

**MID-EAST COMMISSION**  
**Washington, North Carolina**  
**Financial Statements**  
**For the Year Ended June 30, 2018**

**Mid-East Commission  
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June 30, 2018**

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## FINANCIAL SECTION



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## **Independent Auditor's Report**

To the Board of Directors  
Mid-East Commission  
Washington, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Mid-East Commission'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions 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 Mid-East Commission. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

Awards and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 on our consideration of the Mid-East Commission'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-East Commission's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA  
Wilmington, North Carolina  
November 26, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis

As management of the Mid-East Commission, we offer readers of the Mid-East Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Commission's financial statements, which follow this narrative.

### Financial Highlights

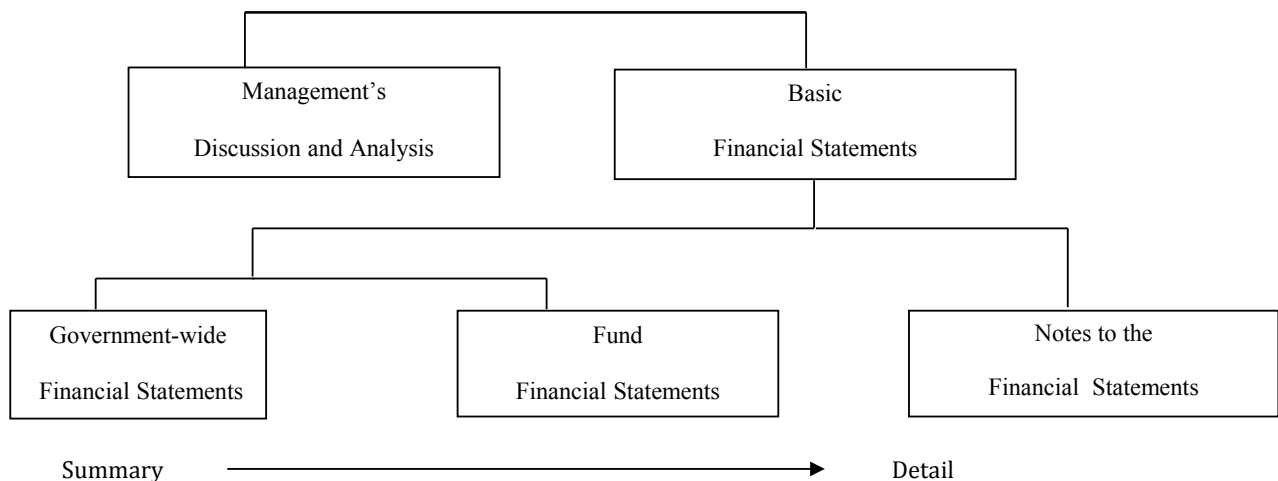
- The assets and deferred outflows of resources of the Mid-East Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$246,195 (*net position*).
- The government's total net position increased over the prior year by \$83,214.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$828,975, an increase of \$322,798 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$361,449. This is a increase of \$168,341 from the prior year.
- Mid-East Commissions' total debt excluding compensated absences, net pension liability, and OPEB liability consists of \$1,475,328.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Mid-East Commission's basic financial statements. The Commission's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Commission 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 Mid-East Commission.

#### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Commission'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 Commission's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary 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 additional details about the Commission's activities. Budgetary information required by the General Statutes can also be found in this part of the statements.

## Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Commission'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 Commission's financial status as a whole.

The two government-wide statements report the Commission's net position and how they have changed. Net position is the difference between the Commission's total assets and total liabilities. Measuring net position is one way to gauge the Commission's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Commission's basic services such as public safety, economic and physical development, human services, workforce development, and general government. State and federal grant funds finance most of these activities. The business-type activities are those that the Commission charges customers to provide services. The primary purpose of these activities is to facilitate affordable housing for the populations of the counties in Region Q.

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

## Fund Financial Statements

The Fund Financial Statements (see Figure 1) provide a more detailed look at the Commission'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 Mid-East Commission, 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 North Carolina General Statutes or the Commission's budget ordinance. All of the funds of the Mid-East Commission can be divided into two categories: governmental funds and proprietary 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 Commission'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 which provides a short-term spending 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 Commission's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Mid-East Commission 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 Commission, the management of the Commission, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Commission to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Commission complied with the budget ordinance and whether or not the Commission 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** – Mid-East Commission 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. Mid-East Commission uses an enterprise fund to account for the activities of blended component unit, the Mid-East Development Corporation, Inc. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position.

**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 follow Exhibit 9 of this report.

**Interdependence with Other Entities-** The Mid-East Commission depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Commission's is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Mid-East Commission's progress in funding its obligation to provide pension benefits to its employees.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Mid-East Commission exceeded liabilities and deferred inflows by \$246,195 as of June 30, 2018. The Commission's net position increased by \$83,214. Mid-East Commission uses the Governmental Activities capital assets of \$10,612 to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Commission's net position \$899,575 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$432,449) for governmental activities is unrestricted.

**Mid-East Commission's Net Assets**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 1,830,760	\$ 1,937,190	\$ 405,608	\$ 364,480	\$ 2,236,368	\$ 2,301,670
Capital assets	10,612	22,254	888,045	923,738	898,657	945,992
Deferred Outflows of resources	185,402	270,477	-	-	185,402	270,477
Total assets and deferred outflows	2,026,774	2,229,921	1,293,653	1,288,218	3,320,427	3,518,139
Long-term liabilities outstanding	490,771	309,225	1,475,328	1,506,481	1,966,099	1,815,706
Other liabilities	1,001,785	1,302,832	49,868	53,214	1,051,653	1,356,046
Deferred inflows of resources	56,480	55,399	-	-	56,480	55,399
Total liabilities and deferred inflows	1,549,036	1,667,456	1,525,196	1,559,695	3,074,232	3,227,151
Net position:						
Net investment in capital assets	10,612	22,254	(587,283)	(582,743)	(576,671)	(560,489)
Restricted	899,575	961,213	-	-	899,575	961,213
Unrestricted	(432,449)	(421,002)	355,740	311,266	(76,709)	(109,736)
Total net position	\$ 477,738	\$ 562,465	\$ (231,543)	\$ (271,477)	\$ 246,195	\$ 290,988

Several particular aspects of the Commission's financial operations positively influenced the total unrestricted net position:

- Careful management of expenses of the Commission's financial operations positively influenced resources to support indirect expenses.

**Mid-East Commission  
Changes in Net Position  
Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 683,918	\$ -	\$ 223,754	\$ 205,219	\$ 907,672	\$ 205,219
Operating grants	6,292,077	6,821,855	125,309	131,562	6,417,386	6,953,417
General revenues:						
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment earnings, unrestricted	11,182	15,568	2,205	1,191	13,387	16,759
<b>Total revenues</b>	<b>6,987,177</b>	<b>6,837,423</b>	<b>351,268</b>	<b>337,972</b>	<b>7,338,445</b>	<b>7,175,395</b>
<b>Expenses:</b>						
Economic & Physical Development	3,210,172	3,248,712	-	-	3,210,172	3,248,712
Human Services	3,198,309	3,040,027	-	-	3,198,309	3,040,027
Indirect costs	521,787	567,661	-	-	521,787	567,661
Business type activities	-	-	324,963	362,659	324,963	362,659
<b>Total expenses</b>	<b>6,930,268</b>	<b>6,856,400</b>	<b>324,963</b>	<b>362,659</b>	<b>7,255,231</b>	<b>7,219,059</b>
 Increase (decrease) in net position before transfers	 56,909	 (18,977)	 26,305	 (24,687)	 83,214	 (43,664)
 Transfers	 -	 -	 -	 -	 -	 -
 Increase (decrease) in net position	 56,909	 (18,977)	 26,305	 (24,687)	 83,214	 (43,664)
 Net position, July	 562,465	 581,442	 (271,477)	 (246,790)	 290,988	 334,652
Restatement	(141,636)	-	13,629	-	(141,636)	-
Net position, beginning, restated	420,829	581,442	(257,848)	(246,790)	149,352	334,652
Net position, June 30	\$ 477,738	\$ 562,465	\$ (231,543)	\$ (271,477)	\$ 232,566	\$ 290,988

**Governmental activities:** Governmental activities increased the Commission's net position by \$56,909.

**Business-type activities:** Business-type activities increased the Commission's net position by \$26,305.

### Financial Analysis of the Commission's Funds

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

**Governmental Funds.** The focus of the Mid-East Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Mid-East Commission's financing requirements.

The General fund is the chief operating fund of Mid-East Commission. At the end of the current fiscal year, the fund balance of the General Fund was \$361,449 while unassigned fund balance was \$0.

At June 30, 2018, the Governmental Funds of the Commission reported a combined fund balance of \$828,975 with a net increase of \$322,798. Included in these changes in fund balance is a increase in the General Fund and an increase in Special Revenue fund.

**General Fund Budgetary Highlights.** During the fiscal year, the Commission 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.

**Proprietary Funds:** The Commission's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total increase in net position was \$26,305.

### Capital Asset and Debt Administration

**Capital assets.** The Mid-East Commission's capital assets for its governmental and business-type activities as of June 30, 2018 totals \$10,612 (net of accumulated depreciation) and \$888,045 (net of accumulated depreciation) respectively. These assets are primarily equipment for the governmental activities, and buildings and land for the business-type activities.

#### Mid-East Commission's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	784,444	820,036	784,444	820,036
Equipment	10,612	22,254	4,851	4,952	15,463	27,206
Total	\$ 10,612	\$ 22,254	\$ 888,045	\$ 923,738	\$ 898,657	\$ 945,992

Additional information on the Commission's capital assets can be found in the notes of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2018 the Mid-East Commission's notes payable totaled \$-0- for the Intermediary Relending Program and \$1,475,328 for the Mid-East Development Corporation.

**Mid-East Commission's Outstanding Debt**  
**Long - Term Liabilities**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Compensated absences	\$ 93,235	\$ 102,261	\$ -	\$ -	\$ 93,235	\$ 102,261
OPEB Liability	297,513	130,476	-	-	297,513	130,476
Installment purchases	-	-	1,475,328	1,506,481	1,475,328	1,506,481
Net pension liability (LGERS)	193,258	309,225	-	-	193,258	309,225
Total	<u>\$ 584,006</u>	<u>\$ 541,962</u>	<u>\$ 1,475,328</u>	<u>\$ 1,506,481</u>	<u>\$ 2,059,334</u>	<u>\$ 2,048,443</u>

Additional information regarding the Mid-East Commission's long-term debt can be found in the notes to the financial statements.

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

The Mid-East Commission, Region Q, continues to experience high unemployment. However, federal funding for the Work Force Investment Act during the last several fiscal years was reduced. We anticipate this reduction to continue. These reductions have affected the Commission's funding level and staffing patterns.

**Request for Information**

This report is designed to provide an overview of the Commission's finances for those with an interest in this area. Question concerning any of the information found in this report or requests for additional information should be directed to:

Mid-East Commission  
1385 John Small Avenue  
Washington, NC 27889

You can also call 252-974-1853, visit their website at [www.mideastcom.org](http://www.mideastcom.org), or send an e-mail to [jdodge@mideastcom.org](mailto:jdodge@mideastcom.org) for more information.

## BASIC FINANCIAL STATEMENTS

Mid-East Commission  
Statement of Net Position  
June 30, 2018

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,292,634	\$ 240,893	\$ 1,533,527
Cash - Escrow	-	11,494	11,494
Cash - Reserve	-	110,724	110,724
Restricted Cash	-	18,174	18,174
Grants receivable	333,767	-	333,767
Accounts receivable	204,359	22,337	226,696
Prepays	-	1,986	1,986
Total Current Assets	<u>1,830,760</u>	<u>405,608</u>	<u>2,236,368</u>
Non-Current Assets:			
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	10,612	789,295	799,907
Total capital assets	<u>10,612</u>	<u>888,045</u>	<u>898,657</u>
Total assets	<u>1,841,372</u>	<u>1,293,653</u>	<u>3,135,025</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 185,402</u>	<u>\$ -</u>	<u>\$ 185,402</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 1,001,785	\$ 31,694	\$ 1,033,479
Liabilities payable from restricted assets:			
Security deposits	-	18,174	18,174
Long-term liabilities:			
Net pension liability	193,258	-	193,258
Total OPEB liability	297,513	-	297,513
Due within one year - Compensated Abs.	-	32,635	32,635
Due in more than one year	-	1,452,179	1,452,179
Total liabilities	<u>1,492,556</u>	<u>1,534,682</u>	<u>3,027,238</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>56,480</u>	<u>-</u>	<u>56,480</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,612	(596,769)	(586,157)
Restricted			
Stabilization by State Statute	899,575	-	899,575
Unrestricted (deficit)	(432,449)	355,740	(76,709)
Total net position	<u>\$ 477,738</u>	<u>\$ (241,029)</u>	<u>\$ 236,709</u>

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

MID-EAST COMMISSION  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
Economic and physical development	\$ 3,210,172	\$ 412,014	\$ 3,347,953	\$ -	\$ 549,795	-	549,795
Human services	3,198,309	271,904	2,944,124	-	17,719	-	17,719
Indirect costs	521,787	-	-	-	(521,787)	-	(521,787)
Total governmental activities	<u>6,930,268</u>	<u>683,918</u>	<u>6,292,077</u>	<u>-</u>	<u>45,727</u>	<u>-</u>	<u>45,727</u>
Business-type activities:							
Mid-East Development Corporation	334,449	223,754	125,309	-	-	14,614	14,614
Total business-type activities	<u>334,449</u>	<u>223,754</u>	<u>125,309</u>	<u>-</u>	<u>-</u>	<u>14,614</u>	<u>14,614</u>
Total primary government	<u>\$ 7,264,717</u>	<u>\$ 907,672</u>	<u>\$ 6,417,386</u>	<u>\$ -</u>	<u>45,727</u>	<u>14,614</u>	<u>60,341</u>
General revenues:							
Grants and contributions not restricted to specific programs					-	-	-
Unrestricted investment earnings					11,182	2,205	13,387
Total general revenues					<u>11,182</u>	<u>2,205</u>	<u>13,387</u>
Change in net position					56,909	16,819	73,728
Net position, beginning, previously reported					562,465	(257,848)	304,617
Restatement					(141,636)	-	(141,636)
Net position, beginning, restated					420,829	(257,848)	162,981
Net position-ending					<u>\$ 477,738</u>	<u>\$ (241,029)</u>	<u>\$ 236,709</u>

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

MID-EAST COMMISSION  
Balance Sheet  
Governmental Funds  
June 30, 2018

	<b>Major Funds</b>		Total Governmental Funds
	<u>General Fund</u>	<u>Special Revenue</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,292,634	\$ 1,292,634
Grants receivable	-	333,767	333,767
Restricted cash	-	-	-
Accounts receivable	-	-	-
Other receivables	-	5,841	5,841
Loans receivable	-	198,518	198,518
Prepays	-	-	-
Due from other funds	361,449	(361,449)	-
Total assets	<u>361,449</u>	<u>1,469,311</u>	<u>1,830,760</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable and accrued liabilities	-	1,001,785	1,001,785
Total liabilities	<u>-</u>	<u>1,001,785</u>	<u>1,001,785</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted			
Stabilization by State Statute	361,449	538,126	899,575
Committed			
Economic development	-	-	-
Unassigned	-	(70,600)	(70,600)
Total fund balances	<u>361,449</u>	<u>467,526</u>	<u>828,975</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>361,449</u>	\$ <u>1,469,311</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	10,612
Deferred outflows of resources related to pensions are not reported in the funds.	185,402
Deferred inflows of resources related to pensions are not reported in the funds.	(56,480)
Total OPEB liability.	(297,513)
Net pension liability.	(193,258)
Total net position of governmental activities	\$ <u>477,738</u>

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

MID-EAST COMMISSION  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

	Major Funds		Total Governmental Funds
	General	Special Revenue	
<b>REVENUES</b>			
Federal awards	\$ -	\$ 4,722,104	\$ 4,722,104
State awards	-	1,595,141	1,595,141
Local in kind match	-	255,925	255,925
Other local revenue	358,634	164,322	522,956
Rental income	4,339	-	4,339
Program income	-	156,623	156,623
Interest income	737	10,445	11,182
Total revenues	363,710	6,904,560	7,268,270
<b>EXPENDITURES</b>			
Economic and physical development	-	3,600,556	3,600,556
Human services	72,397	3,272,519	3,344,916
Total expenditures	72,397	6,873,075	6,945,472
Revenues over (under) expenditures	291,313	31,485	322,798
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers (to) from other funds	-	-	-
Transfer of local matching funds	(122,972)	122,972	-
Total other financing sources (uses)	(122,972)	122,972	-
Net change in fund balance	168,341	154,457	322,798
Fund balances, beginning	193,108	313,069	506,177
Fund balances, ending	\$ 361,449	\$ 467,526	\$ 828,975

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

MID-EAST COMMISSION  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2018

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

Net changes in fund balances - total governmental funds	\$	322,798
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	-	
Depreciation expense for governmental assets	<u>(11,642)</u>	(11,642)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		94,602
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Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(281,093)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other postemployment benefits		(11,406)
Pension expense		<u>(56,350)</u>

Total changes in net position of governmental activities	\$	<u><u>56,909</u></u>
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MID-EAST COMMISSION  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual  
For the Year Ended June 30, 2018

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Other local revenue	\$ 358,634	\$ 358,634	\$ 362,973	\$ 4,339
Rental income	4,339	4,339	4,339	
Interest Income	737	737	737	-
Total Revenues	<u>363,710</u>	<u>363,710</u>	<u>368,049</u>	<u>4,339</u>
<b>Expenditures:</b>				
Human services	<u>240,738</u>	<u>240,738</u>	<u>72,397</u>	<u>168,341</u>
Total Expenditures	<u>240,738</u>	<u>240,738</u>	<u>72,397</u>	<u>168,341</u>
Revenues Over (Under) Expenditures	<u>122,972</u>	<u>122,972</u>	<u>295,652</u>	<u>172,680</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (to) from other funds	-	-	-	-
Transfer of local matching funds	<u>(122,972)</u>	<u>(122,972)</u>	<u>(122,972)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(122,972)</u>	<u>(122,972)</u>	<u>(122,972)</u>	<u>-</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	172,680	\$ <u>172,680</u>
Fund Balances, Beginning of Year			193,108	
Fund Balances, End of Year			<u>\$ 365,788</u>	

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

MID-EAST COMMISSION  
Statement of Fund Net Position  
Proprietary Fund  
June 30, 2018

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 240,893
Restricted cash	18,174
Cash - Escrow	11,494
Cash - Reserve	110,724
Accounts receivable	22,337
Prepaid expenses	1,986
Total current assets	<u>405,608</u>
Capital assets:	
Land	98,750
Other capital assets, net of depreciation	789,295
Total capital assets	<u>888,045</u>
Total Assets	<u>\$ 1,293,653</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 31,694
Liabilities payable from restricted assets:	
Security deposits	18,174
Notes payable - current	32,635
Total current liabilities	<u>82,503</u>
Noncurrent liabilities:	
Notes payable - noncurrent	1,452,179
Total noncurrent liabilities	<u>1,452,179</u>
Total liabilities	<u>1,534,682</u>
<b>NET POSITION</b>	
Net investment in capital assets	(596,769)
Unrestricted	355,740
Total Net Position	<u><u>\$ (241,029)</u></u>

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

MID-EAST COMMISSION  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
<b>OPERATING REVENUES:</b>	
Rental income	\$ 206,861
Operation and management	12,672
Other revenue	4,221
Total operating revenues	<u>223,754</u>
<b>OPERATING EXPENSES</b>	
Management related	49,142
Operation of program services	161,899
Contractual services	29,907
Depreciation	50,575
Total operating expenditures	<u>291,523</u>
Operating income (loss)	<u>(67,769)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Rental assistance - RECD	102,600
Interest subsidies - RECD	22,709
Interest income	2,205
Contributions and local support	-
Interest expense	(42,926)
Total nonoperating revenues (expenses)	<u>84,588</u>
Income (loss) before capital contributions	16,819
Capital contributions	<u>-</u>
Change in net position	<u>16,819</u>
Total net position, beginning	<u>(257,848)</u>
Total net position, ending	<u>\$ (241,029)</u>

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

MID-EAST COMMISSION  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2018

	<u>Major Enterprise Fund</u> <u>Development</u> <u>Corporation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from renters	\$ 206,861
Other cash received	16,893
Cash paid for goods and services	(188,334)
Cash paid to employees for services	<u>(49,142)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(20,560)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Rental assistance and interest subsidies	125,309
Contributions and local support	<u>-</u>
<b>Net cash provided (used) by non-capital financing activities</b>	<u>125,309</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	\$ -
Acquisition and construction of capital assets	(14,882)
Disposal of asset	-
Principal paid on long-term debt	(21,667)
Interest paid on long-term debt	<u>(42,926)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(79,475)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	<u>2,205</u>
<b>Net cash provided (used) by investing activities</b>	<u>2,205</u>
Net increase (decrease) in cash and cash equivalents	<u>27,479</u>
Cash and cash equivalents, beginning	<u>353,806</u>
Cash and cash equivalents, ending	<u>\$ 381,285</u>

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

MID-EAST COMMISSION  
Reconciliation of the Statement of Cash Flows of Proprietary Fund  
For the Year Ended June 30, 2018

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	(67,769)
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Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities

Depreciation		50,575
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Changes in current assets and current liabilities

(Increase) decrease in accounts receivable		37
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(Increase) decrease in prepaid expenses		(70)
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Increase (decrease) in accounts payable		(3,100)
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Increase (decrease) in security deposits		(233)
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Total adjustments		<u>47,209</u>
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<b>Net cash provided (used) by operating activities</b>	<b>\$</b>	<b><u>(20,560)</u></b>
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Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$102,600. Interest subsidies in the amount of \$22,709 were applied to the corporation's debt.

## NOTES TO THE FINANCIAL STATEMENTS

MID-EAST COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2018

I. Summary of Significant Accounting Policies

The accounting policies of Mid-East Commission and its blended component unit conform to generally accepted accounting principles as applicable to Councils of Government. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Mid-East Commission, a Council of Government for Region Q, was established to coordinate various funding resources received from Federal and State agencies. Currently, there are 5 county governments and 40 municipal governments participating as members in the Mid-East Commission. As required by generally accepted accounting principles, these financial statements present the Commission and its component unit, a legally-separate entity for which the Commission is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the Commission's operations.

Blended Component Unit

**Mid-East Development Corporation**

The Mid-East Development Corporation, a non-profit corporation, was formed in February 1990, for the primary purpose of facilitating affordable housing for the populations of the Counties in Region Q. The by-laws signed on March 15, 1990, state that the Board of Directors shall consist of the chairman of the Mid-East Commission Board, the five county commissioner representatives and five of the municipal representatives, no two of whom shall be from the same county, as elected from the Mid-East Commission Board. On February 28, 1991, Mid-East Commission entered into a contract with Mid-East Development Corporation by which Mid-East Commission will provide administrative services for the Corporation. Therefore, the Corporation is reported as an enterprise fund in the Commission's financial statements.

Mid-East Development Corporation did not issue separate financial statements for the year ended June 30, 2018.

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. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Commission. Governmental activities generally are financed through 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 Commission and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements* : The fund financial statements provide information about the Commission's funds. Separate statements for each fund category – *governmental* and *proprietary* – 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 nonmajor 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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The Commission reports the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the Commission. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is membership dues of the participating local governmental units.

*Special Revenue Funds* - The Special Revenue Fund accounts for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Commission reports all Special Revenue Funds within Aging, Workforce Development Region Q, Economic development, Mid-East Revolving Loan Fund, Mid-East IRP Fund, Planning, State Technical Assistance, RLF Sequester, Interprogram Training, MERL Fund service and marketing, ESL Program, Roanoke-Chowan DTF.

The Commission reports the following major enterprise fund:

*Mid-East Development Corporation* - This fund is used to account for the Commission's facilitation of affordable housing in Region Q.

C. Measurement Focus, Basis of Accounting

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

*Government-wide and Proprietary Fund Financial Statements* – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission enterprise funds are charges to customers for rent. Operating expenses for enterprise funds include the cost of rentals, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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, 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 Commission considers all revenues available if they are collected within 90 days after year-end. 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 Commission funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Commission's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. Project ordinances are adopted for the special revenue fund. All annual appropriations lapse at fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Some special revenue fund projects are budgeted on the period of the corresponding grant, which does not follow the same fiscal year as the Commission. Expenditures may not legally exceed appropriations at the functional level for the general fund and at the departmental level for the special revenue fund. The Budget Officer is authorized by the budget ordinance to transfer appropriations within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. 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.

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity1. Deposits and Investments

All deposits of the Commission and Mid-East Development Corporation are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Commission and Mid-East Development Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Commission and Mid-East Development Corporation 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 Commission and the Mid-East Development Corporation 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 securities of the NCCMT Government Portfolio, a SEC-registered (2a7) external investment pool, is measured at amortized cost, which is NCCMT's share price.

2. Cash and Cash Equivalents

Mid-East Commission pools money from several funds to facilitate disbursement and investment and to maximize investment income and are considers all cash and cash investments to be cash and cash equivalents. Mid-East Development Corporation considers 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. in accordance with Rural Economic & Community Development (RECD) service regulations. The Corporation maintains all RECD project funds separate and distinct from other projects, and tenant security deposits are maintained in an account separate from other project funds.

3. Restricted Assets

Special Revenue funds are also classified as restricted cash because it can be expended only for the purposes for which the monies were granted. Customer deposits held by the Commission before and service is supplied are restricted to the service for which the deposit was collected.

Enterprise Fund

	Customer Deposits	\$ 18,174
Total Restricted Cash		<u>\$ 18,174</u>

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. Mid-East Commission did not have an allowance for doubtful accounts for the current year.

## 5. Prepaid Items

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

## 6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Certain items acquired before July 1, 1980 are recorded at an estimated original cost. The total of such estimates is not considered large enough that errors would be material when the fixed assets are considered as whole. 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.

Capital assets are depreciated over their estimated useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	40 years
Furniture and equipment	6-10 years

## 7. Long-term Obligations

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

## 8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Commission has one item that meets this criterion, pension deferrals for the 2018 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 will not be recognized as revenue until then. The Commission has two items that meet the criterion for this category - unearned grant revenues and other OPEB or pension related deferrals.

## 9. Compensated Absences

The vacation policies of the Commission and Mid-East Development Corporation generally provides for the accumulation of up to thirty (30) days of earned vacation leave with such leave being fully vested when earned. The Commission adopted a policy of recognizing an expenditure for the current portion of the accumulated vacation pay. The corresponding liability is reported in the Commission's special revenue fund. For the Commission's proprietary fund, Mid-East development Corporation, an expense and a liability for compensated absences and the salary-related payments are recorded within the fund as the leave is earned.

The sick leave policies of the Commission and Mid-East Development Corporation 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 determination of length of service for retirement benefit purposes. Since neither entity has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position/Fund Balances

Net Position

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

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

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

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

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Commission's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Economic Development - portion of fund balance assigned by the board for economic development.

Assigned Fund Balance - portion of fund balance that the Commission intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

The Commission 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-commission funds, commission 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 is in the best interest of the Commission.

11. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Commission's employer contributions are recognized when due and the Commission has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

F. Revenues, Expenditures and Expenses

Cost Allocation Plan

Mid-East Commission institutes an annual cost allocation plan, based on estimates of the current year, in which indirect costs are pro-rated to the various grants based on an indirect rate that is determined in accordance with federal guidelines. The indirect costs shown in this report for the various grants have been adjusted to the actual amount of indirect expenditures for the year ended June 30, 2018. The rates, estimated and actual, that were used to allocate indirect costs and fringe benefits are as follows:

	<u>Estimated</u>	<u>Actual</u>
Indirect cost rate	36.33%	34.67%
Fringe benefit rate	38.69%	30.76%

Other Financing Sources

The general fund provides the basis of local resources for the special revenue funds. These transactions are recorded as "Transfers to other funds" or "Transfer of local matching funds" in the General Fund and "Transfers from General Fund" or "Transfer of local matching funds" in the receiving fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

No material instances of noncompliance with North Carolina Statutes were noted during the audit.

2. Contractual Violations

None.

B. Deficit in Fund Balance or Net Position of Individual Funds

The Mid East Development Corp has deficit fund balances due to timing issues related to grant income.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All FundsA. Assets1. Deposits

All of the deposits of the Commission and the Development Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Commission's and the Development Corporation'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 Commission and Development Corporation, these deposits are considered to be held by their agent 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 Commission or Development Corporation, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Commission or Development Corporation under the Pooling Method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Commission has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Development Corporation has no formal policy regarding custodial credit risk for deposits.

At June 30, 2018, the Commission's deposits had a carrying amount of \$1,270,961 and a bank balance of \$1,427,133. Of the bank balance, \$703,511 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2018, the Commission had \$402,958 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Commission has no formal policy regarding credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	Accounts	Due From Other Governments	Loans Receivable	Total
Governmental Activities:				
General	\$ -	\$ -	\$ -	\$ -
Other Governmental	5,841	333,767	198,518	538,126
Total Receivables	<u>\$ 5,841</u>	<u>\$ 333,767</u>	<u>\$ 198,518</u>	<u>\$ 538,126</u>
Business-Type Activities:				
Mid-East Development Corp	\$ 22,337	\$ -	\$ -	\$ 22,337

4. Capital Assets

Capital asset activity for the Primary Government year ended June 30, 2018, was as follows:

	Beginning Balances July 1, 2017	Increases	Decreases	Ending Balances June 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Equipment	\$ 134,537	\$ -	\$ -	\$ 134,537
Less accumulated depreciation for Equipment	(112,283)	(11,642)	-	(123,925)
Governmental activity capital assets, net	<u>\$ 22,254</u>	<u>\$ (11,642)</u>	<u>\$ -</u>	<u>\$ 10,612</u>

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

Human services	\$ 5,821
Economic Development	5,821
Total Depreciation Expense	<u>\$ 11,642</u>

	Beginning Balances July 1, 2017	Increases	Decreases	Ending Balances June 30, 2018
Business-type Activities				
<b>Mid-East Development Corporation</b>				
Capital assets not being depreciated:				
Land	\$ 98,750	\$ -	\$ -	\$ 98,750
Capital assets being depreciated:				
Buildings	1,796,012	21,870	12,207	1,805,675
Furniture, fixtures, equipment	46,836	-	4,263	42,573
Total capital assets being depreciated	<u>1,842,848</u>	<u>21,870</u>	<u>16,470</u>	<u>1,848,248</u>
Less accumulated depreciation for:				
Buildings	975,976	50,473	5,218	1,021,231
Furniture, fixtures, equipment	41,883	-	4,161	37,722
Total accumulated depreciation	<u>1,017,859</u>	<u>\$ 50,473</u>	<u>\$ 9,379</u>	<u>1,058,953</u>
Total capital assets being depreciated, net	<u>824,989</u>			<u>789,295</u>
Business-type activities capital assets, net	<u>\$ 923,739</u>			<u>\$ 888,045</u>

Loans Receivable

The Revolving Loan Fund, established by Mid-East Commission with Economic Development Administration grant funds, provides loans eligible to small businesses to boost economic development in the area. At June 30, 2018 loans receivable amounted to \$198,518 and consisted of several separate loans varying in amounts from \$3,780 to \$148,568 with varying repayment schedules.

The Intermediary Re-lending Program Fund, established by the Mid-East Commission with the U.S. Department of Agriculture - Rural Development loan funds, provides loans to eligible small businesses to boost economic development in the area. At June 30, 2018 loans receivable amounted to \$-0-.

B. Liabilities1. Payables

Payables at the government-wide level at June 30, 2018, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities			
Other Governmental	\$ 797,575	\$ 204,210	\$ 1,001,785
Business-type Activities			
Mid-East Development Corporation	\$ 31,694	\$ -	\$ 31,694

2. Pension Plan and Other Post Employment Obligationsa. Local Governmental Employees' Retirement System

*Plan Description.* The Mid-East Commission is a participating employer in the statewide Local Government Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined 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, or by calling (919) 981-5454.

*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. 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 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.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Commission employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Commission's contractually required contribution rate for the year ended June 30, 2018, was 7.55% for general employees, 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 Commission were \$94,602 for the year ended June 30, 2018.

*Refunds of Contributions* – Commission 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, 2018, the Commission reported a liability of \$193,258 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Commission's proportion of the net pension liability was based on a projection of the Commission'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, 2017, the Commission's proportion was 0.01265%, which was a decrease of 0.00192% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Commission recognized pension expense of \$56,350. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,133	\$ 5,470
Change in assumptions	27,600	
Net difference between projected and actual earnings on pension plan investments	46,924	-
Changes in proportion and differences between Commission's contributions and proportionate share of contributions	5,085	42,511
Commission's contributions subsequent to the measurement date	94,602	-
Total	<u>\$ 185,344</u>	<u>\$ 47,981</u>

\$94,602 reported as deferred outflows of resources related to pensions resulting from Commission 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:

<b>Year Ended June 30</b>	
2019	856
2020	41,869
2021	16,927
2022	(16,891)
2023	-
Thereafter	-
	<u>\$ 42,761</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of position plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected</b>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation		
Protection	6.0%	4.0%
Total	100%	

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Commission's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Commission's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the Commission's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	<b>1 % Decrease (6.20%)</b>	<b>Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
Commission's proportionate share of the net pension liability (asset)	\$580,162	\$193,258	(\$129,686)

*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.

3. Deferred Outflows and Inflows of Resources

The Commission has one deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Source	Amount
Changes in proportion and differences between Commission's contributions and proportionate share of contributions	\$ 5,085
Differences between expected and actual experience	11,133
Change in assumptions	27,600
Net difference between projected and actual earnings on pension plan investments	46,924
Contributions to pension plan in current fiscal year	94,602
Total	<u>\$ 185,344</u>

Deferred inflows of resources at year-end is comprised of the following:

Pension deferrals	\$ 47,981
Grants Receivable	\$ 333,767

b. Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all Commission employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

c. Other Post Employment BenefitsHealthcare Benefits

*Plan Description.* Under the terms of a Commission resolution, the Commission administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Commission Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* Prior to July 1, 2007, retirees qualified for benefits similar to those of employees after a minimum of five years of creditable service with the Commission. The Commission pays the full cost of coverage for employees' benefits through private insurers and employees have the option of purchasing dependent coverage at the Commission's group rates. Employees hired on or after July 1, 2007 who retire with a minimum of 20 years of creditable service also have the option of purchasing coverage for themselves and dependents at the Commission's group rate. Employees hired on or after July 1, 2007 who retire with less than 20 years of service are not eligible for postemployment coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Commission Council may amend the benefit provisions. A separate report was not issued for the plan.

Retired Employees' Years of Creditable Service	Date Hired	
	Pre-July 1, 2007	On or after July 1, 2007
Less than 5 years	Not eligible for coverage	Not eligible for coverage
5 - 20	Full coverage paid for by Commission	Not eligible for coverage
20+	Full coverage paid for by Commission	Full coverage paid for by Commission

Membership of the HCB Plan consisted of the following at December 31, 2017, the date of the latest actuarial valuation:

	General Employees
Retirees and dependents receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	7
Total	<u>7</u>

#### Total OPEB Liability

The Commission's total OPEB liability of \$297,513 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary Increases	3.50 percent, average, including inflation
Discount rate	3.18 percent
Healthcare cost trend rates	Medical - 7.5%
	Prescription - 7.25%
	Admin Expenses - 3.00%

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

#### Changes in the Total OPEB Liability

	Total OPEB Liability (a)
<b>Balances at July 1, 2017</b>	<u>\$ 322,396</u>
Changes for the Year:	
Service Cost	5,091
Interest	9,288
Changes of benefit terms	-
Differences between expected and actual experience	78
Changes of assumptions or other inputs	(11,492)
Benefit Payments	<u>(27,848)</u>
Net Changes	<u>(24,883)</u>
Balances at June 30, 2018	<u><u>\$ 297,513</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.17% to 3.18%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.18 percent) or 1-percentage-point higher (4.18 percent) than the current discount rate:

	Discount Rate		
	1 % Decrease	(3.56%)	1% Increase
Total OPEB liability	\$318,719	\$297,513	\$277,702

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

	(Medical - 5.5%, Prescription - 6.25%, Admin Expenses - 2.00%)	Discount Rate (Medical - 6.5%, Prescription - 7.25%, Admin Expenses - 3.00%)	(Medical - 7.5%, Prescription - 8.25%, Admin Expenses - 4.00%)
Total OPEB liability	\$275,600	\$297,513	\$321,537

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$00. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58	\$ -
Changes of assumptions	-	8,499
Benefit payments and administrative costs made subsequent to the measurement date	-	-
Total	\$ 58	\$ 8,499

\$00 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2019	2,973
2020	2,973
2021	2,495
2022	-
2023	-
Thereafter	-
	<u>\$ 8,441</u>

#### **4. Other Employment Benefits**

The Commission 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 twelve highest months salary in a row during the twenty-four months prior to the employee's death, but the benefit may not be less than \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan. The Commission has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Commission considers these contributions to be immaterial.

#### **5. Operating Lease Commitments**

The Commission conducts its operations in leased facilities under a non-cancelable operating lease, which expires in 2020. The Commission also has operating leases for copiers and a telephone system, which expire through 2021.

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

Year Ending 30-Jun	Payment
2019	92,935
2020	92,206
2021	59,316
2022	4,526
2023	-
Total	<u>\$ 248,983</u>

## 6. Long-Term Obligations

### a. Loans Payable

#### Mid-East Development Corporation Debt

Long-term debt consists of the following at year-end:

3% restricted construction loan with North Carolina Housing Finance Agency, to be written off over a period of 5 years, beginning 2007, after a 14 year compliance period, secured by a deed of trust.	\$ 28,118
0% restricted construction loan with North Carolina Housing Finance Agency, secured by a real estate deed of trust, due in monthly installments of \$322.	86,870
7.25% note payable to Rural Economic and Community Development, secured by real estate deed of trust, due in monthly installments of \$496 including interest, maturing in June 2043 (RECD provides subsidies of 6.25%).	201,971
6.25% note payable to USDA Rural Housing Service, secured by real estate, due in m monthly installments of \$1,377 including interest, maturing in 2051 (RHS provides interest subsidies of 4.6%).	229,884
6.875% note payable to USDA Rural Housing Service, secured by real estate, due in monthly installments of \$148 including interest, maturing in 2051 (RHS provides interest subsidies of 4.6%).	22,876
6.5% note payable to Rural Economic and Community Development, secured by real estate deed of trust, due in monthly installments of \$2,412 including interest, maturing in February 2044 (RECD provides interest subsidies of 5.5%).	915,095
<b>Total</b>	<b><u>\$ 1,484,814</u></b>

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2019	\$ 124,246	\$ 91,611	\$ 70,692	\$ 20,918	\$ 32,635
2020	125,089	90,870	70,692	20,178	34,219
2021	123,571	87,680	70,692	16,987	35,891
2022	123,570	85,853	70,692	15,161	37,717
2023	117,946	84,023	70,692	13,331	33,923
2024-2028	589,734	385,696	353,461	32,236	204,038
2029-2033	589,734	313,221	353,461	(40,240)	276,513
2034-2038	589,733	212,239	353,461	(141,222)	377,494
2039-2043	411,375	82,012	333,468	(251,456)	329,364
2044-2048	98,647	27,713	56,171	(28,458)	70,934
2049-2053	55,795	3,709	27,149	(23,440)	52,086
Total	<u>\$ 2,949,440</u>	<u>\$ 1,464,626</u>	<u>\$ 1,830,631</u>	<u>\$ (366,005)</u>	<u>\$ 1,484,814</u>

Note: Interest expense becomes negative in the last years of the mortgage when the interest subsidy is greater than the total interest calculated.

## b. Changes in Long-Term Liabilities

	Beginning Balance 6/30/2017	Increases	Decreases	Ending Balance 6/30/2018	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Liability	130,476	167,037	-	297,513	-
Net pension liability (LGRS)	309,225	-	(115,967)	193,258	-
Compensated absences	102,261	-	(9,026)	93,235	-
Total governmental activities	<u>\$ 541,962</u>	<u>\$ 167,037</u>	<u>\$ (124,993)</u>	<u>\$ 584,006</u>	<u>\$ -</u>
Business Type Activities:					
Installment purchase	\$ 1,506,481	\$ -	\$ (21,667)	\$ 1,484,814	\$ 32,635
Total business type activities	<u>\$ 1,506,481</u>	<u>\$ -</u>	<u>\$ (21,667)</u>	<u>\$ 1,484,814</u>	<u>\$ 32,635</u>

7. Risk Management

The Commission 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 Commission participates in two self-funded risk financing pools administered by the Risk Management Agency of the North Carolina Association of County Commissioners. Through these pools, the Commission obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general and professional liability coverage of \$2 million per occurrence, crime coverage of \$250,000 per occurrence, and worker's compensation coverage up to the statutory limits. The pools are reinsured through a multi-state public entity carrier for single occurrence annual losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property and crime coverage, and single occurrence losses of \$350,000 for worker's compensation.

Mid-East Commission carries commercial coverage for all other risks of loss. There have been no significant reduction in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the last three fiscal years.

Mid-East Development Corporation is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters. The Corporation carries commercial insurance for these 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.

In accordance with G.S. 159-29, the Commission's employees that have access to \$200 or more at any given time of the Commission's funds are performance bonded through a commercial surety bond. The finance director is individually bonded for \$50,000.

8. Contingent Liabilities

At June 30, 2018, they Commission was a defendant to various lawsuits. In the opinion of the Commission's management and the Commission's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Commission's financial position.

C. Interfund Balances and Activity

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another fund for compensated absences, services, and other miscellaneous receivables/payable between funds.

From the General Fund to the Special Revenue Fund	<u>\$ 361,449</u>
Total	<u>\$ 361,449</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

D. Fund Balance

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

<b>Total fund balance - General Fund</b>	<b>\$ 361,449</b>
<b>Less:</b>	
<b>Stabilization by State Statute</b>	361,449
<b>Remaining Fund Balance</b>	<b>\$ -</b>

III. Summary Disclosure of Significant ContingenciesFederal and State Assisted Programs

The Commission has received proceeds from 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.

IV. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

X. Change in Accounting Principles/Restatement

The Commission implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the Commission to record beginning net OPEB liability and the effects on net position of contributions paid by the Commission during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental activities decreased by \$141,636.

REQUIRED  
SUPPLEMENTAL FINANCIAL DATA

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

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Schedule of Changes in the Total OPEB Liability and Related Ratios

Schedule of the Proportionate Share of the Net Pension Liability - Local  
Government Employees' Retirement System

Schedule of Contributions - Local Government Employees' Retirement  
System

**MID-EAST COMMISSION**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Healthcare Benefits Plan**  
**Year Ended June 30, 2018\***

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 5,091
Interest	9,288
Changes of benefit terms	-
Differences between expected and actual experience	78
Changes of assumptions	(11,492)
Benefit payments	<u>(27,848)</u>
<b>Net change in total OPEB liability</b>	(24,883)
<b>Total OPEB liability - beginning</b>	322,396
<b>Total OPEB liability - ending</b>	<u><u>\$ 297,513</u></u>
 Commission's covered-employee payroll	 \$ 1,253,012
 Commission's OPEB liability as a percentage of its covered-employee payroll	 23.74%

\* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

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

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%

**MID-EAST COMMISSION**  
**Commission's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

**Local Government Employees' Retirement System**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Commission's proportion of the net pension liability (asset) (%)	0.01265%	0.0146%	0.0022%	0.0220%	0.2201%
Commission's proportion of the net pension liability (asset) (\$)	\$ 193,257	\$ 309,225	\$ 97,793	\$ (129,803)	\$ 241,077
Commission's covered-employee payroll	\$ 852,345	\$ 890,223	\$ 1,167,798	\$ 1,248,760	\$ 1,127,546
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.67%	34.74%	8.37%	( 10.39%)	21.38%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

**MID-EAST COMMISSION**  
**Commission's Contributions**  
**Required Supplementary Information**  
**Last Five Fiscal Years**

**Local Government Employees' Retirement System**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 94,602	\$ 62,306	\$ 59,796	\$ 82,563	\$ 88,287
Contributions in relation to the contractually required contribution	94,602	62,306	59,796	82,563	88,287
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 1,253,012	\$ 852,345	\$ 890,223	\$ 1,167,798	\$ 1,248,760
Contributions as a percentage of covered-employee payroll	7.55%	7.31%	6.72%	7.07%	7.07%

## INDIVIDUAL FUND SCHEDULES

- 
- Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - General Fund
-

MID-EAST COMMISSION  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	2018		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Other local revenue	\$ 358,634	\$ 358,634	\$ -
Rental income	4,339	4,339	-
Interest income	737	737	-
<b>TOTAL REVENUES</b>	<b>363,710</b>	<b>363,710</b>	<b>-</b>
<b>EXPENDITURES</b>			
Human services	240,738	72,397	168,341
<b>TOTAL EXPENDITURES</b>	<b>240,738</b>	<b>72,397</b>	<b>168,341</b>
Revenues over (under) expenditures	122,972	291,313	168,341
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from (to) other funds:	-	-	-
Transfer out of local matching funds	(122,972)	(122,972)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(122,972)</b>	<b>(122,972)</b>	<b>-</b>
Change in fund balance	\$ -	\$ 168,341	\$ 168,341
Fund Balances:			
Beginning of Year		193,108	
End of Year		\$ 361,449	

## SPECIAL REVENUE FUNDS

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Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Special Revenue Fund  
For the Year Ended June 30, 2018

	Aging	Workforce Development Region Q	Economic Development	Mid-East Revolving Loan Fund	Planning	NCHFA Fund	USDA RDBG	RLF Sequester	Mid-East Revolving Loan Fund Svc & Mkt	Total June 30, 2018
Revenues:										
Federal awards	\$ 1,426,919	\$ 3,103,829	\$ 66,839	\$ -	\$ 10,149	\$ 110,236	\$ 4,132	\$ -	\$ -	\$ 4,722,104
State awards	1,517,205	-	-	-	77,936	-	-	-	-	1,595,141
Local match	255,925	-	-	-	-	-	-	-	-	255,925
Other local revenue	15,979	-	49,915	-	83,633	10,000	-	342	4,453	164,322
Program income	-	-	-	156,623	-	-	-	-	-	156,623
Interest Income	-	-	-	10,445	-	-	-	-	-	10,445
Total Revenues	<u>3,216,028</u>	<u>3,103,829</u>	<u>116,754</u>	<u>167,068</u>	<u>171,718</u>	<u>120,236</u>	<u>4,132</u>	<u>342</u>	<u>4,453</u>	<u>6,904,560</u>
Expenditures:										
Personnel	305,923	765,898	111,483	-	95,031	16,034	-	-	-	1,294,369
Participant wages and fringes	-	34,572	-	-	-	-	-	-	-	34,572
Travel	38,839	42,196	8,639	-	8,295	76	-	-	-	98,045
Contractual services	2,582,707	1,398,162	-	665	15,079	90,824	-	-	-	4,087,437
Capital outlay	-	-	-	-	-	-	-	-	-	-
Other direct expenses	206,046	566,854	19,887	4,452	16,212	20,492	914	342	1,666	836,865
Indirect costs	139,004	296,147	43,226	-	37,101	6,309	-	-	-	521,787
Total Expenditures	<u>3,272,519</u>	<u>3,103,829</u>	<u>183,235</u>	<u>5,117</u>	<u>171,718</u>	<u>133,735</u>	<u>914</u>	<u>342</u>	<u>1,666</u>	<u>6,873,075</u>
Revenues over(under) expenditures	<u>(56,491)</u>	<u>-</u>	<u>(66,481)</u>	<u>161,951</u>	<u>-</u>	<u>(13,499)</u>	<u>3,218</u>	<u>-</u>	<u>2,787</u>	<u>31,485</u>
Other Financing Sources (Uses)										
Transfers (to) from Special Projects	-	-	-	-	-	-	-	-	-	-
Transfer (to) from Special Projects	-	-	-	-	-	-	-	-	-	-
Transfer of local matching funds	56,491	-	66,481	-	-	-	-	-	-	122,972
Total other financing sources (uses)	<u>56,491</u>	<u>-</u>	<u>66,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,972</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,951</u>	<u>-</u>	<u>(13,499)</u>	<u>3,218</u>	<u>-</u>	<u>2,787</u>	<u>-</u>
Fund Balances:										
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,763</u>	<u>313,069</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,257</u>	<u>\$ -</u>	<u>\$ (13,499)</u>	<u>\$ 3,218</u>	<u>\$ -</u>	<u>\$ 47,550</u>	<u>\$ 467,526</u>

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs  
For the Year Ended June 30, 2018

	Aging Planning and Administration Title III	Home and Community Care Block Grant	Legal	Aging Management Information Services	Title III Elder Abuse
Revenues:					
Federal awards	\$ 167,406	\$ 1,033,034	\$ 15,685	\$ -	\$ 7,252
State awards	12,964	1,195,120	923	2,005	266
Local match	-	235,974	-	-	-
Other local revenue	-	-	-	27	-
Total Revenues	<u>180,370</u>	<u>2,464,128</u>	<u>16,608</u>	<u>2,032</u>	<u>7,518</u>
Expenditures:					
Personnel	64,730	-	-	-	583
Travel	20,378	-	-	-	252
Contractual services	10,380	2,464,128	16,608	2,032	-
Capital outlay	-	-	-	-	-
Other direct expenses	94,619	-	-	-	7,002
Indirect costs	30,208	-	-	-	212
Total Expenditures	<u>220,315</u>	<u>2,464,128</u>	<u>16,608</u>	<u>2,032</u>	<u>8,049</u>
Revenues over(under) expenditures	<u>(39,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(531)</u>
Other Financing Sources (Uses)					
Transfer of local matching funds	39,945	-	-	-	531
Total other financing sources (uses)	<u>39,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs  
For the Year Ended June 30, 2018

Ombudsman Program	MIPPA	AAA Administration Support	Project Care	Family Caregiver Support
\$ 77,989	\$ -	\$ -	\$ -	\$ 125,553
32,150	-	45,401	109,624	9,134
-	19,951	-	-	-
-	-	-	-	-
<u>110,139</u>	<u>19,951</u>	<u>45,401</u>	<u>109,624</u>	<u>134,687</u>
32,075	14,012	28,636	54,802	68,313
3,134	1,891	907	5,927	3,506
3,265	-	-	23,733	16,453
-	-	-	-	-
53,709	1,048	4,136	3,657	18,591
30,194	3,000	11,722	21,505	27,824
<u>122,377</u>	<u>19,951</u>	<u>45,401</u>	<u>109,624</u>	<u>134,687</u>
<u>(12,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
12,238	-	-	-	-
<u>12,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs  
For the Year Ended June 30, 2018

Health Promotions	Special Project	CRC/LCA Other	SHIP	SMP	Vidant Grant	Senior Center GP	Total June 30, 2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,426,919
30,668	1,948	30,000	3,206	3,688	-	40,108	1,517,205
-	-	-	-	-	-	-	255,925
-	-	6,900	-	-	9,052	-	15,979
<u>30,668</u>	<u>1,948</u>	<u>36,900</u>	<u>3,206</u>	<u>3,688</u>	<u>9,052</u>	<u>40,108</u>	<u>3,216,028</u>
17,523	-	20,128	-	5,121	-	-	305,923
397	-	1,340	1,107	-	-	-	38,839
-	1,948	-	-	-	4,052	40,108	2,582,707
-	-	-	-	-	-	-	-
8,321	-	7,797	2,099	67	5,000	-	206,046
6,704	-	7,635	-	-	-	-	139,004
<u>32,945</u>	<u>1,948</u>	<u>36,900</u>	<u>3,206</u>	<u>5,188</u>	<u>9,052</u>	<u>40,108</u>	<u>3,272,519</u>
<u>(2,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(56,491)</u>
2,277	-	-	-	1,500	-	-	56,491
<u>2,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>56,491</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

MID-EAST COMMISSION  
Aging Programs - Aging Planning and Administration Title III  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 167,406	\$
State awards		12,964	
Local match		-	
Other local revenue		-	
Total revenues	<u>180,370</u>	<u>180,370</u>	<u>-</u>
Expenditures			
Personnel		64,730	
Travel		20,378	
Contractual services		10,380	
Capital outlay		-	
Other direct expenses		94,619	
Indirect costs		30,208	
Total expenditures	<u>220,315</u>	<u>220,315</u>	<u>-</u>
Revenues over (under) expenditures	<u>(39,945)</u>	<u>(39,945)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>39,945</u>	<u>39,945</u>	<u>-</u>
Total other financing sources (uses)	<u>39,945</u>	<u>39,945</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Home and Community Care Block Grant  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 1,033,034	\$
State awards		1,195,120	
Other local revenue		235,974	
Total revenues	<u>2,464,128</u>	<u>2,464,128</u>	<u>-</u>
Expenditures			
Contractual services		2,464,128	
Total expenditures	<u>2,464,128</u>	<u>2,464,128</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Aging Programs - Legal  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 15,685	\$
State awards		923	
Other local revenue		-	
Total revenues	<u>16,608</u>	<u>16,608</u>	<u>-</u>
Expenditures			
Other direct expenses	-	16,608	
Indirect costs	<u>-</u>	<u>-</u>	
Total expenditures	<u>16,608</u>	<u>16,608</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Aging Programs - Aging Management Information Services  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State awards		2005	
Other local revenue	\$ <u>          </u>	\$ <u>      27</u>	\$ <u>          </u>
Total revenues	<u>      2,032</u>	<u>      2,032</u>	<u>          -</u>
Expenditures			
Other direct expenses	<u>          </u>	<u>      2,032</u>	<u>          </u>
Total expenditures	<u>      2,032</u>	<u>      2,032</u>	<u>          -</u>
Revenues over (under) expenditures	<u>          -</u>	<u>          -</u>	<u>          -</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total other financing sources (uses)	<u>          -</u>	<u>          -</u>	<u>          -</u>
Change in fund balance	\$ <u>          -</u>	<u>          -</u>	\$ <u>          -</u>
Fund Balances:			
Beginning of year		<u>          -</u>	
End of year		\$ <u>          -</u>	

MID-EAST COMMISSION  
Aging Programs - Title III Elder Abuse  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 7,252	\$
State awards		266	
Local match		-	
Total revenues	<u>7,518</u>	<u>7,518</u>	<u>-</u>
Expenditures			
Personnel		583	
Travel		252	
Other direct expenses		7,002	
Indirect costs		212	
Total expenditures	<u>8,049</u>	<u>8,049</u>	<u>-</u>
Revenues over (under) expenditures	<u>(531)</u>	<u>(531)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>531</u>	<u>531</u>	<u>-</u>
Total other financing sources (uses)	<u>531</u>	<u>531</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Ombudsman Program  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 77,989	\$
State awards		32,150	
Local revenue		-	-
Total revenues	<u>110,139</u>	<u>110,139</u>	<u>-</u>
Expenditures			
Personnel		32,075	
Travel		3,134	
Contractual services		3,265	
Capital outlay		-	
Other direct expenses		53,709	
Indirect costs		30,194	
Total expenditures	<u>122,377</u>	<u>122,377</u>	<u>-</u>
Revenues over (under) expenditures	<u>(12,238)</u>	<u>(12,238)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>12,238</u>	<u>12,238</u>	<u>-</u>
Total other financing sources (uses)	<u>12,238</u>	<u>12,238</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - MIPPA  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local revenues	\$	\$ 19,951	\$
Total revenues	<u>19,951</u>	<u>19,951</u>	<u>-</u>
Expenditures			
Personnel		14,012	
Travel		1,891	
Contractual services		-	
Capital outlay		-	
Other direct expenses		1,048	
Indirect costs		3,000	
Total expenditures	<u>19,951</u>	<u>19,951</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Aging Programs - AAA Administration Support  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 45,401	\$
Other local revenue		-	
Total revenues	<u>45,401</u>	<u>45,401</u>	<u>-</u>
Expenditures			
Personnel		28,636	
Travel		907	
Contractual services		-	
Capital outlay		-	
Other direct expenses		4,136	
Indirect costs		11,722	
Total expenditures	<u>45,401</u>	<u>45,401</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Project Care  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ -	\$
Local Match		-	
State awards		109,624	
Total revenues	<u>109,624</u>	<u>109,624</u>	<u>-</u>
Expenditures			
Contractual services		23,733	
Other direct expenses		85,891	
Total expenditures	<u>109,624</u>	<u>109,624</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$	<u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Family Caregiver Support  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 125,553	\$
Other local revenues		-	
State awards		9,134	
Total revenues	<u>134,687</u>	<u>134,687</u>	<u>-</u>
Expenditures			
Personnel		68,313	
Travel		3,506	
Contractual services		16,453	
Capital outlay		-	
Other direct expenses		18,591	
Indirect costs		27,824	
Total expenditures	<u>134,687</u>	<u>134,687</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Health Promotions  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 30,668	\$
Local match		-	
Total revenues	<u>30,668</u>	<u>30,668</u>	<u>-</u>
Expenditures			
Personnel		17,523	
Travel		397	
Contractual services	-	-	
Other direct expenses		8,321	
Indirect costs		6,704	
Total expenditures	<u>32,945</u>	<u>32,945</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,277)</u>	<u>(2,277)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>2,277</u>	<u>2,277</u>	<u>-</u>
Total other financing sources (uses)	<u>2,277</u>	<u>2,277</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	- \$ <u>-</u>	
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Special Project  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ -	\$
State awards		1,948	
Other local revenue		-	
Local match		-	
Total revenues	<u>1,948</u>	<u>1,948</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		1,948	
Capital outlay		-	
Other direct expenses		-	
Indirect costs		-	
Total expenditures	<u>1,948</u>	<u>1,948</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - CRC/LCA  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other local reveunes		6,900	
State revenues	\$	\$ 30,000	\$
Total revenues	<u>36,900</u>	<u>36,900</u>	<u>-</u>
Expenditures			
Personnel		20,128	
Travel		1,340	
Contractual services		-	
Other direct expenses		7,797	
Equipment		-	
Indirect costs		7,635	
Total expenditures	<u>36,900</u>	<u>36,900</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - SHIP  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 3,206	\$
Total revenues	<u>3,206</u>	<u>3,206</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		1,107	
Contractual services		-	
Other direct expenses		2,099	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>3,206</u>	<u>3,206</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - SMP  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 3,688	\$
Total revenues	<u>3,688</u>	<u>3,688</u>	<u>-</u>
Expenditures			
Personnel		5,121	
Travel		-	
Contractual services		-	
Other direct expenses		67	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>5,188</u>	<u>5,188</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,500)</u>	<u>(1,500)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total other financing sources (uses)	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Vidant Grant  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local revenues	\$	\$ 9,052	\$
Total revenues	<u>9,052</u>	<u>9,052</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		4,052	
Other direct expenses		5,000	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>9,052</u>	<u>9,052</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Aging Programs - Senior Center General Purpose  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Other local	\$	\$ -	\$
State awards		40,108	
Total revenues	<u>40,108</u>	<u>40,108</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		40,108	
Other direct expenses		-	
Indirect costs		-	
Total expenditures	<u>40,108</u>	<u>40,108</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Workforce Development Region Q  
For the Year Ended June 30, 2018

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Youth WIA 2040	WIOA Other	NEG	Total June 30, 2018
Revenues:							
Federal awards	\$ 191,936	\$ 961,742	\$ 491,788	\$ 1,009,353	\$ 31,351	\$ 417,659	\$ 3,103,829
Local match	-	-	-	-	-	-	-
Total Revenues	<u>191,936</u>	<u>961,742</u>	<u>491,788</u>	<u>1,009,353</u>	<u>31,351</u>	<u>417,659</u>	<u>3,103,829</u>
Expenditures:							
Personnel	106,158	307,483	148,806	157,254	-	46,197	765,898
Participant wages and fringes	-	15,660	-	18,912	-	-	34,572
Travel	7,357	18,637	4,452	11,389	-	361	42,196
Contractual services	6,989	259,309	116,950	701,915	25,000	287,999	1,398,162
Capital outlay	-	-	-	-	-	-	-
Other direct expenses	30,382	241,241	164,837	58,570	6,351	65,473	566,854
Indirect costs	41,050	119,412	56,743	61,313	-	17,629	296,147
Total Expenditures	<u>191,936</u>	<u>961,742</u>	<u>491,788</u>	<u>1,009,353</u>	<u>31,351</u>	<u>417,659</u>	<u>3,103,829</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION  
Workforce Development Region Q - Administration - WIA 2010  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards		191,936	
Local match		-	
Total revenues	<u>191,936</u>	<u>191,936</u>	<u>-</u>
Expenditures			
Administration:			
Personnel		106,158	
Travel		7,357	
Contractual services		6,989	
Capital outlay		-	
Other direct expenses		30,382	
Indirect costs		41,050	
Total expenditures (admin)	<u>191,936</u>	<u>191,936</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Workforce Development Region Q - Adult - WIA 2020  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	-	961,742	
Local funds		-	
Total revenues	<u>961,742</u>	<u>961,742</u>	<u>-</u>
Expenditures			
Program:			
Personnel	307,483	307,483	-
Participant wages and fringes	15,660	15,660	-
Travel	18,637	18,637	-
Contractual services	259,309	259,309	-
Other direct expenses	241,241	241,241	-
Indirect costs	<u>119,412</u>	<u>119,412</u>	<u>-</u>
Total expenditures (program)	<u>961,742</u>	<u>961,742</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Workforce Development Region Q - Dislocated Worker - WIA 2030  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	491,788	491,788	-
Total revenues	<u>491,788</u>	<u>491,788</u>	<u>-</u>
Expenditures			
Program:			
Personnel	148,806	148,806	-
Participant wages and fringes	-	-	-
Travel	4,452	4,452	-
Contractual services	116,950	116,950	-
Other direct expenses	164,837	164,837	-
Indirect costs	56,743	56,743	-
Total expenditures (program)	<u>491,788</u>	<u>491,788</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Workforce Development Region Q - Youth - WIA 2040  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	1,009,353	1,009,353	-
Total revenues	<u>1,009,353</u>	<u>1,009,353</u>	<u>-</u>
Expenditures			
Program:			
Personnel	157,254	157,254	-
Participant wages and fringes	18,912	18,912	-
Travel	11,389	11,389	-
Contractual services	701,915	701,915	-
Capital outlay	-	-	-
Other direct expenses	58,570	58,570	-
Indirect costs	61,313	61,313	-
Total expenditures (program)	<u>1,009,353</u>	<u>1,009,353</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u><u>-</u></u>	

MID-EAST COMMISSION  
Workforce Development Region Q - Other WIOA  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	31,351	31,351	-
Local match	-	-	-
Total revenues	<u>31,351</u>	<u>31,351</u>	<u>-</u>
Program:			
Personnel	-	-	-
Participant wages and fringes	-	-	-
Travel	-	-	-
Contractual services	25,000	25,000	-
Capital outlay	-	-	-
Other direct expenses	6,351	6,351	-
Indirect costs	-	-	-
Total expenditures	<u>31,351</u>	<u>31,351</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Workforce Development Region Q - Incentive - NEG  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	417,659	417,659	-
Local match	-	-	-
Total revenues	<u>417,659</u>	<u>417,659</u>	<u>-</u>
Program:			
Personnel	46,197	46,197	-
Participant wages and fringes	-	-	-
Travel	361	361	-
Contractual services	287,999	287,999	-
Capital outlay	-	-	-
Other direct expenses	65,473	65,473	-
Indirect costs	17,629	17,629	-
Total expenditures	<u>417,659</u>	<u>417,659</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic Development Programs  
For the Year Ended June 30, 2018

	Economic Development Administration	Washington CDBG	Bertie Projects	EDA Matthew	Roanoke Chowan DTF
Revenues:					
Federal awards	\$ 62,821	\$ -	\$ -	\$ 4,018	\$ -
State awards	-	-	-	-	-
Other local revenue	-	24,594	2,836	8,526	1,110
Total Revenues	<u>62,821</u>	<u>24,594</u>	<u>2,836</u>	<u>12,544</u>	<u>1,110</u>
Expenditures:					
Personnel	77,341	16,064	2,156	5,423	-
Travel	6,062	1,169	-	133	1,110
Contractual services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other direct expenses	13,823	1,064	-	5,000	-
Indirect costs	29,774	6,297	680	1,988	-
Total Expenditures	<u>127,000</u>	<u>24,594</u>	<u>2,836</u>	<u>12,544</u>	<u>1,110</u>
Revenues over(under) expenditures	<u>(64,179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer (to) from special projects	-	-	-	-	-
Transfer (to) from general fund	-	-	-	-	-
Transfer of local matching funds	64,179	-	-	-	-
Total other financing sources (uses)	<u>64,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Economic  
Development Programs  
For the Year Ended June 30, 2018

Pitt Projects	EDA Disaster Recovery	ED Special Projects	Beaufort County IDX	Beaufort County Projects	Total June 30, 2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,839
-	-	-	-	-	-
4,726	-	2,046	171	5,906	49,915
4,726	-	2,046	171	5,906	116,754
3,210	1,637	1,388	115	4,149	111,483
123	26	-	-	16	8,639
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,887
1,393	639	658	56	1,741	43,226
4,726	2,302	2,046	171	5,906	183,235
-	(2,302)	-	-	-	(66,481)
-	-	-	-	-	-
-	-	-	-	-	-
-	2,302	-	-	-	66,481
-	2,302	-	-	-	66,481
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-EAST COMMISSION  
Economic Development Programs - Economic Development Administration  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	62,821	62,821	
Other local reevenue	-	-	
Total revenues	<u>62,821</u>	<u>62,821</u>	<u>-</u>
Expenditures			
Personnel	77,341	77,341	-
Travel	6,062	6,062	-
Contractual services	-	-	-
Other direct expenses	13,823	13,823	-
Indirect costs	29,774	29,774	-
Total expenditures	<u>127,000</u>	<u>127,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(64,179)</u>	<u>(64,179)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer from ED special projects	-	-	-
Transfer of local matching funds	64,179	64,179	-
Total other financing sources (uses)	<u>64,179</u>	<u>64,179</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - Washington CDBG  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	24,594	24,594	-
Total revenues	<u>24,594</u>	<u>24,594</u>	<u>-</u>
Expenditures			
Personnel	16,064	16,064	-
Travel	1,169	1,169	-
Contractual services	-	-	-
Other direct expenses	1,064	1,064	-
Indirect costs	6,297	6,297	-
Total expenditures	<u>24,594</u>	<u>24,594</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - Bertie Projects  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local revenue	2,836	2,836	-
Total revenues	<u>2,836</u>	<u>2,836</u>	<u>-</u>
Expenditures			
Personnel	2,156	2,156	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	-	-	-
Indirect costs	680	680	-
Total expenditures	<u>2,836</u>	<u>2,836</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - EDA Matthew  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 4,018	\$ 4,018	\$ -
State awards	-	-	-
Local revenues	8,526	8,526	-
Total revenues	<u>12,544</u>	<u>12,544</u>	<u>-</u>
Expenditures			
Personnel	5,423	5,423	-
Travel	133	133	-
Contractual services	-	-	-
Other direct expenses	5,000	5,000	-
Indirect costs	1,988	1,988	-
Total expenditures	<u>12,544</u>	<u>12,544</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - Roanoke - Chowan DTF  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local revenues	1,110	1,110	-
Total revenues	<u>1,110</u>	<u>1,110</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	1,110	1,110	-
Contractual services	-	-	-
Other direct expenses	-	-	-
Indirect costs	-	-	-
Total expenditures	<u>1,110</u>	<u>1,110</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - Pitt Projects  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	4,726	4,726	-
Total revenues	<u>4,726</u>	<u>4,726</u>	<u>-</u>
Expenditures			
Personnel	3,210	3,210	-
Travel	123	123	-
Contractual services	-	-	-
Other direct expenses	-	-	-
Indirect costs	1,393	1,393	-
Total expenditures	<u>4,726</u>	<u>4,726</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION  
Economic Development Programs - EDA Disaster Recovery  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Personnel	1,637	1,637	-
Travel	26	26	-
Contractual services	-	-	-
Other direct expenses	-	-	-
Indirect costs	639	639	-
Total expenditures	<u>2,302</u>	<u>2,302</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,302)</u>	<u>(2,302)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>2,302</u>	<u>2,302</u>	<u>-</u>
Total other financing sources (uses)	<u>2,302</u>	<u>2,302</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - ED Special Projects  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	2,046	2,046	-
Total revenues	<u>2,046</u>	<u>2,046</u>	<u>-</u>
Expenditures			
Personnel	1,388	1,388	-
Travel	-	-	-
Other direct expenses	-	-	-
Indirect costs	658	658	-
Total expenditures	<u>2,046</u>	<u>2,046</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Economic Development Programs - Beaufort County IDX  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
From Inception and For the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	171	-	171	171	-
Total revenues	<u>-</u>	<u>-</u>	<u>171</u>	<u>171</u>	<u>-</u>
Expenditures					
Personnel	115	-	115	115	-
Travel	-	-	-	-	-
Contractual services	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Indirect costs	56	-	56	56	-
Total expenditures	<u>-</u>	<u>-</u>	<u>171</u>	<u>171</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION  
Economic Development Programs - Beaufort County Projects  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
From Inception and For the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	5,906	-	5,906	5,906	-
Total revenues	<u>5,906</u>	<u>-</u>	<u>5,906</u>	<u>5,906</u>	<u>-</u>
Expenditures					
Personnel	4,149	-	4,149	4,149	-
Travel	16	-	16	16	-
Contractual services	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Indirect costs	1,741	-	1,741	1,741	-
Total expenditures	<u>5,906</u>	<u>-</u>	<u>5,906</u>	<u>5,906</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer to other ED funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year			<u>-</u>		
End of year			<u>\$ -</u>		

MID-EAST COMMISSION  
Planning Programs  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2018

	Aurora Planning & Zoning Administration	Aulander Planning & Zoning Administration	Planning & Zoning Beaufort County	Pedestrian Plan Washington	Planning & Zoning Washington	Planning & Zoning Hamilton	Planning & Zoning Projects
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal awards	-	-	-	-	-	-	-
Other local awards	592	494	5,663	-	11,114	273	22,429
Total Revenues	<u>592</u>	<u>494</u>	<u>5,663</u>	<u>-</u>	<u>11,114</u>	<u>273</u>	<u>22,429</u>
Expenditures:							
Personnel	358	355	3,620	-	6,154	209	14,974
Travel	-	-	52	-	659	-	882
Contractual services	-	-	-	-	-	-	-
Other direct expenses	94	7	826	-	1,865	-	748
Equipment	-	-	-	-	-	-	-
Indirect costs	140	132	1,165	-	2,436	64	5,825
Total Expenditures	<u>592</u>	<u>494</u>	<u>5,663</u>	<u>-</u>	<u>11,114</u>	<u>273</u>	<u>22,429</u>
Revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)							
Transfer (to) from other funds	-	-	-	-	-	-	-
Transfer of local matching funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Beginning of Year	-	-	-	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION  
Planning Programs  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2018

Planning & Zoning Special Projects	Chocowinity Planning & Zoning Admin	Stormwater Assessment	Rural Transportation Planning	Totals		Variance Positive (Negative)
				June 30, 2018	Budget	
\$ -	\$ -	\$ -	\$ 77,936	\$ 77,936	\$ 77,936	-
-	-	10,149	-	10,149	10,149	-
2,148	14,328	-	26,592	83,633	83,633	-
<u>2,148</u>	<u>14,328</u>	<u>10,149</u>	<u>104,528</u>	<u>171,718</u>	<u>171,718</u>	<u>-</u>
-	7,987	521	60,853	95,031	95,031	-
-	120	-	6,582	8,295	8,295	-
-	-	7,289	7,790	15,079	15,079	-
2,148	3,098	2,160	5,266	16,212	16,212	-
-	-	-	-	-	-	-
-	3,123	179	24,037	37,101	37,101	-
<u>2,148</u>	<u>14,328</u>	<u>10,149</u>	<u>104,528</u>	<u>171,718</u>	<u>171,718</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

MID-EAST COMMISSION  
Mid-East Revolving Loan Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	10,445	10,445	-
Processing fees	-	-	-
Other local revenue	-	-	-
Program income	156,623	156,623	-
Total revenues	<u>167,068</u>	<u>167,068</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	665	665	-
Other direct expenses	166,403	4,452	161,951
Indirect costs	-	-	-
Total expenditures	<u>167,068</u>	<u>5,117</u>	<u>161,951</u>
Revenues over (under) expenditures	<u>-</u>	<u>161,951</u>	<u>161,951</u>
Change in fund balance	\$ <u>-</u>	161,951	\$ <u>161,951</u>
Fund Balances:			
Beginning of year		<u>268,306</u>	
End of year		\$ <u>430,257</u>	

MID-EAST COMMISSION  
 RLF Sequester  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest income	342	342	-
Total revenues	<u>342</u>	<u>342</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Other direct expenses	342	342	-
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>342</u>	<u>342</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION  
Mid-East Revolving Loan Fund  
Service and Marketing  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	-	-	-
Processing fees	-	-	-
Other local revenue	46,028	4,453	(41,575)
Program income	-	-	-
Total revenues	<u>46,028</u>	<u>4,453</u>	<u>(41,575)</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	1,709	1,666	43
Indirect costs	<u>44,319</u>	<u>-</u>	<u>44,319</u>
Total expenditures	<u>46,028</u>	<u>1,666</u>	<u>44,362</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,787</u>	<u>2,787</u>
Change in fund balance	<u>\$ -</u>	2,787	<u>\$ 2,787</u>
Fund Balances:			
Beginning of year		<u>44,763</u>	
End of year		<u>\$ 47,550</u>	

MID-EAST COMMISSION  
USDA - RDBG  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 4,132	\$
State awards		-	
Local funds		-	
Total revenues	<u>5,000</u>	<u>4,132</u>	<u>868</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		-	
Other direct expenses		914	
Indirect costs		-	
Total expenditures	<u>5,000</u>	<u>914</u>	<u>4,086</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,218</u>	<u>3,218</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	3,218	<u>\$ 3,218</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ 3,218</u>	

MID-EAST COMMISSION  
NCHFA - Essential Single Family Rehab  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ 242,430	\$ 110,236	\$ (132,194)
State awards	150,000	-	(150,000)
Local funds	112,570	10,000	(102,570)
Total revenues	<u>505,000</u>	<u>120,236</u>	<u>(384,764)</u>
Expenditures			
Personnel		16,034	
Travel		76	
Contractual services		90,824	
Other direct expenses		20,492	
Indirect costs		6,309	
Total expenditures	<u>505,000</u>	<u>133,735</u>	<u>371,265</u>
Revenues over (under) expenditures	<u>-</u>	<u>(13,499)</u>	<u>(13,499)</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	(13,499)	<u>\$ (13,499)</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ (13,499)</u>	

## PROPRIETARY FUNDS

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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MID-EAST COMMISSION  
Combining Statement of Fund Net Position - Proprietary Fund  
Mid-East Development Corporation  
June 30, 2018

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 45,190	\$ -	\$ 25,148	\$ 20,914	\$ 149,641	\$ 240,893
Security deposits	2,978	-	2,300	12,896	-	18,174
Escrow	1,375	-	1,375	8,744	-	11,494
Reserve	16,121	-	12,796	81,807	-	110,724
Accounts receivable	-	13,629	-	8,708	-	22,337
Prepaid expenses	187	-	130	1,669	-	1,986
Total current assets	<u>65,851</u>	<u>13,629</u>	<u>41,749</u>	<u>134,738</u>	<u>149,641</u>	<u>405,608</u>
Capital assets:						
Building	250,105	-	365,901	1,188,629	-	1,804,635
Land	10,000	-	20,000	68,750	-	98,750
Improvements	5,764	-	-	-	-	5,764
Furniture	-	-	4,775	10,547	20,680	36,002
Accumulated Depreciation	<u>(158,619)</u>	<u>-</u>	<u>(157,540)</u>	<u>(720,267)</u>	<u>(20,680)</u>	<u>(1,057,106)</u>
Total capital assets, net	<u>107,250</u>	<u>-</u>	<u>233,136</u>	<u>547,659</u>	<u>-</u>	<u>888,045</u>
Total Assets	<u>173,101</u>	<u>13,629</u>	<u>274,885</u>	<u>682,397</u>	<u>149,641</u>	<u>1,293,653</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and accrued liabilities	-	-	3,000	6,468	22,226	31,694
Security deposits	2,978	-	2,300	12,896	-	18,174
Notes payable - current	<u>8,582</u>	<u>-</u>	<u>6,082</u>	<u>17,971</u>	<u>-</u>	<u>32,635</u>
Total current liabilities	<u>11,560</u>	<u>-</u>	<u>11,382</u>	<u>37,335</u>	<u>22,226</u>	<u>82,503</u>
Non-current liabilities						
Notes payable - non-current						
NC Housing	25,160	-	250,542	-	-	275,702
FMHA	<u>196,347</u>	<u>-</u>	<u>83,006</u>	<u>897,124</u>	<u>-</u>	<u>1,176,477</u>
Total non-current liabilities	<u>221,507</u>	<u>-</u>	<u>333,548</u>	<u>897,124</u>	<u>-</u>	<u>1,452,179</u>
Total Liabilities	<u>233,067</u>	<u>-</u>	<u>344,930</u>	<u>934,459</u>	<u>22,226</u>	<u>1,534,682</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	(122,839)	-	(106,494)	(367,436)	-	(596,769)
Unrestricted	<u>62,873</u>	<u>13,629</u>	<u>36,449</u>	<u>115,374</u>	<u>127,415</u>	<u>355,740</u>
Total Net Position	<u>\$ (59,966)</u>	<u>\$ 13,629</u>	<u>\$ (70,045)</u>	<u>\$ (252,062)</u>	<u>\$ 127,415</u>	<u>\$ (241,029)</u>

MID-EAST COMMISSION  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
<b>OPERATING REVENUES:</b>						
Rental income	\$ 27,013	\$ -	\$ 18,209	\$ 161,639	\$ -	\$ 206,861
Operation and management	-	-	11,695	-	977	12,672
Other local revenue	433	-	675	3,113	-	4,221
Total operating revenues	<u>27,446</u>	<u>-</u>	<u>30,579</u>	<u>164,752</u>	<u>977</u>	<u>223,754</u>
<b>OPERATING EXPENSES</b>						
Management related	2,031	-	12,375	34,134	602	49,142
Operation of program services	59,750	-	42,517	59,632	-	161,899
Depreciation	6,541	-	9,081	34,953	-	50,575
Contractual services	450	-	6,962	22,495	-	29,907
Total operating expenditures	<u>68,772</u>	<u>-</u>	<u>70,935</u>	<u>151,214</u>	<u>602</u>	<u>291,523</u>
Operating income (loss)	<u>(41,326)</u>	<u>-</u>	<u>(40,356)</u>	<u>13,538</u>	<u>375</u>	<u>(67,769)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Rental assistance received	44,899	-	57,701	-	-	102,600
Interest subsidies received	11,475	-	11,234	-	-	22,709
Interest income	31	-	28	68	2,078	2,205
Contributions and local support	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-
Interest expense	<u>(14,692)</u>	<u>-</u>	<u>(16,228)</u>	<u>(12,006)</u>	<u>-</u>	<u>(42,926)</u>
Total nonoperating revenues(expenses)	<u>41,713</u>	<u>-</u>	<u>52,735</u>	<u>(11,938)</u>	<u>2,078</u>	<u>84,588</u>
Change in net position	387	-	12,379	1,600	2,453	16,819
Net position, beginning	\$ <u>(60,353)</u>	\$ <u>13,629</u>	\$ <u>(82,424)</u>	\$ <u>(253,662)</u>	\$ <u>124,962</u>	\$ <u>(257,848)</u>
Net position, ending	\$ <u><u>(59,966)</u></u>	\$ <u><u>13,629</u></u>	\$ <u><u>(70,045)</u></u>	\$ <u><u>(252,062)</u></u>	\$ <u><u>127,415</u></u>	\$ <u><u>(241,029)</u></u>

MID-EAST COMMISSION  
Combining Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2018

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
<b>Cash Flows From Operating Activities:</b>						
Cash Received from Customers/others	\$ 27,446	\$ -	\$ 30,579	\$ 164,752	\$ 977	\$ 223,754
Cash Paid for Goods, Services, & Employees	(62,306)	-	(61,721)	(119,685)	(12,901)	(256,613)
Net Cash Provided by (Used for) Operating Activities	(34,860)	-	(31,142)	45,067	375	(20,560)
<b>Cash Flows from Noncapital Financing Activities:</b>						
Rental assistance and interest subs	56,374	-	68,935	-	-	125,309
Contributions and local support	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	56,374	-	68,935	-	-	125,309
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and Construction of Capital Assets	-	-	(10,582)	(4,300)	-	(14,882)
Principal Paid on Bond\Note Maturities and Capital Leases	(2,738)	-	(2,085)	(16,844)	-	(21,667)
Disposal of asset	-	-	-	-	-	-
Interest Paid on Bond\Note Maturities and Capital Leases	(14,692)	-	(16,228)	(12,006)	-	(42,926)
Capital contributions	-	-	-	-	-	-
Net Cash Provided (Used for) Capital and Related Financing Activities	(17,430)	-	(28,895)	(33,150)	-	(79,475)
<b>Cash Flows from Investing Activities:</b>						
Interest on investments	31	-	28	68	2,078	2,205
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,115</b>	<b>-</b>	<b>8,926</b>	<b>11,985</b>	<b>2,453</b>	<b>27,479</b>
Cash and cash equivalents, July 1	61,549	-	32,693	112,376	147,188	353,806
Cash and cash equivalents, June 30	<u>\$ 65,664</u>	<u>\$ -</u>	<u>\$ 41,619</u>	<u>\$ 124,361</u>	<u>\$ 149,641</u>	<u>\$ 381,285</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>						
Operating Activities:						
Operating Income (Loss)	\$ (41,326)	\$ -	\$ (40,356)	\$ 13,538	\$ 375	\$ (67,769)
Adjustments to Reconcile Operating Income to Net Cash Provided						
Operating Activities:						
Depreciation	6,541	-	9,081	34,953	-	50,575
Changes in Assets and Liabilities:						
(Increase) Decrease						
in Accounts Receivable	-	-	-	37	-	37
in Prepaids	(75)	-	(5)	10	-	(70)
Increase (Decrease)						
in Accounts Payable & accrued liabilities	-	-	-	(3,100)	-	(3,100)
in Customer Deposits	-	-	138	(371)	-	(233)
Total Adjustments	6,466	-	9,214	31,529	-	47,209
<b>Net Cash Provided by Operating Activities</b>	<u>\$ (34,860)</u>	<u>\$ -</u>	<u>\$ (31,142)</u>	<u>\$ 45,067</u>	<u>\$ 375</u>	<u>\$ (20,560)</u>

MID-EAST COMMISSION  
Enterprise Fund - TWIN GABLES  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 27,013	\$
Operation and management		-	
Other local revenue		433	
Total operating revenues	<u>27,446</u>	<u>27,446</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	56,374	56,374	-
Interest on Investments	<u>31</u>	<u>31</u>	<u>-</u>
Total Revenues	<u>83,851</u>	<u>83,851</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		2,031	
Total	<u>2,031</u>	<u>2,031</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		9,051	
Repairs and maintenance		30,448	
Operating expenses		20,251	
Total	<u>63,927</u>	<u>59,750</u>	<u>4,177</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		450	
Total	<u>450</u>	<u>450</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		14,692	
Debt Principal		2,738	
Total	<u>17,443</u>	<u>17,430</u>	<u>13</u>
Total Expenditures	<u>83,851</u>	<u>79,661</u>	<u>4,190</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>4,190</u>	<u>4,190</u>

MID-EAST COMMISSION  
Enterprise Fund - TWIN GABLES  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	4,190	4,190
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 4,190	\$ 4,190

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 4,190
Reconciling items:	
Capital Outlay	-
Principal Payments	2,738
Decrease in accrued vacation pay	-
Other revenues from capital projects	-
Interest from capital projects	-
Increase in accrued OPEB	-
Change in accrued interest	-
Expenditures in capital project	-
Capital contributions - grant	-
Depreciation	(6,541)
Total reconciling items	(3,803)
Change in net position	\$ 387

MID-EAST COMMISSION  
Enterprise Fund - BELHAVEN SENIOR CENTER  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		-	
Other local revenue		-	
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		-	
Total	<u>-</u>	<u>-</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		-	
Total	<u>-</u>	<u>-</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		-	
Total	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		-	
Debt Principal		-	
Total	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

MID-EAST COMMISSION  
Enterprise Fund - BELHAVEN SENIOR CENTER  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	-	-
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -
Reconciling items:	
Capital Outlay	-
Principal Payments	-
Depreciation	-
Total reconciling items	-
Change in net position	\$ -

MID-EAST COMMISSION  
Enterprise Fund - VERANDA  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 18,209	\$
Operation and management		11,695	
Other local revenue		675	
Total operating revenues	<u>30,579</u>	<u>30,579</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies		68,935	
Interest on Investments		28	
Total Revenues	<u>99,542</u>	<u>99,542</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		6,719	
Repairs and maintenance		-	
Operating expenses		5,656	
Total	<u>12,375</u>	<u>12,375</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		26,785	
Operating expenses		15,732	
Total	<u>62,145</u>	<u>42,517</u>	<u>19,628</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		6,962	
Total	<u>6,962</u>	<u>6,962</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		16,228	
Debt Principal		2,085	
Total	<u>18,313</u>	<u>18,313</u>	<u>-</u>
Total Expenditures	<u>99,795</u>	<u>80,167</u>	<u>19,628</u>
Revenues Over (Under) Expenditures	<u>(253)</u>	<u>19,375</u>	<u>19,628</u>

MID-EAST COMMISSION  
Enterprise Fund - VERANDA  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	(253)	19,375	19,628
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (253)	\$ 19,375	\$ 19,628

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 19,375
Reconciling items:	
Capital Outlay	-
Principal Payments	2,085
Depreciation	(9,081)
Total reconciling items	(6,996)
Change in net position	\$ 12,379

MID-EAST COMMISSION  
Enterprise Fund - DOGWOODS  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 161,639	\$
Operation and management		-	
Other local revenue		3,113	
Total operating revenues	<u>164,752</u>	<u>164,752</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>68</u>	<u>68</u>	<u>-</u>
Total Revenues	<u>164,820</u>	<u>164,820</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		10,576	
Repairs and maintenance		-	
Operating expenses	<u>-</u>	<u>23,558</u>	
Total	<u>34,134</u>	<u>34,134</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		21,601	
Operating expenses	<u>-</u>	<u>38,031</u>	
Total	<u>75,041</u>	<u>59,632</u>	<u>15,409</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses	<u>-</u>	<u>22,495</u>	
Total	<u>22,495</u>	<u>22,495</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		4,300	
Interest Paid		12,006	
Debt Principal	<u>-</u>	<u>16,844</u>	
Total	<u>33,150</u>	<u>33,150</u>	<u>-</u>
Total Expenditures	<u>164,820</u>	<u>149,411</u>	<u>15,409</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>15,409</u>	<u>15,409</u>

MID-EAST COMMISSION  
Enterprise Fund - DOGWOODS  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	15,409	15,409
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 15,409	\$ 15,409

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 15,409
Reconciling items:	
Capital Outlay	4,300
Principal Payments	16,844
Depreciation	(34,953)
Total reconciling items	(13,809)
Change in net position	\$ 1,600

MID-EAST COMMISSION  
Enterprise Fund - MANAGEMENT AND OPERATIONS  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		977	
Other local revenue		-	
Total operating revenues	-	977	977
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	2,078	2,078	-
Total Revenues	2,078	3,055	977
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		602	
Total	602	602	-
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		-	
Total	1,476	-	1,476
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		-	
Total	-	-	-
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		-	
Debt Principal		-	
Total	-	-	-
Total Expenditures	2,078	602	1,476
Revenues Over (Under) Expenditures	-	2,453	2,453

MID-EAST COMMISSION  
Enterprise Fund - MANAGEMENT AND OPERATIONS  
Schedule of Revenues and Expenditures  
Budget and Actual - (Non-GAAP)  
For the Fiscal Year Ended June 30, 2018

	2018		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	2,453	2,453
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 2,453	\$ 2,453

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 2,453
Reconciling items:	
Capital Outlay	-
Principal Payments	-
Depreciation	-
Total reconciling items	-
Change in net position	\$ 2,453

## COMPLIANCE SECTION



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

**Independent Auditor's Report**

To the Board of Directors  
Mid-East Commission  
Washington, North Carolina

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Mid-East Commission's basic financial statements, and have issued our report thereon dated November 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mid-East Commission'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 Mid-East Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for 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 Mid-East Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 26, 2018



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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Directors  
Mid-East Commission  
Washington, North Carolina

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

We have audited the Mid-East Commission, 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 Mid-East Commission's major federal programs for the year ended June 30, 2018. The Mid-East Commission'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 Federal and States Statutes, regulations, and the terms and conditions of its federal awards, applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Mid-East Commission'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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mid-East Commission'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 Mid-East Commission's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Mid-East Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

Management of the Mid-East Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mid-East Commission's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal 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 Commission's internal control over compliance.

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

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

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

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina  
November 26, 2018



Thompson, Price, Scott, Adams & Co., P.A.  
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Wilmington, North Carolina 28403  
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**Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Board of Directors  
Mid-East Commission  
Washington, North Carolina

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

We have audited the Mid-East Commission, 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 Mid-East Commission's major state programs for the year ended June 30, 2018. The Mid-East Commission'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 State Statutes, regulations, and the terms and conditions of its State awards applicable to its state programs.

**Auditor's Responsibility**

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

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

In our opinion, the Mid-East Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 26, 2018

**MID-EAST COMMISSION  
WASHINGTON, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Section I. Summary of Auditor's Results

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Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Significant Deficiency(s) identified?	<u>      </u> Yes	<u>  X  </u> None Reported

Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No
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Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Significant Deficiency(s) identified?	<u>      </u> Yes	<u>  X  </u> None Reported

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)?	<u>      </u> Yes	<u>  X  </u> No
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Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
	Aging Cluster
93.044, 93.045	Title III - Bart B Supportive Services Title III - Part C Nutrition Services
17.258, 17.259, 17.277, 17.278	WIA/WIOA Cluster

Dollar threshold used to distinguish between Type A and Type B Programs	<u>      </u> \$ <u>  750,000  </u>
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Auditee qualified as low-risk auditee?	<u>      </u> Yes	<u>  X  </u> No
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**MID-EAST COMMISSION  
WASHINGTON, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Section II. Financial Statement Findings

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None Reported.

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Section III. Federal Award Findings and Question Costs

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None Reported.

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Section IV. State Award Findings and Question Costs

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None Reported.

**MID-EAST COMMISSION  
WASHINGTON, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Section II. Financial Statement Findings

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None Reported.

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Section III. Federal Award Findings and Question Costs

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None Reported.

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Section IV. State Award Findings and Question Costs

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None Reported.

**MID-EAST COMMISSION  
WASHINGTON, NORTH CAROLINA**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

None Reported.

Mid-East Commission  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For The Fiscal Year Ended June 30, 2018

Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Federal Direct and Pass Through Expenditures	State Expenditures
<b>Federal Programs</b>			
<u>U.S. Dept. of Agriculture</u>			
Direct Program			
Rural Rental Assistance Payments (MEDC)			
Interest subsidies	10.427	\$ 22,709	\$ -
Rental subsidies	10.427	102,600	-
		<u>125,309</u>	<u>-</u>
Passed through State Dept. of Health and Human Services			
	10.570 /		
USDA Supplement Nutrition Services Incentive Program	93.053	83,255	-
		<u>83,255</u>	<u>-</u>
Total U. S. Dept. of Agriculture		\$ 208,564	\$ -
<u>U.S. Dept. of Health and Human Services</u>			
Passed through State Dept. of Health and Human Services			
Aging Cluster:			
Special Programs for the Aging - Title III B			
Title III Planning and Administration-In-Home Support	93.044	42,393	2,323
In-Home Services	93.044	78,996	4,647
Ombudsman Program	93.044	50,704	2,983
Legal Services	93.044	15,688	923
Access	93.044	119,389	7,023
		<u>307,170</u>	<u>17,899</u>
Special Programs for the Aging - Title III C			
Congregate Nutrition	93.045	230,941	13,585
Home Delivered Meals	93.045	243,248	14,309
Title III Planning and Administration-Congregate Nutrition	93.045	73,413	4,023
		<u>547,602</u>	<u>31,917</u>
Total Aging Cluster		<u>854,772</u>	<u>49,816</u>
Special Programs for the Aging			
Title VII - B – Elder Abuse	93.041	4,511	265
Title VII - E – Ombudsman Program	93.042	28,480	1,675
Preventive Health	93.043	19,356	1,139
Family Caregiver Support	93.052	123,216	8,214
SSBG	93.667	89,358	2,553
Title III Planning and Administration-Family Caregiver Support	93.052	27,607	1,513
CRC/LCA	93.791	30,000	-
		<u>322,528</u>	<u>15,359</u>
Passed through State Dept. of Insurance			
SHIIP	93.779	3,206	-
Empowering Older People -SMP	93.048	3,850	1,650
MIPPA	93.071	16,473	-
		<u>23,529</u>	<u>1,650</u>
Total U. S. Health and Human Services		\$ 1,200,829	\$ 66,825

Mid-East Commission  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For The Fiscal Year Ended June 30, 2018

U.S. Dept. of Commerce

Direct Program

Economic Development Administration

Revolving Loan Fund

11.307

431,933

-

Planning Program

11.302

73,500

-

Total U. S. Dept. of Commerce

\$

505,433

\$

-

U.S. Department of Labor

Passed through State Dept. of Commerce - Division of Workforce Solutions

WIA/WIOA Adult Program

17.258

940,941

WIA/WIOA Youth Activities

17.259

1,040,228

WIA National Emergency Grants

17.277

500,780

WIA/WIOA Dislocated Workers Formula Grants

17.278

565,637

Total Workforce Investment Act Cluster

3,047,586

Total U. S. Dept. of Labor

\$

3,047,586

\$

-

U.S. Department Housing and Urban Development

Passed through North Carolina Housing Finance Agency

HOME Investment Partnership Program

Single Family Rehabilitation Loan Pool Program

14.239

\$

92,430

\$

-

U.S. Dept. of Transportation

Passed through State Dept. of Transportation

Rural Transportation Planning

20.205-8

\$

96,646

\$

-

U.S. Environmental Protection Agency

Passed through North Carolina Department of Environmental Quality

205(j)/604(b) Water Quality Management Planning Grant

66.454

\$

7,505

\$

-

Total Federal Assistance

\$

5,158,993

Mid-East Commission  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For The Fiscal Year Ended June 30, 2018

**State Programs**

North Carolina Housing Finance Agency

North Carolina Housing Trust	N/A	\$ 17,806
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Department of Health and Human Services

AAA Administration	N/A	48,261
Access	N/A	48,164
Home delivered meals	N/A	180,309
In-Home Services	N/A	765,743
State Appropriation-HCCBG	N/A	36,703
Ombudsman	N/A	26,297
Senior Center Development	N/A	40,108
Fan Heat		1,948
Project Care 100%	N/A	109,624
Total Department of Health and Human Services		<u>\$ 1,257,157</u>

Total State programs	<u>\$ 1,274,963</u>
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Total State Assistance	<u>\$ 1,341,788</u>
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Mid-East Commission  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For The Fiscal Year Ended June 30, 2018

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

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Mid-East Commission (MEC) under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. 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 MEC, it is not intended to and does not present the financial position, changes in net position, or cash flows of the MEC.

**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.

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

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and the NC Department of Commerce and are treated separately for state audit requirement purposes: Aging and Workforce Investment.

**Note 5: Subrecipients - Of the Federal and State expenditures presented in the schedule, MEC provided federal and state awards to subrecipients as follows:**

Program Title	CFDA Number	Federal Expenditures	State Expenditures
USDA Supplement	10.570	83,255	
WIOA Adult	17.258	244,373	
WIOA Youth	17.259	698,730	
WIA National Emergency Grants	17.277	287,818	
WIOA Dislocated Worker	17.278	107,956	
Preventive Health	93.043	19,356	1,139
Access Services	93.044	119,389	7,023
In-home Services	93.044	78,996	4,647
Legal Services	93.044	15,688	923
Congregate Nutrition	93.045	230,941	13,585
Home Delivered Meals	93.045	243,248	14,309
Empowering Older People	93.048	3,850	
SSBG	93.667	89,358	2,553
CRC/LCA	93.791	30,000	
Access	N/A		48,164
Congregate Nutrition	N/A		-
Home delivered meals	N/A		180,309
In-Home Services	N/A		765,743
Senior Center Development	N/A		40,108
Totals		<u>\$ 2,252,959</u>	<u>\$ 1,078,503</u>

Mid-East Commission  
Schedule of Indirect Costs  
For the Year Ended June 30, 2018

Salaries	\$	272,461
Fringe benefits		95,421
Professional services		22,700
Operating costs		121,979
Travel		9,226
Total Indirect Costs	\$	<u>521,787</u>