplement its activities. Complete financial statements for the Albemarle Commission can be obtained from the Albemarle Commission at Post Office Box 646, Hertford, NC 27944.

The County participates with three other counties to operate the Partnership for the Sounds. The Board of Directors for the Partnership appoints members from its service area to fill vacancies. The County has an ongoing financial responsibility for the joint venture because the Partnership for the Sounds' existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Partnership for the Sounds, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$12,500 to the Partnership for the Sounds to supplement its activities. Complete financial statements for the Partnership for the Sounds can be obtained from the Partnership for the Sounds at Post Office Box 55, Columbia, NC 27925.

The County participates with eight other counties to operate the Albemarle Solid Waste Authority. Each participating government appoints two members to a fourteen-member board. The County has an ongoing financial responsibility for the joint venture because the Albemarle Solid Waste Authority's existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Albemarle Solid Waste Authority, so none was reflected in the County's financial statements at June 30, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$3,690 to the Albemarle Solid Waste Authority to supplement its activities. Complete financial statements for the Albemarle Solid Waste Authority can be obtained from the Albemarle Solid Waste Authority at Post Office Box 189, Elizabeth City, NC 27909.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 4—Joint Ventures (continued)

The County participates with other jurisdictions to assist as a pass-through entity for the funding of the Juvenile Crime Prevention Commission. During the fiscal year ending June 30, 2017, the County made appropriations to the school system in the amount of \$53,573, of which consisted of \$48,884 in grant funds obtained from the State and \$4,689 in County funds.

The County is a party to an interlocal agreement for the provision of law enforcement and related services by the office of the sheriff with the jurisdiction Town of Columbia. The Town shall pay a fee of \$96,366 in four quarterly installments. The agreement will remain in force until terminated by either party.

Note 5—Benefit payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and state moneys. Tyrrell County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the state. These amounts disclose the additional aid to County recipients that do not appear in the financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Medical Assistance	\$ 4,177,685	\$ 2,294,268
Food Stamp Program	1,238,757	-
Special Supplemental Nutrition Program for Women, Infants & Children	113,512	-
Temporary Assistance for Needy Families	57,394	-
CWS Adoption Subsidy	-	10,934
SC/SA Domiciliary Care Payment	-	29,937
Energy Assistance	27,300	-
NC Health Choice	103,035	265
IV-E Foster Care	1,479	741
Total	<u>\$ 5,719,162</u>	<u>\$ 2,336,145</u>

Note 6—Summary Disclosure of Significant Commitments and Contingencies

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

Note 7—Subsequent events

Management has evaluated subsequent events through December 15, 2017, the date on which the financial statements were available to be issued.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 8—Prior period adjustment

The County adopted GASB 73, Accounting and Financial Reporting for Pension and Related Assets not with the Scope of GASB 68, and Amendments to Certain Provision of GASB 67 and 68, which relates to reporting of the Law Enforcement Special Separation Allowance. The implementation of this statement required that the County record the beginning pension liability in full, as well as, the effects on net position of benefit payments and administrative expenses paid the by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period (ending December 31, 2016). As a result, beginning net position of the Governmental activities has been restated, resulting in a prior period adjustment of \$144,610.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

JUNE 30, 2017

	<u>2017</u>
Beginning balance	\$ 111,580
Service Cost	13,567
Interest on the total pension liability	3,938
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(4,120)
Benefit payments	(2,524)
Other changes	-
Ending balance of the total pension liability	<u><u>\$ 122,441</u></u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	<u>2017</u>
Total pension liability	\$ 122,441
Covered payroll	493,228
Total pension liability as a percentage of covered payroll	24.82%

Notes to the schedules:

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

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/2017	\$ -	\$ 3,011,306	\$ 3,011,306	0.00%	\$ 2,040,747	147.56%
6/30/2016	-	2,858,595	2,858,595	0.00%	1,768,843	161.61%
6/30/2015	-	2,502,230	2,502,230	0.00%	1,586,197	157.75%

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2017

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2017	\$ 475,058	18.95%
2016	566,700	16.41%
2015	565,334	16.73%

TYRRELL COUNTY, NORTH CAROLINA**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) FOR LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM***JUNE 30, 2017*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.03392%	0.03419%	0.03361%	0.00341%
County's proportionate share of the net pension liability (asset)	\$ 719,896	\$ 153,443	\$ (198,214)	\$ 411,036
County's covered-employee payroll	\$ 2,168,566	\$ 2,071,619	\$ 1,677,022	\$ 1,702,945
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.20%	7.41%	-11.82%	24.14%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

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

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS FOR LOCAL GOVERNMENT
EMPLOYEES' RETIREMENT SYSTEM

JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 159,574	\$ 140,888	\$ 138,232	\$ 135,365
Contribution in relation to the contractually required contribution	<u>159,574</u>	<u>140,888</u>	<u>138,232</u>	<u>135,365</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's covered-employee payroll	 \$ 2,168,566	 \$ 2,071,619	 \$ 1,677,022	 \$ 1,702,945
Contributions as a percentage of covered-employee payroll	7.36%	6.80%	8.24%	7.95%

TYRRELL COUNTY, NORTH CAROLINA**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) FOR REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND***JUNE 30, 2017*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.03724%	0.03382%	0.04226%	0.03636%
County's proportionate share of the net pension liability (asset)	\$ (6,964)	\$ (7,838)	\$ (9,576)	\$ (7,766)
County's covered-employee payroll	\$ 60,931	\$ 54,711	\$ 76,083	\$ 76,083
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.43%	-12.86%	-17.50%	10.21%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

TYRRELL COUNTY, NORTH CAROLINA**SCHEDULE OF COUNTY CONTRIBUTIONS FOR REGISTER OF DEEDS'
SUPPLEMENTAL PENSION PLAN***JUNE 30, 2017*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 267	\$ 304	\$ 271	\$ 345
Contribution in relation to the contractually required contribution	<u>267</u>	<u>304</u>	<u>271</u>	<u>345</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	37,670	\$ 60,931	\$ 54,711	\$ 76,083
Contributions as a percentage of covered-employee payroll	0.71%	0.50%	0.50%	0.45%

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GENERAL FUND – BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues				
Ad valorem taxes				
Current year	\$ 3,767,907	\$ 3,709,798		\$ 3,736,829
Penalties and interest	37,400	45,882		43,721
Total ad valorem taxes	3,805,307	3,755,680	(49,627)	3,780,550
Local option sales taxes				
Articles 39	435,250	394,447		454,408
Article 40 one-half of one percent	-	-		
Article 42 one-half of one percent	-	-		
Total local option sales taxes	435,250	394,447	(40,803)	454,408
Other taxes and licenses				
Deed stamp excise tax	30,200	37,968		33,346
Scrap tire disposal tax	5,000	5,654		5,696
Videoprogramming tax	600	580		571
Solid waste tax	2,000	2,799		2,590
Occupancy tax	225	209		240
Total other taxes and licenses	38,025	47,210	9,185	42,443
Unrestricted intergovernmental revenues				
Gas tax refund	817	1,818		25
Controlled substance tax	-	1,358		576
Payments in lieu of taxes	47,000	53,838		47,477
Beer and wine tax	15,500	15,307		14,556
Total unrestricted intergovernmental revenues	63,317	72,321	9,004	62,634
Restricted intergovernmental revenues				
Federal and State grants	1,436,619	1,401,489		1,363,418
Court facility fees	34,500	35,458		33,810
ABC bottles tax	1,400	1,331		1,602
Total restricted intergovernmental revenues	1,472,519	1,438,278	(34,241)	1,398,830
Licenses and permits				
Gun permits	1,750	2,240		1,965
Officer service fees	157,866	157,434		156,780
Animal control fees	2,400	2,647		2,867
Building permits and inspection fees	20,000	24,510		37,774
Candidate filing fees	-	-		491
License revocation fees	800	566		681
Other fees	13,810	18,183		17,327
Total licenses and permits	196,626	205,580	8,954	217,885

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues (continued)				
Sales and services				
Rents and other	\$ 23,894	\$ 21,438		\$ 20,903
Jail fees	3,000	3,869		2,778
Total sales and services	<u>26,894</u>	<u>25,307</u>	(1,587)	<u>23,681</u>
Interest earned on investments	<u>5,000</u>	<u>9,387</u>	4,387	<u>6,138</u>
Miscellaneous				
Donations and contributions	4,550	41,159		4,003
Recreation fees	15,250	14,131		8,613
Other revenues	74,290	25,819		77,940
Total miscellaneous	<u>94,090</u>	<u>81,109</u>	(12,981)	<u>90,556</u>
Total revenues	<u>6,137,028</u>	<u>6,029,319</u>	(107,709)	<u>6,077,125</u>
Expenditures				
Current				
General government				
Governing body				
Salaries and employee benefits	264,737	235,489		258,722
Other operating expenditures	56,853	53,441		51,433
Contract services	81,101	76,297		43,285
Total	<u>402,691</u>	<u>365,227</u>	37,464	<u>353,440</u>
Elections				
Salaries and employee benefits	41,471	37,097		45,695
Other operating expenditures	29,630	21,832		30,285
Total	<u>71,101</u>	<u>58,929</u>	12,172	<u>75,980</u>
Finance				
Salaries and employee benefits	214,293	211,412		205,977
Other operating expenditures	17,458	19,379		15,854
Capital outlay		-		3,179
Total	<u>231,751</u>	<u>230,791</u>	960	<u>225,010</u>
Taxes				
Salaries and employee benefits	115,090	115,200		107,867
Other operating expenditures	68,643	68,906		69,383
Contract services	6,055	5,666		4,297
Capital outlay	2,127	2,141		-
Total	<u>191,915</u>	<u>191,913</u>	2	<u>181,547</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
General government (continued)				
Register of deeds				
Salaries and employee benefits	\$ 89,557	\$ 87,041		\$ 85,488
Other operating expenditures	14,515	13,649		8,476
Contract services	12,300	12,062		12,196
Total	116,372	112,752	3,620	106,160
Planning				
Other operating expenditures	6,576	3,390	3,186	3,773
Hurricane relief				
Salaries and employee benefits	-	32,200		-
Other operating expenditures	91,898	54,449		-
Capital outlay	-	5,250		-
Total	91,898	91,899	(1)	-
Buildings and grounds				
Salaries and employee benefits	157,219	155,442		132,032
Other operating expenditures	316,004	311,228		305,749
Capital outlay	31,884	31,884		27,900
Total	505,107	498,554	6,553	465,681
Total general government	1,617,411	1,553,455	63,956	1,411,591
Public safety				
Sherriff				
Salaries and employee benefits	839,704	830,121		819,699
Other operating expenditures	194,540	191,855		135,790
Contract services	2,600	2,161		2,289
Capital outlay	95,700	95,228		67,770
Total	1,132,544	1,119,365	13,179	1,025,548
Emergency management				
Salaries and employee benefits	38,703	38,060		37,656
Other operating expenditures	21,210	13,132		25,019
Total	59,913	51,192	8,721	62,675
Department of motor vehicles				
Salaries and employee benefits	31,486	27,575		23,370
Other operating expenditures	805	783		2,873
Total	32,291	28,358	3,933	26,243
Fire protection				
Forest fire control	53,930	42,414		43,314
Contribution to the fire department	130,600	130,600		115,600
Capital outlay	182,000	132,000		40,000
Total	366,530	305,014	61,516	198,914
Building inspector				
Salaries and employee benefits	65,847	64,923		63,904
Other operating expenditures	12,295	11,696		8,592
Contract services	30	30		
Total	78,172	76,649	1,523	72,496

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Public safety (continued)				
Medical examiner				
Other operating expenditures	\$ 11,700	\$ 7,200		\$ 7,900
Animal control				
Salaries and employee benefits	45,835	45,659		43,096
Other operating expenditures	13,975	11,124		10,945
Total	<u>59,810</u>	<u>56,783</u>	<u>3,027</u>	<u>54,041</u>
Total public safety	<u>1,740,960</u>	<u>1,644,561</u>	<u>96,399</u>	<u>1,447,817</u>
Human services				
Health				
MTW health	74,346	74,346	-	60,144
ECHB health	9,906	9,906	-	9,906
Medical transportaion				
Emergency medical services	607,500	450,838	156,662	456,063
Social services				
Administration				
Salaries and employee benefits	808,749	757,836		704,106
Other operating expenditures	188,562	145,437		186,405
Contracted services	52,500	52,500		52,500
Total	<u>1,049,811</u>	<u>955,773</u>	<u>94,038</u>	<u>943,011</u>
Public assistance				
Medical assistance payments	11,950	4,748		5,477
Income maintenance	33,000	30,495		23,394
Total	<u>44,950</u>	<u>35,243</u>	<u>9,707</u>	<u>28,871</u>
Food stamps/coupons				
Other operating expenditures	2,500	1,439	1,061	1,370
Day care				
Assistance payments	123,954	103,894	20,060	97,655
Legal aid children				
Other operating expenditures	22,000	20,166	1,834	3,148
Senior citizens assistance				
Salaries and employee benefits	14,744	14,975		14,518
Other operating expenditures	25,453	23,729		19,530
Total	<u>40,197</u>	<u>38,704</u>	<u>1,493</u>	<u>34,048</u>
Transportation - nutritional				
Salaries and employee benefits	61,035	59,315		37,805
Other operating expenditures	36,293	34,561		35,366
Total	<u>97,328</u>	<u>93,876</u>	<u>3,452</u>	<u>73,171</u>
Community transportation				
Salaries and employee benefits	21,281	21,196		20,622
Other operating expenditures	2,881	2,168		2,361
Total	<u>24,162</u>	<u>23,364</u>	<u>798</u>	<u>22,983</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Human Services (continued)				
Crisis intervention				
Other operating expenditures	\$ 22,532	\$ 22,284		\$ 23,366
Foster care				
Other operating expenditures	22,602	7,050		7,418
Blind administration				
Other operating expenditures	1,700	1,649		1,660
Other Social Services				
Other operating expenditures	124,050	106,287		125,077
Veteran's services				
Salaries and employee benefits		-		3,669
Other operating expenditures	265	237		128
Total	265	237	28	3,797
Total human services	2,267,803	1,945,056	322,747	1,891,688
Expenditures (continued)				
Current (continued)				
Education				
Public schools - current	567,595	567,595		537,595
Total education	567,595	567,595	-	537,595
Environmental protection				
Drainage				
Contract services	39,325	13,501	25,824	30,001
Solid waste				
Salaries and employee benefits	12,259	11,679		11,600
Other operating expenses	62,731	57,978		56,918
Contract services	373,290	378,603		373,065
Total	448,280	448,260	20	441,583
Total environmental protection	487,605	461,761	25,844	471,584
Economic and physical development				
Agriculture extension				
Salaries and employee benefit	107	107		125
Other operating expenditures	134,858	134,862		76,319
Appropriations - Ablemarle Commission	3,519	3,519		3,395
Appropriations - River Festival	8,000	8,000		6,500
Appropriations - River Town	1,000	1,000		1,000
Appropriations - PFS	12,500	12,500		12,500
Total	159,984	159,988	(4)	99,839

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Economic and physical development (continued)				
Board of supervisors - soil conservation				
Salaries and employee benefits	\$ 45,278	\$ 43,727		\$ 44,074
Other operating expenditures	18,400	9,902		7,332
Capital outlay	-	-		15,995
Total	<u>63,678</u>	<u>53,629</u>	<u>10,049</u>	<u>67,401</u>
Total economic and physical development	<u>223,662</u>	<u>213,617</u>	<u>10,045</u>	<u>167,240</u>
Cultural and recreational				
Pettigrew Regional Library	125,341	125,341		118,781
Recreation Commission	43,659	41,348		30,484
Total cultural and recreational	<u>169,000</u>	<u>166,689</u>	<u>2,311</u>	<u>149,265</u>
Debt service				
Note principal	42,193	42,193		36,988
Interest and fees	31,955	31,930		37,793
Total debt service	<u>74,148</u>	<u>74,123</u>	<u>25</u>	<u>74,781</u>
Total expenditures	<u>7,148,184</u>	<u>6,626,857</u>	<u>521,327</u>	<u>6,151,561</u>
Revenues over (under) expenditures	<u>(1,011,156)</u>	<u>(597,538)</u>	<u>(629,036)</u>	<u>(74,436)</u>
Other financing sources (uses)				
Sale of capital assets	10,000	765	(9,235)	525
Transfers to other funds	(13,650)	(9,325)	4,325	(10,250)
Total other financing sources (uses)	<u>(3,650)</u>	<u>(8,560)</u>	<u>(4,910)</u>	<u>(9,725)</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(1,014,806)</u>	<u>(606,098)</u>	<u>(408,708)</u>	<u>(84,161)</u>
Appropriated fund balance	<u>1,014,806</u>	<u>-</u>	<u>1,014,806</u>	<u>-</u>
Revenues and other financing sources (uses) and appropriated fund balance over expenditures	<u>\$ -</u>	<u>(606,098)</u>	<u>\$ 606,098</u>	<u>(84,161)</u>
Fund balance				
Beginning of year - July 1		<u>2,639,710</u>		<u>2,723,871</u>
End of year - June 30		<u>\$ 2,033,612</u>		<u>\$ 2,639,710</u>

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 2 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – CAPITAL RESERVE FUND – BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2017

	2017			2016
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Investment earnings	\$ -	\$ 201	\$ 201	\$ 91
Expenditures				
Capital outlay	5,000	-	5,000	-
Revenues over expenditures	(5,000)	201	(5,201)	91
Other financing sources (uses):				
Transfers to other governments	-	-	-	(131)
Transfers from other funds	5,000	5,000	-	5,000
	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>4,869</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	5,201	<u>\$ (5,201)</u>	4,960
Fund balances				
Beginning of year - July 1		<u>56,997</u>		<u>52,037</u>
End of year - June 30		<u>\$ 62,198</u>		<u>\$ 56,997</u>

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 3 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – REVALUATION FUND – BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues				
Investment earnings	\$ 175	\$ 445	\$ 270	\$ 430
Expenditures				
Contract services	105,240	105,240	-	75,098
Revenues over expenditures	<u>(105,065)</u>	<u>(104,795)</u>	<u>270</u>	<u>(74,668)</u>
Fund balances				
Beginning of year - July 1		<u>127,506</u>		<u>202,174</u>
End of year - June 30		<u>\$ 22,711</u>		<u>\$ 127,506</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 4 – COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2017

	Emergency Telephone System Fund	School Capital Outlay Fund	Total Nonmajor Special Revenue Funds
Assets			
Restricted cash and investments	\$ 347,384	\$ 215,644	\$ 563,028
Due from other governments	-	85,964	85,964
Due from other funds	-	-	-
Accounts receivable	-	-	-
Accrued penalties	-	-	-
Total assets	\$ 347,384	\$ 301,608	\$ 648,992
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund balances:			
Restricted:			
Stabilization by state statute	-	85,964	85,964
School capital outlay	-	215,644	215,644
Emergency telephone system	347,384	-	347,384
Total fund balances	347,384	301,608	648,992
Total liabilities, deferred inflows of resources and fund balances	\$ 347,384	\$ 301,608	\$ 648,992

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 4 – COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
(CONTINUED)**

JUNE 30, 2017

	Cahoon Center Site Improvements Project	Road Street Project Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Restricted cash and investments	\$ -	\$ -	\$ -	\$ 563,028
Due from other governments	-	2,625	2,625	88,589
Due from other funds	1,975	-	1,975	1,975
Accounts receivable	-	-	-	-
Accrued penalties	-	-	-	-
Total assets	\$ 1,975	\$ 2,625	\$ 4,600	\$ 653,592
Liabilities:				
Accounts payable	\$ -	\$ 2,625	\$ 2,625	\$ 2,625
Due to other funds	-	-	-	-
Total liabilities	-	2,625	2,625	2,625
Fund balances:				
Restricted:				
Stabilization by state statute	1,975	-	1,975	87,939
School capital outlay	-	-	-	215,644
Emergency telephone system	-	-	-	347,384
Total fund balances	1,975	-	1,975	650,967
Total liabilities, deferred inflows of resources and fund balances	\$ 1,975	\$ 2,625	\$ 4,600	\$ 653,592

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 5 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Emergency Telephone System Fund	School Capital Outlay Fund	Commerce Fellows Grant Fund	CDBG Scattered Sites Fund	
Revenues					
Restricted intergovernmental	\$ 73,568	\$ 373,494	\$ 2,500	\$ 17,407	\$ 466,969
Miscellaneous					-
Investment earnings	159	482	-	-	641
Total revenues	<u>73,727</u>	<u>373,976</u>	<u>2,500</u>	<u>17,407</u>	<u>467,610</u>
Expenditures					
General government	-	-	2,500	-	2,500
Public safety	30,388		-	-	30,388
Education	-	123,503	-	-	123,503
Economic and physical development	-	-	-	17,407	17,407
Capital outlay	-	-	-	-	-
Debt service					
Note principal	-	180,887	-	-	180,887
Interest and fees	-	25,922	-	-	25,922
Total expenditures	<u>30,388</u>	<u>330,312</u>	<u>2,500</u>	<u>17,407</u>	<u>380,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,339</u>	<u>43,664</u>	<u>-</u>	<u>-</u>	<u>87,003</u>
Other financing sources (uses)					
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	43,339	43,664	-	-	87,003
Fund balance - beginning	<u>304,045</u>	<u>257,944</u>	<u>-</u>	<u>-</u>	<u>561,989</u>
Fund balance - ending	<u>\$ 347,384</u>	<u>\$ 301,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,992</u>

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 5 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)**

YEAR ENDED JUNE 30, 2017

	Capital Project Funds					
	Cahoon Center Site Improvements Project	Inclusive Playground Fund	Estuarine Access Park Fund	Road Street Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues						
Restricted intergovernmental	\$ 20,896	\$ 91,297	\$ -	\$ 2,625	\$ 114,818	\$ 581,787
Miscellaneous			-	-	-	-
Investment earnings			-	-	-	641
Total revenues	20,896	91,297	-	2,625	114,818	582,428
Expenditures						
General government	-	-	-	-	-	2,500
Public safety	-	-	-	-	-	30,388
Education	-	-	-	-	-	123,503
Economic and physical development	-	-	-	2,625	2,625	20,032
Capital outlay	18,921	91,297	4,676	-	114,894	114,894
Debt service						
Note principal	-	-	-	-	-	180,887
Interest and fees	-	-	-	-	-	25,922
Total expenditures	18,921	91,297	4,676	2,625	117,519	498,126
	1,975	-	(4,676)	-	(2,701)	84,302
Other financing sources (uses)						
Other	-	-	351	-	351	351
Transfers in	-	-	4,325	-	4,325	4,325
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	4,676	-	4,676	4,676
Net change in fund balances	1,975	-	-	-	1,975	88,978
Fund balance - beginning	-	-	-	-	-	561,989
Fund balance - ending	\$ 1,975	\$ -	\$ -	\$ -	\$ 1,975	\$ 650,967

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 6 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – EMERGENCY TELEPHONE SYSTEM FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue	\$ 73,568	\$ 73,568	\$ -	\$ 103,016
Interest earned on investments	-	159	159	153
Total revenues	<u>73,568</u>	<u>73,727</u>	<u>159</u>	<u>103,169</u>
Expenditures				
Addressing function	8,158	22	8,136	7,875
Other operating expenditures	46,596	24,711	21,885	44,291
Contingency	13,159	-	13,159	-
Capital outlay	5,655	5,655	-	-
Total expenditures	<u>73,568</u>	<u>30,388</u>	<u>43,180</u>	<u>52,166</u>
Revenues over expenditures	<u>\$ -</u>	43,339	<u>\$ 43,339</u>	51,003
Fund balances				
Beginning of year - July 1		<u>304,045</u>		<u>253,042</u>
End of year - June 30		<u>\$ 347,384</u>		<u>\$ 304,045</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 7 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SCHOOL CAPITAL OUTLAY FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue				
Local option sales tax - Article 40	\$ 84,559	\$ 155,552	\$ 70,993	\$ 77,208
Local option sales tax - Article 42	90,000	60,413	(29,587)	81,797
Local option sales tax - Article 44	116,750	117,529	779	-
Public school building capital fund - lottery	40,000	40,000	-	90,000
Investment earnings	200	482	282	249
Total revenues	331,509	373,976	42,467	249,254
Expenditures				
Insurance	4,700	3,503	1,197	3,494
Capital outlay	120,000	120,000	-	97,675
Debt service				
Note principal	180,887	180,887	-	176,973
Interest and fees	25,922	25,922	-	29,836
Total expenditures	331,509	330,312	1,197	307,978
Revenues over expenditures	\$ -	43,664	\$ 43,664	(58,724)
Fund balances				
Beginning of year - July 1		257,944		316,668
End of year - June 30		\$ 301,608		\$ 257,944

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 8 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COMMERCE FELLOWS GRANT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental NC Department of Commerce	\$ 27,476	\$ 22,562	\$ 2,500	\$ 25,062	\$ 2,414
Expenditures					
Administration	2,500	-	2,500	2,500	-
Registration	22,276	20,000	-	20,000	2,276
Travel and meals	2,700	2,562	-	2,562	138
Total expenditures	<u>27,476</u>	<u>22,562</u>	<u>2,500</u>	<u>25,062</u>	<u>2,414</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance					
Beginning of year - July 1				<u>-</u>	
End of year - June 30				<u>\$ -</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 9 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CDBG SCATTERED SITES FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental Community Development Block Grant	\$ 225,000	\$ 206,014	\$ 17,407	\$ 223,421	\$ 1,579
Expenditures					
Administration	22,300	17,157	3,537	20,694	1,606
Rehabilitation	202,700	188,857	13,870	202,727	(27)
Total expenditures	<u>225,000</u>	<u>206,014</u>	<u>17,407</u>	<u>223,421</u>	<u>1,579</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance					
Beginning of year - July 1				<u>-</u>	
End of year - June 30				<u>\$ -</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 10 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CAHOON CENTER SITE IMPROVEMENT PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental Community Development Block Grant	\$ 99,611	\$ 76,794	\$ 20,896	\$ 97,690	\$ 1,921
Expenditures					
Construction	64,350	63,815	18,920	82,735	(18,385)
Engineering	9,400	7,604	1	7,605	1,795
Inspections	7,100	-	-	-	7,100
Legal	1,000	-	-	-	1,000
Permitting	1,500	-	-	-	1,500
Advertisement	1,000	375	-	375	625
Administration	5,000	5,000	-	5,000	-
Contingency	10,261	-	-	-	10,261
Total expenditures	<u>99,611</u>	<u>76,794</u>	<u>18,921</u>	<u>95,715</u>	<u>3,896</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975</u>	1,975	<u>\$ (1,975)</u>
Fund balance					
Beginning of year - July 1				-	
End of year - June 30				<u>\$ 1,975</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 11 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – INCLUSIVE PLAYGROUND PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental Trillium Health	\$ 337,040	\$ 245,743	\$ 91,297	\$ 337,040	\$ -
Expenditures					
Construction	337,040	245,743	91,297	337,040	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance					
Beginning of year - July 1				<u>-</u>	
End of year - June 30				<u>\$ -</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 12 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ESTUARINE ACCESS PARK PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental Public Beach & Coastal Waterfront Access Program Grant	\$ 99,830	\$ -	\$ -	\$ -	\$ (99,830)
Total revenues	<u>99,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,830)</u>
Expenditures					
Permit and design fees	8,650	-	4,325	4,325	4,325
Site Improvement costs					
Materials	63,630	-	-	-	63,630
Labor	37,400	-	-	-	37,400
Administration	1,250	-	351	351	899
Total expenditures	<u>110,930</u>	<u>-</u>	<u>4,676</u>	<u>4,676</u>	<u>106,254</u>
Revenues over (under) expenditures	(11,100)	-	(4,676)	(4,676)	6,424
Other financing sources					
Transfers from other funds	8,650	-	4,325	4,325	(4,325)
County inkind match	2,450	-	351	351	(2,099)
Total other financing sources	<u>11,100</u>	<u>-</u>	<u>4,676</u>	<u>4,676</u>	<u>(6,424)</u>
Revenues, other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance					
Beginning of year - July 1				<u>-</u>	
End of year - June 30				<u>\$ -</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 13 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ROAD STREET PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted Intergovernmental NC Department of Commerce Critical Needs Grant	\$ 400,000	\$ -	\$ 2,625	\$ 2,625	\$ (397,375)
Expenditures					
Road improvements	<u>730,000</u>	<u>-</u>	<u>2,625</u>	<u>2,625</u>	<u>727,375</u>
Other financing sources (uses)					
NCDOT contribution	305,000	-	-	-	(305,000)
County contribution	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Total other financing sources	<u>330,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(330,000)</u>
Revenues over (under) expenditures					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance					
Beginning of year - July 1				<u>-</u>	
End of year - June 30				<u>\$ -</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 14 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – PROPRIETARY FUND – WATER AND SEWER OPERATIONS

YEAR ENDED JUNE 30, 2017

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Operating revenues				
Water:				
Charges for services		\$ 980,482		\$ 912,783
Connection fees		13,434		11,725
Tap fees		15,312		11,450
Late fees		20,596		17,553
Other operating revenues		568		2,879
Total Water Operating Revenues	\$ 965,182	1,030,392	\$ 65,210	956,390
Sewer:				
Charges for services		77,760		49,237
Other miscellaneous revenue		1,505		-
Total Sewer Operating Revenues	132,000	79,265	(52,735)	49,237
Total operating revenues	1,097,182	1,109,657	12,475	1,005,627
Nonoperating revenues and other financing sources				
Interest earned on investments	822	2,778	1,956	1,216
Total Nonoperating revenues and other financing sources	822	2,778	1,956	1,216
Total revenues, other financing sources and fund balance appropriations	1,098,004	1,112,435	(14,431)	1,006,843
Operating expenditures				
Water expenditures				
Salaries and employee benefits		388,083		369,441
Operating expenditures		350,899		300,317
Total water expenditures	778,626	738,982	39,644	669,758
Sewer expenditures				
Salaries and employee benefits		7,271		7,143
Operating expenditures		104,531		31,010
Total sewer expenditures	132,000	111,802	20,198	38,153
Total operating expenditures	910,626	850,784	59,842	707,911
Other expenditures and financing (sources) uses				
Principal payments		54,000	(54,000)	53,000
Interest and fees	156,463	102,463	54,000	104,044
Capital outlay	30,915	30,915	-	-
Total other expenditures and financing uses	187,378	187,378	-	157,044
Total expenditures and other financing uses	1,098,004	1,038,162	59,842	864,955

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 14 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET
AND ACTUAL – PROPRIETARY FUND – WATER AND SEWER OPERATIONS (CONTINUED)**

YEAR ENDED JUNE 30, 2017

Other financing sources (uses)

Transfers from other funds	21,530	21,530	-	-
Transfers to other funds	(21,530)	(21,530)	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Revenues over expenditures

	<u>\$ -</u>	<u>\$ 74,273</u>	<u>\$ (74,273)</u>	<u>\$ 141,888</u>
--	-------------	------------------	--------------------	-------------------

**Reconciliation of modified accrual
basis to full accrual basis**

Total revenues and other financing sources	\$ 1,112,435
Total expenditures and other financing uses	<u>1,038,162</u>
	74,273
Capital outlay	28,144
Debt principal	54,000
Depreciation	(395,181)
Pension expense	4,347
Increase (decrease) in net pension asset	-
Increase (decrease) in deferred outflows of resources - pensions	59,388
(Increase) decrease in net pension liability	(70,263)
(Increase) decrease in deferred inflows of resources- pensions	6,527
(Increase) decrease in other post employment benefits	(20,797)
(Increase) decrease in compensated absences	(4,491)
Water and sewer project expenditures	(49,249)
Interest Income from Waste Water 1 and 2 Capital Project	44
Sales tax refunds from Waste Water 1 and 2 Capital Project	9,793
Capital contributions from Waste Water 1 and 2 Project	510,796
Capital contributions from Alligator Sewer Project Fund	<u>390,809</u>
Total reconciling items	<u>523,868</u>
Change in net position	<u>\$ 598,141</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 15 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – WASTEWATER CAPITAL PROJECTS NO. 1 AND NO. 2 FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	Project Authorization	Prior Years	Closed Projects	Current Year	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Rural Center grant	\$ 5,225,503	\$ 4,714,707	\$ (5,225,503)	\$ 510,796	\$ -
NC Clean Water Management					
Trust Fund grant	1,703,647	1,690,076	(1,690,076)	-	13,571
CDBG - 21st Century grant	750,000	747,725	(747,725)	-	2,275
USDA RD grant	1,525,140	1,525,140	(1,525,140)	-	-
NC State University grant	1,273,420	1,273,420	(1,273,420)	-	-
Golden Leaf grant	1,000,000	751,458	(751,458)	-	248,542
Sales tax refunds	-	99,606	(109,399)	9,793	(109,399)
Investment earnings	-	5,800	(5,844)	44	(5,844)
Total revenues	11,477,710	10,807,932	(11,328,565)	520,633	149,145
Expenditures					
Phase I - Tyrrell Co. Waste- Water Collection System					
Facilities construction	2,800,570	2,691,389	(2,691,389)	-	109,181
Washington county					
transmission line construction	569,905	587,955	(587,955)	-	(18,050)
Engineering design	184,783	456,479	(456,479)	-	(271,696)
Legal and administrative	25,533	73,565	(73,565)	-	(48,032)
Environmental assessment	36,500	3,600	(3,600)	-	32,900
R/W acquisition	25,000	25,363	(25,363)	-	(363)
Permitting	11,665	4,360	(4,360)	-	7,305
Easement survey and mapping	26,500	-	-	-	26,500
Grant administration	75,000	29,402	(29,402)	-	45,598
Sewer construction stds	2,903	-	-	-	2,903
Sewer user charge study	7,219	-	-	-	7,219
Construction administration	34,000	90,495	(90,495)	-	(56,495)
Resident inspection	104,000	51,857	(51,857)	-	52,143
Interlocal agreements					
assistance	1,027	-	-	-	1,027
Contingency	182,659	-	-	-	182,659
Total	4,087,264	4,014,465	(4,014,465)	-	72,799

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 15 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – WASTEWATER CAPITAL PROJECTS NO. 1 AND NO. 2 FUND (CONTINUED)

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Closed Projects</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>
Phase II - Creswell WWTP Improvements					
Facilities construction	3,992,740	3,880,878	(3,880,878)	-	111,862
Engineering design	212,900	240,323	(240,323)	-	(27,423)
Construction administration	64,100	54,781	(54,781)	-	9,319
Resident construction inspection	124,500	41,003	(41,003)	-	83,497
O&M manual	15,000	-	-	-	15,000
Subsurface investigation	7,500	-	-	-	7,500
Sewer use ordinance	7,500	-	-	-	7,500
Permitting	10,000	145	(145)	-	9,855
Grant administration	7,500	35,310	(35,310)	-	(27,810)
Contingency	215,262	12	(12)	-	215,250
Total	<u>4,657,002</u>	<u>4,252,452</u>	<u>(4,252,452)</u>	<u>-</u>	<u>404,550</u>
Phase III - Tyrrell County Waste Water Collection System					
Facilities construction	3,397,345	3,413,290	(3,582,688)	169,398	(185,343)
Engineering design	433,050	402,640	(430,672)	28,032	2,378
Bond counsel legal	21,045	21,044	(21,044)	-	1
Other legal and fiscal Administration	24,434	24,479	(45,233)	20,754	(20,799)
Capitalized interest	39,300	1,667	(1,667)	-	37,633
Insurance	20,000	9,791	(27,156)	17,365	(7,156)
Equipment	15,000	-	-	-	15,000
Contingency	5,000	-	(254,813)	254,813	(249,813)
Total	<u>153,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,270</u>
Total	<u>4,108,444</u>	<u>3,872,911</u>	<u>(4,363,273)</u>	<u>490,362</u>	<u>(254,829)</u>
Total expenditures	<u>12,852,710</u>	<u>12,139,828</u>	<u>(12,630,190)</u>	<u>490,362</u>	<u>222,520</u>
Revenues over (under) expenditures	<u>(1,375,000)</u>	<u>(1,331,896)</u>	<u>(1,301,625)</u>	<u>30,271</u>	<u>(73,375)</u>
Other financing sources (uses)					
Long term debt - Bond	1,375,000	1,375,000	(1,375,000)	-	-
Transfers to other funds	-	-	(21,530)	(21,530)	(21,530)
Transfers from other funds	-	100,775	(100,775)	-	(100,775)
Total other financing sources	<u>1,375,000</u>	<u>1,475,775</u>	<u>(1,454,245)</u>	<u>(21,530)</u>	<u>(79,245)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 143,879</u>	<u>\$ (152,620)</u>	<u>\$ 8,741</u>	<u>\$ (152,620)</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 16 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – ALLIGATOR SEWER PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Restricted Intergovernmental Community Development Block Grant	\$ 2,997,000	\$ 167,577	\$ 390,809	\$ 558,386
Total revenues	<u>2,997,000</u>	<u>167,577</u>	<u>390,809</u>	<u>558,386</u>
Expenditures				
Capital outlay				
Sewer improvements	2,698,500	91,215	387,366	478,581
Sewer connections	17,500	-	-	-
Administration	298,500	76,362	17,719	94,081
Total expenditures	<u>3,014,500</u>	<u>167,577</u>	<u>405,085</u>	<u>572,662</u>
Revenues over (under) expenditures	<u>(17,500)</u>	<u>-</u>	<u>(14,276)</u>	<u>(14,276)</u>
Other financing sources (uses)				
Transfers from other funds	17,500	-	-	-
Total other financing sources	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,276)</u>	<u>\$ (14,276)</u>

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 17 – COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES –
AGENCY FUNDS**

JUNE 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Social Services:				
Assets				
Cash and investments	\$ 193	\$ 67,749	\$ 51,672	\$ 16,270
Liabilities				
Miscellaneous liabilities	\$ 193	\$ 67,749	\$ 51,672	\$ 16,270
Fines and Forfeitures:				
Assets				
Cash and investments	\$ -	\$ 91,648	\$ 91,648	\$ -
Liabilities				
Miscellaneous liabilities	\$ -	\$ 91,648	\$ 91,648	\$ -
Deed of Trust:				
Assets				
Cash and investments	\$ 267	\$ 2,331	\$ 2,325	\$ 273
Liabilities				
Miscellaneous liabilities	\$ 267	\$ 2,331	\$ 2,325	\$ 273
Total - All Agency Funds:				
Assets				
Cash and investments	\$ 460	\$ 161,728	\$ 145,645	\$ 16,543
Liabilities				
Miscellaneous liabilities	\$ 460	\$ 161,728	\$ 145,645	\$ 16,543

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE 18 – SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2017

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections and Credits	Uncollected Balance June 30, 2017
2016-2017	\$ -	\$ 3,755,095	\$ 3,565,052	\$ 190,043
2015-2016	200,525	-	90,209	110,316
2014-2015	82,882	-	29,725	53,157
2013-2014	47,269	-	10,928	36,341
2012-2013	39,903	-	8,253	31,650
2011-2012	29,920	-	6,177	23,743
2010-2011	31,692	-	5,652	26,040
2009-2010	22,615	-	4,421	18,194
2008-2009	27,963	-	6,216	21,747
2007-2008	21,822	-	5,684	16,138
2006-2007	16,901	-	16,901	-
	\$ 521,492	\$ 3,755,095	\$ 3,749,218	\$ 527,369
Ad valorem taxes receivable - net				\$ 527,369
Reconcilement with revenues:				
Ad valorem taxes - General Fund				\$ 3,755,680
Reconciling items				
Penalties paid				4,292
Abatements				23,578
Interest and penalties collected				(45,882)
Amounts written off for prior years				11,550
Total reconciling items				(6,462)
Total Collections and Credits				\$ 3,749,218

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 19 – ANALYSIS OF CURRENT TAX LEVY – COUNTY-WIDE LEVY

YEAR ENDED JUNE 30, 2017

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at Current					
Year Rates	\$ 472,658,625	69%	\$ 3,261,345	\$ 3,040,583	\$ 220,762
Penalties	N/A		4,821	4,821	-
Public Utilities	11,705,805	69%	80,770	80,770	-
Solid Waste	N/A		407,000	407,000	-
Total	<u>484,364,430</u>		<u>3,753,936</u>	<u>3,533,174</u>	<u>220,762</u>
Discoveries:					
Current year taxes	1,833,478	69%	12,651	12,651	-
Solid Waste	-		200	200	-
Total	<u>486,197,908</u>		<u>12,851</u>	<u>12,851</u>	<u>-</u>
Abatements:	<u>(1,694,493)</u>		(11,692)	(11,692)	
Total Property Valuation	<u>\$ 484,503,415</u>				
Net levy			3,755,095	3,534,333	220,762
Uncollected taxes at June 30, 2017			<u>190,043</u>	<u>188,949</u>	<u>1,094</u>
Current year's taxes collected			<u>\$ 3,565,052</u>	<u>\$ 3,345,384</u>	<u>\$ 219,668</u>
Current net levy collection percentage			<u>94.94%</u>	<u>94.65%</u>	<u>99.50%</u>

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Board of County Commissioners
Tyrrell 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 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 Tyrrell County, North Carolina (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 15, 2017. Our report includes a reference to another auditor, who audited the financial statements of the Tyrrell County Alcoholic Beverage Control Board (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by the other auditor. The financial statements of the Board and Tyrrell County Development Authority (the "Authority") 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 the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

County's Response to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chemy Bekaert LLP

Raleigh, North Carolina
December 15, 2017

**Report of Independent Auditor on Compliance with Requirements Applicable to
Each Major Federal Program and Internal Control over Compliance in
Accordance with the Uniform Guidance and the
State Single Audit Implementation Act**

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Tyrrell County, North Carolina (the “County”), 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 County’s major federal programs for the year ended June 30, 2017. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the Comptroller General of the United States; 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. An audit includes examining, on a test basis, evidence about the 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 the County’s compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 preceding 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 a material weakness. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

Chemy Bekaert LLP

Raleigh, North Carolina
December 15, 2017

**Report of Independent Auditor on Compliance with Requirements
Applicable to Each Major State Program and Internal Control Over
Compliance in Accordance with the Uniform Guidance and the
State Single Audit Implementation Act**

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Compliance for Each Major State Program

We have audited Tyrrell County, North Carolina (the "County"), 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 the County's major State programs for the year ended June 30, 2017. The County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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, 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 state program occurred. An audit includes examining, on a test basis, evidence about the 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 the County's compliance.

Opinion on Each Major State Program

In our opinion, the 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the 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, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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 preceding 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 a material weakness. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

Chemy Bekaert LLP

Raleigh, North Carolina
December 15, 2017

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that
is not considered to be material
weakness ___ yes X none reported

Noncompliance material to financial statements
noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that
is not considered to be material weakness ___ yes X no

Noncompliance material to federal awards ___ yes X no

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

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

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2017

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance

Federal programs that did not meet the criteria for a major program using the criteria discussed in the Uniform Guidance 2 CFR 200.516(a) but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

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

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major State programs:

- Material weakness identified? yes X no
- Significant deficiency identified that is not considered to be material weakness yes X no

Noncompliance material to State awards yes X no

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

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

Identification of major State programs:

A major State program for Tyrrell County is Medical Assistance which is a State match on Federal programs. Therefore, this program has been included in the list of major federal programs above.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2017

Section II. Financial Statement Findings

Finding 2017-001

Non-material Noncompliance – Covenants

Criteria: The County is required to be in compliance with covenants set forth by the Bond Order, authorizing the issuance of the Series 2016 A & B sewer bonds.

Condition: The County failed to meet the minimum requirement of the ratio set forth by the Bond Order.

Context: During testing procedures over debt, we noted that the County did not meet the minimum ratio calculations as required by the Bond Order.

Effect: The County is in contract violation of the Bond Order.

Cause: The County's Sewer System experienced multiple periods of hiatus during the design and bidding phases due to a lack of funding. The unified system as constructed did not require mandatory hookup. The rates adopted by the County were based on a rollout of Phases I and III and costs were difficult to ascertain due to the abnormally long construction process.

Recommendation: We recommend that the County implement a rate adjustment as necessary to bring the County back in compliance with the debt covenant.

Name of Contact: Person: Karen Gerhart, Finance Director

Management Response: Management agrees with the finding.

Section III. Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services
Medical Assistance
CFDA # 93.778

Finding 2017-002

Non-material Noncompliance – Eligibility

Criteria: The County should have adequate monitoring controls to ensure that all information is updated appropriately in recipient's files and in the NC Fast system, and to ensure that all required physical documentation is located in the file to properly document eligibility with program requirements.

Condition: Two instances in which documentation was missing or incorrectly documented in the case file. One instance of incorrect eligibility determination was noted. The lack of controls allows for inaccuracies with the potential for over or under payment of benefits.

Questioned costs: \$6,372. Total amount of costs reported on the final State Report for individual who was deemed ineligible.

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2017

Context: We examined 63 case files. Of the 63 files sampled, we noted two of the files had missing or incorrect documentation. One SSI Ex Parte review was not performed to determine if eligible for Medical Assistance Programs. Additionally, in one case the budget was not calculated correctly or budget was not properly documented.

Upon reexamination of each of the files listed above, the County was able to substantiate one of the recipients was eligible to receive Medicaid benefits. This was accomplished by such means as re-computation of the budget by retrieving the online verification form ("OLV") which matched the Medicaid Coverage period to ensure all appropriate income sources were included in the computation.

Effect: By not having the required documentation in the files or information being incorrectly documented, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: SSI cases are connected to Income Support cases. Unfortunately the Income Support case also houses their FNS case if they are receiving. The FNS Income Maintenance Caseworker ("IMC") is considered the owner of the case. Cases that do not receive FNS benefits are owned by Tyrrell County SDX User.

When a client whose Income Support case is under the FNS IMC's name receives a SSI Termination, the task is sent to the FNS worker. They react to changes if it pertains to Food and Nutritional Benefits and if it is change that can be reacted upon. Medicaid Staff were never notified of the SSI Termination.

The second error was caused by IMC automatically accepting the eligibility decision from NC FAST. The system read the client as being eligible for full Medicaid which they were. However, the actual computer budget was incorrect; if the IMC had completed a manual budget as policy dictates the IMC would have discovered the computer budget was incorrect. The client was eligible even without the budget issue due to their income being below the Adult Maintenance Amount for one person.

Recommendation: We recommend that the County put procedures in place to ensure that all proper documentation is kept and maintained in the case file. Procedures should be reinforced to prevent these errors in the future.

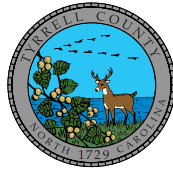
Section IV. State Awards Findings and Questioned Costs

None.

Tyrrell County Board of Commissioners

Post Office Box 449
Columbia, North Carolina 27925
Telephone (252) 796-1371

Leroy Spivey, Chairman
Carl Willis, Vice Chairman
Nathan T. Everett
Lawrence Swain
Nina Griswell



David L. Clegg, County Manager and Attorney
Penny Rhodes Owens, Clerk to the Board

CORRECTIVE ACTION PLAN

Finding 2017-001

Name of contact person: Karen Gerhart

Corrective Action: On November 7, 2017, the Board of Commissioners voted to activate an availability fee of \$22.50 monthly for customers not currently connected to the sewer system but who requested and did receive tanks through grant funding. This fee will be charged beginning January 1, 2018. The County now has a consulting engineer's study authorized by the County and Town of Creswell to establish cost of providing sewer service for the existing system and the County is going to adjust their rates to the rates that study suggests. In addition, the County is contracting with The Wooten Company, the Engineering Company that designed Phase III, to provide technical assistance in determining fees and specs for new users who wish to connect to Phase III of the County's Sewer System.

Proposed Completion Date: Tyrrell County will be in compliance of the debt covenant by June 30, 2018.

Finding 2017-002

Name of contact person: Tammy Tarkington

Corrective Action: Tyrrell County has two full time IMS and one fulltime Lead Worker. All three will check for task in the Work Queue of NC FAST. IMS' will check All County Users Work Queue's daily for task that require attention and to verify task are being worked appropriately. In addition FNS IMC's have been advised to check their Tasks daily and to advise the Medicaid Lead Worker if they receive any tasks pertaining to Medicaid and to document it well. This policy has been in effect since June 2017. There have been no errors with SSI Terminations found since the above policy was put into effect.

IMS will check 20% of Green Sheets, verifying documentation and downloads are present. This has been in effect for documentation for the past year.

Tyrrell County has decided to increase the amount of cases that will be Second Partied from 30 a quarter (which meets State Requirements) to 5 per worker per month. The County will continue to Second Party denials and terminations but IMS will verify that all are officially looked at.

As far as the SSI Termination that may be a County error, IMS and Lead Worker are currently working to determine if the client remains eligible for HCWD. If the client meets eligibility requirements for the program then she remains eligible for full Medicaid and there is no overpayment amount.

Proposed Completion Date: Tyrrell County cannot give a definite date of completion for the SSI Termination case. It is in progress and continued eligibility is being evaluated. All other issues have been addressed and are now Tyrrell County policy.

TYRRELL COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

16-1 Corrected.

16-2 Corrected.

16-3 Corrected.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
Passed-Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	XXXX	\$ 111,560	\$ -	\$ 111,560
Passed-Through N.C. Department of Health and Human Services:					
Division of Public Health					
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	XXXX	113,512	-	-
<u>Direct Program:</u>					
Rural Business Enterprise Grants (Cahoon Center)	10.769	XXXX	20,896	-	-
Total U.S. Dept. of Agriculture			<u>245,968</u>	<u>-</u>	<u>111,560</u>
<u>U.S. Department of Homeland Security</u>					
Passed -through NC Dept of Public Safety					
Division of Emergency Management:					
Emergency Mgmt Performance Grant	97.042		18,002	18,003	
Passed - through Washington County:					
Local Emergency Management Performance Grant Tier II	97.042		1,000		
Total U.S. Dept. of Homeland Security			<u>19,002</u>	<u>18,003</u>	
<u>U.S. Department of Emergency Management</u>					
F.E.M.A - Hurricane Matthew Disaster Relief	97.029		94,407		
Total U.S. Dept. of Emergency Management			<u>94,407</u>	<u>-</u>	
<u>U.S. Department of Health & Human Services</u>					
Passed-through the NC Dept of Health and Human Services:					
Division of Social Services:					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care - CPS	93.658		51	247	-
Title IV-E Foster Care - Adoption Subsidy	93.659		4,652	1,160	1,160
Title IV-E Foster Care - Administration	93.659		1,140	-	511
Total Foster Care Adoption Cluster (Note 5)			<u>5,843</u>	<u>1,407</u>	<u>1,671</u>
<u>Temporary Assistance for Needy Families Cluster:</u>					
TANF Payments and Penalties	93.558		9,305	-	-
Work First - Services	93.558		48,089	-	21,220
Work First - Nonreimbursable	93.558		-	-	6,708
Work First - Administration	93.558		21,746	-	11,086
Total TANF Cluster (Note 5)			<u>79,140</u>	<u>-</u>	<u>39,014</u>
<u>Low-Income Home Energy Assistance:</u>					
Energy Assistance Payment - Direct Benefit Payments	93.568		27,300	-	-
Administration	93.568		3,676	-	-
Crisis Intervention Program	93.568		22,284	-	-

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Local Expenditures
<u>Social Services Block Grant:</u>					
SSBG - In-Home Services over 60	93.667		89	-	13
SSBG - Other Services and Training	93.667		40,324	3,676	14,667
Child Welfare Services - Permanency Planning	93.645		(3,218)	-	(1,073)
Child Support Enforcement Administration	93.563		37,826	-	19,485
Family preservation	93.556		6,460		
Direct Benefit Payments:					
State Children's Insurance Program - NC Health Choice Administration:	93.767		103,035	265	-
State Children's Insurance Program - NC Health Choice	93.767		19,016	25	33
Total State Children's NC Health Choice			<u>122,051</u>	<u>290</u>	<u>33</u>
Subsidized Child Care (Note 5)					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services					
Child Care Development Fund - Administration	93.596		71,078	-	-
Division of Child Development					
Child Care Development Fund - Discretionary	93.575		49,655	-	-
Child Care Development Fund - Mandatory	93.596		18,131	-	-
Child Care Development Fund - Match	93.596		4,738	-	-
Total Child Care Fund Cluster:			<u>143,602</u>		
Temporary Assistance for Needy Families	93.558		15,087	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658		1,479	741	-
State Appropriations		XXXX	-	3,844	-
TANF-MOE		XXXX	-	9,851	-
Total Subsidized Child Care Cluster Note 5			<u>16,566</u>	<u>14,436</u>	<u>-</u>
			<u>160,168</u>	<u>14,436</u>	<u>-</u>
Passed-through the NC Dept of Health and Human Services:					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778		4,177,685	2,294,268	-
Medical Assistance Administration	93.778		291,112	449	98,571
Medical Assistance Transpiration Administration	93.778		45,591	199	45,190
State County Special Assistance	93.778		10,735	-	3,578
Total Medical Assistance Program			<u>4,525,123</u>	<u>2,294,916</u>	<u>147,339</u>
Passed-through the NC Dept of Health and Human Services:					
Division of Aging and Adult Services:					
Special Programs for the Aging - Title III, Part C	93.045		6,314		
Passed through NC Dept of Insurance					
Senior Health Insurance Program	93.324		2,750	-	-
Total U.S. Dept. of Health & Human Services			<u>5,036,130</u>	<u>2,314,725</u>	<u>221,149</u>
<u>U.S. Department of Housing & Urban Development</u>					
Passed-through the N.C. Department of Environmental Quality:					
Division of Water Infrastructure:					
Infrastructure - Alligator	14.228		390,809		
Passed-through the N.C. Department of Commerce:					
Division of Rural Economic Development:					
Community Development Block Grant- Commerce Fellows	14.228		2,500		
Division of Investment and Assistance:					
Community Development Block Grant- Scattered Sites	14.228		17,407		
Total U.S. Dept. of Housing & Urban Development			<u>410,716</u>	<u>-</u>	<u>-</u>
Total Federal Programs			<u>\$ 5,806,223</u>	<u>\$ 2,332,728</u>	<u>\$ 332,709</u>

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Local Expenditures
State Awards:					
<u>N.C. Department of Agriculture & Consumer Services</u>					
Division of Soil and Water Conservation:					
Agriculture Cost Share Program		XXXX	\$ -	\$ 21,227	\$ -
Total N.C. Department of Agriculture & Consumer Services			-	21,227	-
<u>N.C. Department of Environmental Quality</u>					
Division of Coastal Management:					
White Goods Mgmt Program		XXXX		2,799	
Scrap Tire Program		XXXX	-	5,654	-
Total N.C. Department of Environmental Quality			-	8,453	-
<u>N.C. Department of Commerce</u>					
Division of Rural Economic Development:					
Rural Center Grants		XXXX	-	484,234	-
Critical Needs Infrastructure Grants		2017-130-3214-2593		2,625	
Total N.C. Department of Commerce			-	486,859	-
<u>North Carolina Department of Transportation</u>					
Rural Operating Assistance Program					
ROAP Elderly & Disabled Transportation Assistance Program		DOT-16CL	-	38,704	-
State Secondary Roads Agreement		POS		9,775	
Transit Development Program	20.509	DOT-11	-	18,364	3,243
Total N.C. Department of Transportation			-	66,843	3,243
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Program		XXXX	-	48,884	4,689
Total N.C. Department of Public Safety			-	48,884	4,689
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds		XXXX	-	40,000	-
Total N.C. Department of Public Instruction			-	40,000	-
<u>N.C. Department of Administration</u>					
Veterans Service		XXXX	-	2,130	-
Total N.C. Department of Administration			-	2,130	-
<u>N.C. Department of Health & Human Services</u>					
Division of Aging:					
Senior Center General Purpose Grant		XXXX	-	3,625	-
Division of Social Services:					
Administration:					
Child Welfare Services Adoption Subsidy		XXXX	-	10,934	3,645
ST Child Welfare		XXXX	-	1,329	-
State Foster Home		XXXX	-	1,288	1,288
SAA/SAD HB 1030				1,649	1,309
SC/SA Domiciliary Care Payment		XXXX	-	29,937	29,937
Total N.C. Department of Administration			-	48,762	36,179
Total State Programs			-	723,158	44,111
Total Assistance			\$ 5,806,223	\$ 3,055,886	\$ 376,820

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2017

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity of the County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. 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 the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the 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.

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

Note 3—Loans outstanding

The County had the following loan balances outstanding at June 30, 2017 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, 2017 consist of:

<u>Program Name</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Water and waste disposal systems for Rural Communities	10.760	\$ 1,375,000
Water and waste disposal systems for Rural Communities	10.760	\$ 2,672,000
Water and waste disposal systems for Rural Communities	10.760	\$ 694,000

Note 4—Subrecipients

Of the federal and State expenditures in the schedule, the County provided federal and State awards to subrecipients as follows:

<u>Program Name</u>	<u>Pass-Through Grantor's Number</u>	<u>State Expenditures</u>
Public School Building Capital Fund - Lottery Proceeds	XXXX	\$ 40,000
Juvenile Crime Prevention Programs	XXXX	\$ 48,884

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, Foster Care and Adoption, and Temporary Assistance for Needy Families.