

**MID-EAST COMMISSION
Washington, North Carolina
Financial Statements
For the Year Ended June 30, 2015**

**Mid-East Commission
Table of Contents
June 30, 2015**

Exhibit

Financial Section:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

1 Statement of Net Position

2 Statement of Activities

Fund Financial Statements:

3 Balance Sheet - Governmental Funds
Reconciliation of Governmental Funds Balance Sheet to the
Statement of Net Position

4 Statement of Revenues, Expenditures, and Changes in
Fund Balances -- Governmental Funds

5 Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities

6 Statement of Revenues, Expenditures, and Changes in Fund
Balances -- Annual Budget and Actual -- General Fund

7 Statement of Fund Net Position-Proprietary Fund

8 Statement of Revenues, Expenses, and Changes in Fund
Net Position-Proprietary Fund

9 Statement of Cash Flows-Proprietary Fund

9 Reconciliation of the Statement of Cash Flows of
Proprietary Fund

Notes to Financial Statements

Required Supplemental Financial Data

Other Postemployment Benefits – Schedule of Funding Progress

Other Postemployment Benefits – Schedule of Employer Contributions

Schedule of the Proportionate Share of the Net Pension
Asset – Local Government Employees' Retirement System

Schedule of Contributions – Local Government Employees'
Retirement System

Combining and Individual Fund Statements and Schedules:

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

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Special Revenue Fund

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Aging Programs

Schedules of Revenues, Expenditures, and Changes in Fund
Balance -- Budget and Actual:

Aging Programs

Workforce Development Region Q

Economic Development Programs

Planning Programs

Mid-East Intermediary Re-Lending Program

Mid-East Revolving Loan Fund

RLF Sequester

Mid-East Revolving Loan Fund Service and Marketing

Roanoke-Chowan DTF

Mid East Development Corporation

Combining Statement of Fund Net Position-Proprietary Fund

Combining Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Fund

Combining Statement of Cash Flows
- Proprietary Fund

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

Twin Gables
Belhaven Senior Center
Veranda
Dogwoods
Management and Operations

Additional Schedules
Schedule of Indirect Costs

Compliance Section:

Report on Internal Control Over Financial Reporting And on Compliance &
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards

Report on Compliance With Requirements Applicable to Each
Major Federal Program and Internal Control Over Compliance

Report on Compliance With Requirements Applicable to Each
Major State Program and Internal Control Over Compliance
in Accordance with OMB Circular A-133 and the State
Single Audit Implementation Act

Schedule of Findings and Questioned Costs

Corrective Action Plan

Schedule of Expenditures of Federal and State Awards

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

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, 2015, 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, 2015, 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 Funding Progress and Employer Contributions, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 18, 2015 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., P.A.

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

Wilmington, North Carolina

November 18, 2015

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, 2015. 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

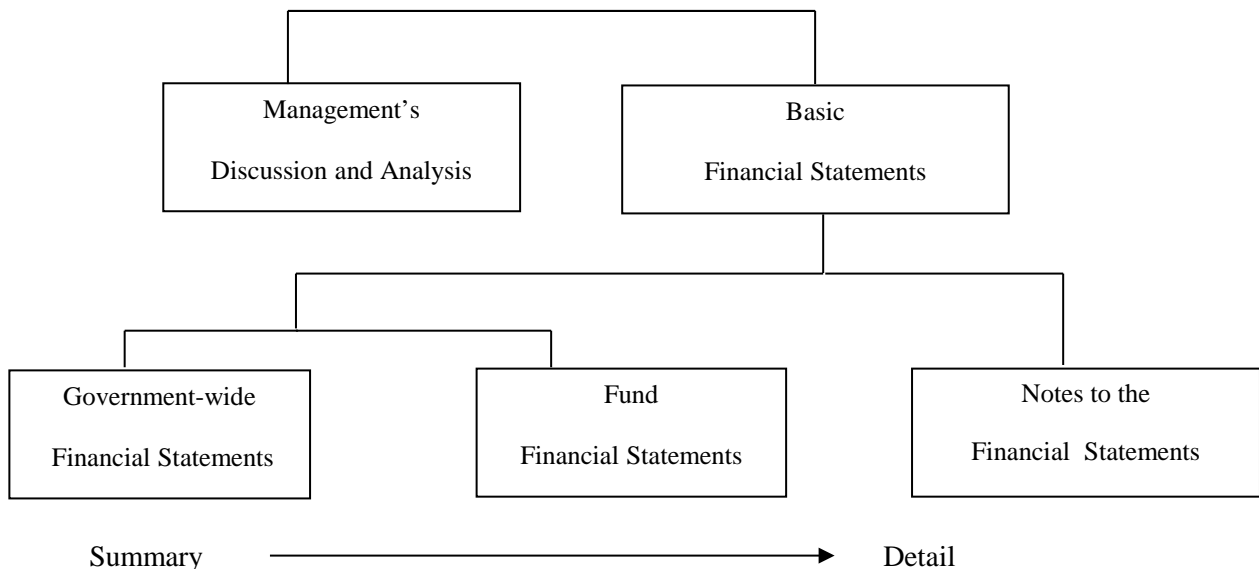
- The assets and deferred outflows of resources of the Mid-East Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$404,507 (*net position*).
- The government's total net position decreased over the prior year by \$241,353.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$572,365, an increase of \$82,755 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$217,522. This is an decrease of \$24,645 from the prior year.
- Mid-East Commissions' total debt excluding compensated absences and OPEB liability consists of \$1,545,995.

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.

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 by \$404,507 as of June 30, 2015. The Commission's net assets decrease by \$241,353. Mid-East Commission uses the Governmental Activities capital assets of \$55,428 to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Commission's net position \$572,365 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$31,629 for governmental activities is unrestricted. Also, Mid-East Commission implemented GASB Statement 68 this year. With the new reporting change, the Commission is allocated its proportionate share of the Local Government Employees' Retirement Systems' net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net pension by \$152,790. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Mid-East Commission's management.

Mid-East Commission's Net Assets
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 1,869,326	\$ 1,365,615	\$ 317,069	\$ 327,982	\$ 2,186,395	\$ 1,693,597
Capital assets	55,428	47,027	1,019,237	1,041,604	1,074,665	1,088,631
Deferred Outflows of resources	103,058	-	-	-	103,058	-
Total assets and deferred outflows	2,027,812	1,412,642	1,336,306	1,369,586	3,364,118	2,782,228
Long-term liabilities outstanding	-	-	1,545,995	1,565,092	1,545,995	1,565,092
Other liabilities	1,052,028	366,600	45,226	51,936	1,097,254	418,536
Deferred inflows of resources	316,362	-	-	-	316,362	-
Total liabilities and deferred inflows	1,368,390	366,600	1,591,221	1,617,028	2,959,611	1,983,628
Net position:						
Net investment in capital assets	55,428	47,027	(526,758)	(523,488)	(471,330)	(476,461)
Restricted	572,365	489,610	-	-	572,365	489,610
Unrestricted	31,629	509,455	271,843	276,046	303,472	785,501
Total net position	\$ 659,422	\$ 1,046,092	\$ (254,915)	\$ (247,442)	\$ 404,507	\$ 798,650

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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 251,555	\$ 271,551	\$ 251,555	\$ 271,551
Operating grants	6,337,190	6,530,800	130,655	124,239	6,467,845	6,655,039
General revenues:						
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment earnings, unrestricted	14,996	15,024	124	139	15,120	15,163
Total revenues	6,352,186	6,545,824	382,334	395,929	6,734,520	6,941,753
Expenses:						
Economic & Physical Development	3,006,303	2,802,128	-	-	3,006,303	2,802,128
Human Services	3,035,786	3,121,157	-	-	3,035,786	3,121,157
Indirect costs	543,977	643,496	-	-	543,977	643,496
Business type activities	-	-	389,807	411,660	389,807	411,660
Total expenses	6,586,066	6,566,781	389,807	411,660	6,975,873	6,978,441
Increase (decrease) in net position before transfers	(233,880)	(20,957)	(7,473)	(15,731)	(241,353)	(36,688)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	(233,880)	(20,957)	(7,473)	(15,731)	(241,353)	(36,688)
Net position, July 1, previously stated	1,046,092	1,067,049	(247,442)	(231,711)	798,650	835,338
Restatement	(152,790)	-	-	-	(152,790)	-
Net position, July restated	893,302	1,067,049	(247,442)	(231,711)	645,860	835,338
Net position, June 30	\$ 659,422	\$ 1,046,092	\$ (254,915)	\$ (247,442)	\$ 404,507	\$ 798,650

Governmental activities: Governmental activities decreased the Commission's net position by \$233,880.

Business-type activities: Business-type activities decreased the Commission's net position by \$7,473.

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. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of Mid-East Commission. At the end of the current fiscal year, the fund balance of the General Fund was \$217,522 while fund balance available was \$0.

At June 30, 2015, the Governmental Funds of the Commission reported a combined fund balance of \$683,365 with a net increase of \$82,755. Included in these changes in fund balance is an decrease in the General Fund and 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 decrease in net position was \$7,473.

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, 2015 totals \$55,428 (net of accumulated depreciation) and \$1,019,237 (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	
	2015	2014	2015	2014	2015	2014
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	919,695	937,042	919,695	937,042
Equipment	55,428	47,027	792	5,812	56,220	52,839
Total	\$ 55,428	\$ 47,027	\$ 1,019,237	\$ 1,041,604	\$ 1,074,665	\$ 1,088,631

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, 2015 the Mid-East Commission's notes payable totaled \$-0- for the Intermediary Relending Program and \$1,545,995 for the Mid-East Development Corporation.

**Mid-East Commission's Outstanding Debt
Compensated Absences and Installment Purchases
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Compensated absences	\$ 116,280	\$ 116,280	\$ -	\$ -	\$ 116,280	\$ 116,280
OPEB Liability	99,380	73,809	-	-	99,380	73,809
Installment purchases	-	-	1,545,995	1,565,092	1,545,995	1,565,092
Total	\$ 215,660	\$ 190,089	\$ 1,545,995	\$ 1,565,092	\$ 1,761,655	\$ 1,755,181

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, or send an e-mail to jdodge@mideastcom.org for more information.

BASIC FINANCIAL STATEMENTS

Mid-East Commission
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,103,900	\$ 186,984	\$ 1,290,884
Cash - Security deposits	-	18,116	18,116
Cash - Escrow	-	9,809	9,809
Cash - Reserve	-	79,605	79,605
Restricted Cash	-	-	-
Grants receivable	347,168	-	347,168
Accounts receivable	288,455	20,446	308,901
Prepays	-	2,109	2,109
Total Current Assets	<u>1,739,523</u>	<u>317,069</u>	<u>2,056,592</u>
Non-Current Assets:			
Net pension asset	129,803	-	129,803
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	55,428	920,487	975,915
Total capital assets	<u>55,428</u>	<u>1,019,237</u>	<u>1,074,665</u>
Total assets	<u>1,924,754</u>	<u>1,336,306</u>	<u>3,261,060</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 103,058</u>	<u>\$ -</u>	<u>\$ 103,058</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 952,648	\$ 27,110	\$ 979,758
OPEB payable	99,380	-	99,380
Security deposits	-	18,116	18,116
Long-term liabilities:			
Due within one year	-	26,101	26,101
Due in more than one year	-	1,519,894	1,519,894
Total liabilities	<u>1,052,028</u>	<u>1,591,221</u>	<u>2,643,249</u>
DEFERRED INFLOWS OF RESOURCES	<u>316,362</u>	<u>-</u>	<u>316,362</u>
NET POSITION			
Net Investment in Capital Assets	55,428	(526,758)	(471,330)
Restricted			
Stabilization by State Statute	853,145	-	853,145
Economic development	-	-	-
Unrestricted (deficit)	<u>(249,151)</u>	<u>271,843</u>	<u>22,692</u>
Total net position	<u>\$ 659,422</u>	<u>\$ (254,915)</u>	<u>\$ 404,507</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, 2015

						Net (Expense) Revenue and Changes in Net Position		
						Primary Government		
Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
Economic and physical development	\$ 3,006,303	\$ -	\$ 3,250,766	\$ -	\$ 244,463	-	244,463	
Human services	3,035,786	-	3,086,424	-	50,638	-	50,638	
Indirect costs	543,977	-	-	-	(543,977)	-	(543,977)	
Total governmental activities	6,586,066	-	6,337,190	-	(248,876)	-	(248,876)	
Business-type activities:								
Mid-East Development Corporation	389,807	251,555	130,655	-	-	(7,597)	(7,597)	
Total business-type activities	389,807	251,555	130,655	-	-	(7,597)	(7,597)	
Total primary government	\$ 6,975,873	\$ 251,555	\$ 6,467,845	\$ -	(248,876)	(7,597)	(256,473)	
General revenues:								
Grants and contributions not restricted to specific programs					-	-	-	
Unrestricted investment earnings					14,996	124	15,120	
Total general revenues					14,996	124	15,120	
Change in net position					(233,880)	(7,473)	(241,353)	
Net position, beginning, previously reported					1,046,092	(247,442)	798,650	
Restatement					(152,790)	-	(152,790)	
Net position, beginning, restated					893,302	(247,442)	645,860	
Net position-ending					\$ 659,422	\$ (254,915)	\$ 404,507	

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

MID-EAST COMMISSION
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds		Total Governmental Funds
	<u>General Fund</u>	<u>Special Revenue</u>	
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,103,900	\$ 1,103,900
Grants receivable	-	347,168	347,168
Restricted cash	-	-	-
Accounts receivable	-	-	-
Other receivables	-	7,216	7,216
Loans receivable	-	281,239	281,239
Prepays	-	-	-
Due from other funds	237,763	(237,763)	-
Total assets	<u>237,763</u>	<u>1,501,760</u>	<u>1,739,523</u>
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	-	952,648	952,648
Total liabilities	<u>-</u>	<u>952,648</u>	<u>952,648</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	20,241	194,269	214,510
Total deferred inflows of resources	<u>20,241</u>	<u>194,269</u>	<u>214,510</u>
FUND BALANCES			
Restricted			
Stabilization by State Statute	217,522	635,623	853,145
Economic development	-	-	-
Committed			
Economic development	-	-	-
Unassigned	-	(280,780)	(280,780)
Total fund balances	<u>217,522</u>	<u>354,843</u>	<u>572,365</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>237,763</u>	\$ <u>1,501,760</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:	55,428
Net pension asset.	129,803
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	82,563
Deferred inflows of resources for grants receivable.	214,510
Pension related deferrals.	(295,867)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported	(99,380)
Total net position of governmental activities	\$ <u>659,422</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, 2015

	Major Funds		Total Governmental Funds
	General	Special Revenue	
REVENUES			
Federal awards	\$ -	\$ 4,272,365	\$ 4,272,365
State awards	-	1,641,398	1,641,398
Local in kind match	-	243,444	243,444
Other local revenue	159,070	287,038	446,108
Program income	-	102,270	102,270
Interest income	1,115	13,881	14,996
Total revenues	160,185	6,560,396	6,720,581
EXPENDITURES			
Economic and physical development	26,553	3,435,353	3,461,906
Human services	32,700	3,143,220	3,175,920
Total expenditures	59,253	6,578,573	6,637,826
Revenues over (under) expenditures	100,932	(18,177)	82,755
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	-	-	-
Transfer of local matching funds	(125,577)	125,577	-
Total other financing sources (uses)	(125,577)	125,577	-
Net change in fund balance	(24,645)	107,400	82,755
Fund balances, beginning	242,167	247,443	489,610
Fund balances, ending	\$ 217,522	\$ 354,843	\$ 572,365

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, 2015

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

Net changes in fund balances - total governmental funds	\$	82,755
---	----	--------

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	23,783	
Depreciation expense for governmental assets	<u>(15,382)</u>	
		8,401
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		82,563

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

June 30, 2014		(583,264)
June 30, 2015		<u>214,510</u>
Change in deferred revenues		<u>(368,754)</u>

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.

Net pension obligation		(25,571)
Pension expense		(13,274)

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

		-
Total changes in net position of governmental activities	\$	<u><u>(233,880)</u></u>

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2015

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local revenue	\$ 159,070	\$ 159,070	\$ 159,070	\$ -
Interest Income	1,115	1,115	1,115	-
Total Revenues	<u>160,185</u>	<u>160,185</u>	<u>160,185</u>	<u>-</u>
Expenditures:				
Human services	32,700	32,700	32,700	-
General Government	26,553	26,553	26,553	-
Total Expenditures	<u>59,253</u>	<u>59,253</u>	<u>59,253</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>100,932</u>	<u>100,932</u>	<u>100,932</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	-	-	-	-
Transfer of local matching funds	(125,577)	(125,577)	(125,577)	-
Total Other Financing Sources (Uses)	<u>(125,577)</u>	<u>(125,577)</u>	<u>(125,577)</u>	<u>-</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	(24,645)	\$ <u>-</u>
Fund Balances, Beginning of Year			242,167	
Fund Balances, End of Year			<u>\$ 217,522</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, 2015

		Major Enterprise Fund Mid-East Development Corporation
ASSETS		
Current assets:		
Cash and cash equivalents	\$	186,984
Cash - Security deposits		18,116
Cash - Escrow		9,809
Cash - Reserve		79,605
Accounts receivable		20,446
Prepaid expenses		2,109
Total current assets		<u>317,069</u>
Capital assets:		
Land		98,750
Other capital assets, net of depreciation		920,487
Total capital assets		<u>1,019,237</u>
Total Assets	\$	<u>1,336,306</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$	27,110
Security deposits		18,116
Notes payable - current		26,101
Total current liabilities		<u>71,327</u>
Noncurrent liabilities:		
Notes payable - noncurrent		1,519,894
Total noncurrent liabilities		<u>1,519,894</u>
Total liabilities		<u>1,591,221</u>
NET POSITION		
Net investment in capital assets		(526,758)
Unrestricted		271,843
Total Net Position	\$	<u><u>(254,915)</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, 2015

	<u>Major Enterprise Fund Mid-East Development Corporation</u>
OPERATING REVENUES:	
Rental income	\$ 196,457
Operation and management	-
Other revenue	55,098
Total operating revenues	<u>251,555</u>
OPERATING EXPENSES	
Management related	103,093
Operation of program services	143,814
Contractual services	47,504
Depreciation	48,468
Total operating expenditures	<u>342,879</u>
Operating income (loss)	<u>(91,324)</u>
NON-OPERATING REVENUES (EXPENSES):	
Rental assistance - RECD	106,517
Interest subsidies - RECD	24,138
Interest income	124
Contributions and local support	-
Interest expense	(46,928)
Total nonoperating revenues (expenses)	<u>83,851</u>
Income (loss) before capital contributions	(7,473)
Capital contributions	<u>-</u>
Change in net position	<u>(7,473)</u>
Total net position, beginning	<u>(247,442)</u>
Total net position, ending	<u>\$ (254,915)</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, 2015

	Major Enterprise Fund Mid-East Development
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from renters	\$ 196,457
Other cash received	55,098
Cash paid for goods and services	-
Cash paid to employees for services	(103,093)
Net cash provided (used) by operating activities	<u>(34,777)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental assistance and interest subsidies	130,655
Contributions and local support	-
Net cash provided (used) by non-capital financing activities	<u>130,655</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	\$ -
Acquisition and construction of capital assets	(26,100)
Disposal of asset	-
Principal paid on long-term debt	(19,097)
Interest paid on long-term debt	(46,928)
Net cash provided (used) by capital and related financing activities	<u>(92,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	124
Net cash provided (used) by investing activities	<u>124</u>
Net increase (decrease) in cash and cash equivalents	<u>3,877</u>
Cash and cash equivalents, beginning	<u>290,637</u>
Cash and cash equivalents, ending	<u><u>\$ 294,514</u></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, 2015

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

Operating income (loss)	\$	(91,324)
-------------------------	----	----------

Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities

Depreciation		48,468
--------------	--	--------

Changes in current assets and current liabilities

(Increase) decrease in accounts receivable		14,683
--	--	--------

(Increase) decrease in prepaid expenses		106
---	--	-----

Increase (decrease) in accounts payable		(7,320)
---	--	---------

Increase (decrease) in security deposits		610
--	--	-----

Total adjustments		<u>56,547</u>
-------------------	--	---------------

Net cash provided (used) by operating activities	\$	<u>(34,777)</u>
---	-----------	------------------------

Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$106,517. Interest subsidies in the amount of \$24,138 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, 2015

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, 2015.

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 on 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 Equity

1. 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 Cash Portfolio, an SEC-registers (2a7) money market mutual fund are valued at fair value, which is the 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. Therefore, all cash and investments are essentially demand deposits and are considered 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 supplied are restricted to the service for which the deposit was collected.

Enterprise Fund

	Customer Deposits	\$ 18,116
Total Restricted Cash		<u>\$ 18,116</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 assets are listed at the market value at the date of the donation. Certain items acquired before July 1, 1970 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 assets. In the fund financial statements for governmental fund types, the face amount of any debt issued is reported as a other financing source.

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, contributions made to the pension plan in the 2015 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 deferrals of pension expense that result from the implementation of GASB Statement 68.

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 wither (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. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LERS) and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. 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 LERS. 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, 2015. 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	56.85%	56.00%
Fringe benefit rate	61.28%	62.99%

Other Resources

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, 2015, the Commission's deposits had a carrying amount of \$1,069,632 and a bank balance of \$1,219,706. Of the bank balance, \$900,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2015, the Commission had \$328,782 invested with the North Carolina Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Commission has no policy regarding credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2015 were as follows:

	Accounts	Due From Other Governments	Loans Receivable	Total
Governmental Activities:				
General	\$ -	\$ -	\$ -	\$ -
Other Governmental	-	354,384	281,239	635,623
Total Receivables	\$ -	\$ 354,384	\$ 281,239	\$ 635,623
Business-Type Activities:				
Mid-East Development Corp	\$ 20,446	\$ -	\$ -	\$ 20,446

4. Capital Assets

Capital asset activity for the Primary Government year ended June 30, 2015, was as follows:

	Beginning Balances July 1, 2014	Increases	Decreases	Ending Balances June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Equipment	\$ 90,697	\$ 23,783	\$ -	\$ 114,480
Less accumulated depreciation for Equipment	43,670	15,382	-	59,052
Governmental activity capital assets, net	<u>\$ 47,027</u>	<u>\$ 39,165</u>	<u>\$ -</u>	<u>\$ 55,428</u>

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

General government	\$ 15,382
Economic Development	-
Total Depreciation Expense	<u>\$ 15,382</u>

	Beginning Balances 1-Jul-14	Increases	Decreases	Ending Balances June 30, 2015
Business-type Activities				
Mid-East Development Corporation				
Capital assets not being depreciated:				
Land	\$ 98,750	\$ -	\$ -	\$ 98,750
Capital assets being depreciated:				
Buildings	1,765,342	26,100	-	1,791,442
Furniture, fixtures, equipment	46,836	-	-	46,836
Total capital assets being depreciated	<u>1,812,178</u>	<u>26,100</u>	<u>-</u>	<u>1,838,278</u>
Less accumulated depreciation for:				
Buildings	828,300	48,103	-	876,403
Furniture, fixtures, equipment	41,024	364	-	41,388
Total accumulated depreciation	<u>869,324</u>	<u>48,467</u>	<u>-</u>	<u>917,791</u>
Total capital assets being depreciated, net	<u>942,854</u>			<u>920,487</u>
Business-type activities capital assets, net	<u>\$ 1,041,604</u>			<u>\$ 1,019,237</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, 2015 loans receivable amounted to \$281,239 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, 2015 loans receivable amounted to \$-0-.

B. Liabilities**1. Payables**

Payables at the government-wide level at June 30, 2015, were as follows:

	Vendors	Other	Total
Governmental Activities			
Other Governmental	\$ 841,304	\$ 111,344	\$ 952,648
Business-type Activities			
Mid-East Development Corporation	\$ 27,110	\$ -	\$ 27,110

2. Pension Plan and Other Post Employment Obligations**a. 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.

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, 2015, was 7.07% 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 \$82,563 for the year ended June 30, 2015.

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, 2015, the Commission reported an asset of \$129,803 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Commission's proportion of the net pension asset 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, 2014, the Commission's proportion was 0.00022%, which was an increase of 0.00002% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$13,274. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,183
Net difference between projected and actual earnings on pension plan investments	-	302,179
Changes in proportion and differences between Commission's contributions and proportionate share of contributions	20,495	-
Commission's contributions subsequent to the measurement date	82,563	-
Total	<u>\$ 103,058</u>	<u>\$ 316,362</u>

\$82,563 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2016	\$ (73,963)
2017	(73,963)
2018	(73,963)
2019	(73,978)
2020	-
Thereafter	-
	<u>\$ (295,867)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

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

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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1 % Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Commission's proportionate share of the net pension liability (asset)	\$440,608	(\$129,803)	(\$610,071)

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.

2. Deferred Outflows and Inflows of Resources

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

Source

Changes in proportion and differences between
Town's contributions and proportionate share of
contributions

\$20,495

Contributions to pension plan in current fiscal
year

82,563

Total

\$103,058

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

Pension deferrals

\$316,362

Grants Receivable

\$214,510

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 Board resolution, the Board administers a single employer defined benefit healthcare plan ("the Retiree Health Plan").

Funding Policy - According to board resolution, Mid-East Commission provides healthcare benefits to retirees of the Commission who worked at least 1,000 hours per year, and have at least twenty (20) years of creditable service with the Commission at age 60, and who were hired before January 1, 2007 or who retire in any category of unreduced service retirement benefit under Local Governmental Employees Retirement System. The Commission provides full coverage for full-time employees and pro rata coverage for part-time employees in accordance with the following schedule: 20 years creditable service - 60%; 25 years creditable service - 80%; and 30 years creditable service - 100%. The Commission has chosen to fund the healthcare benefits on a pay as you go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due, in fiscal year ended June 30, 2015, the Commission made no contributions. The Commission may amend the benefits. A separate report was not issued for the plan.

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

The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Commission's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 16,097
Interest on net OPEB obligation	365
Adjustment to annual required contribution	9,109
Annual OPEB cost (expense)	<u>25,571</u>
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	25,571
Net OPEB obligation, beginning of year	73,809
Net OPEB obligation, end of year	<u><u>\$ 99,380</u></u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 were as follows:

For Year Ended 30-Jun	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 19,808	0.0%	\$ 48,368
2014	\$ 25,441	0.0%	\$ 73,809
2015	\$ 25,571	0.0%	\$ 99,380

Funded Status and Funding Progress. As of June 30, 2015, the actuarial accrued liability for benefits was \$218,762, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$307,426 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 71.16 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

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

The following simplifying assumptions were made:

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

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

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2005 United States Life Tables for Males and for Females were used.

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

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 12.00 percent initially, reduced to an ultimate rate of 6.00 percent after six years, was used.

Health insurance premiums - 2014 health insurance for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - The expected long-term inflation assumption of 3.8 percent was based on projected changed in the Consumer Price Index for urban Wage Earners and Clerical Workers (CPI-W) in *The 2013 Annual Report of the Board of Trustees of Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

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

Based on the historical and expected returns of the Commission's short-term investment portfolio, a discount rate of 4.00 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was thirty years.

3. 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. 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.

4. Operating Lease Commitments

The Commission conducts its operations in leased facilities under a non-cancelable operating lease, which expires in 2016. The Commission also has operating leases for copiers and a telephone system, which expire through 2019.

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

Year Ending	Payment
30-Jun	
2016	135,433
2017	20,436
2018	6,101
2019	730
Total	<u>\$ 162,700</u>

5. Long-Term Obligations

Loans Payable

In July 2003, the Commission entered into a loan agreement with the U.S. Department of Agriculture - Rural Development for the purpose of providing loans to small businesses to boost economic development. On April 29, 2003, the loan was funded in the amount of \$300,000 at an annual interest rate of 1%. Annual payments of principal and interest are due through August 2032. This loan was paid off during the year.

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%).	209,676
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%).	235,411
6.875% note payable to USDA Rural Housing Service, secured by real estate, due in monthly installments of \$148 including interest, maturing in 2015 (RHS provides interest subsidies of 4.6%).	23,399
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%).	<u>962,521</u>
Total	<u>\$ 1,545,995</u>

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2016	\$ 111,748	\$ 85,647	\$ 61,598	\$ 24,049	\$ 26,101
2017	111,937	84,697	61,777	22,920	27,241
2018	113,162	84,705	61,968	22,737	28,457
2019	112,058	82,301	62,175	20,125	29,758
2020	123,569	92,424	70,692	21,731	31,146
2021-2025	589,734	437,804	353,461	84,344	151,930
2026-2030	589,736	385,453	353,461	31,992	204,284
2031-2035	589,736	312,612	353,461	(40,849)	277,124
2036-2040	577,005	211,011	353,461	(142,450)	365,994
2041-2045	391,681	75,995	214,552	(138,557)	315,686
2046-2050	98,647	17,289	56,171	(38,882)	81,359
2051-2055	6,929	12	4,681	(4,668)	6,917
Total	<u>\$ 3,415,945</u>	<u>\$ 1,869,950</u>	<u>\$ 2,007,458</u>	<u>\$ (137,508)</u>	<u>\$ 1,545,995</u>

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

Changes in Long-Term Liabilities

	Beginning Balance 6/30/2014	Increases	Decreases	Ending Balance 6/30/2015	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Liability	73,809	25,571	-	99,380	99,380
Net pension liability (LGERS)	241,077	-	(241,077)	-	-
Compensated absences	116,280	-	-	116,280	-
Total governmental activities	<u>\$ 431,166</u>	<u>\$ 25,571</u>	<u>\$ (241,077)</u>	<u>\$ 215,660</u>	<u>\$ 99,380</u>
Business Type Activities:					
Installment purchase	\$ 1,565,092	\$ -	\$ (19,097)	\$ 1,545,995	\$ 26,101
Total business type activities	<u>\$ 1,565,092</u>	<u>\$ -</u>	<u>\$ (19,097)</u>	<u>\$ 1,545,995</u>	<u>\$ 26,101</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

6. 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 from the previous 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.

7. Contingent Liabilities

At June 30, 2015, the 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	\$ 237,763
Total	<u>\$ 237,763</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.

Fund Balance

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

Total fund balance - General Fund	\$ 217,522
Less:	
Stabilization by State Statute	217,522
Remaining Fund Balance	\$ -

III. Summary Disclosure of Significant Contingencies

Federal 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 effect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

V. Change in Accounting Principles/Restatement

The Commission implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the Commission to record beginning net pension liability and the effects on net position of contributions made by the Commission during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental activities decreased by \$152,790.

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally
accounting principals.

Schedule of Funding Progress - OPEB

Schedule of Employer Contributions - OPEB

Schedule of the Proportionate Share of the Net Pension
Asset – Local Government Employees' Retirement System

Schedule of Contributions – Local Government Employees'
Retirement System

MID EAST COMMISSION
Other Post Employment Benefits
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
30-Jun-13	-	\$ 170,028	\$ 170,028	0.0%	\$ 262,035	64.89%
30-Jun-14	-	\$ 229,879	\$ 229,879	0.0%	\$ 317,804	72.33%
30-Jun-15	-	\$ 218,762	\$ 218,762	0.0%	\$ 307,426	71.16%

MID EAST COMMISSION
Other Post Employment Benefits
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 19,808	0.00%
2014	\$ 16,915	0.00%
2015	\$ 16,097	0.00%

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

Local Government Employees' Retirement System

	2015	2014
Board's proportion of the net pension liability (asset) (%)	0.0220%	0.0200%
Board's proportion of the net pension liability (asset) (\$)	\$ (129,803)	\$ 241,077
Board's covered-employee payroll	\$ 1,167,798	\$ 1,248,760
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(11.12%)	19.31%
Plan fiduciary net position as a percentage of the total pension liability**	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 Two Fiscal Years

Local Government Employees' Retirement System

	2015	2014
Contractually required contribution	\$ 82,563	\$ 88,287
Contributions in relation to the contractually required contribution	82,563	88,287
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 1,167,798	\$ 1,248,760
Contributions as a percentage of covered-employee payroll	7.07%	7.14%

MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	2015		Variance
	Budget	Actual	Positive (Negative)
REVENUES:			
Other local revenue	\$ 159,070	\$ 159,070	\$ -
Interest income	1,115	1,115	-
TOTAL REVENUES	160,185	160,185	-
EXPENDITURES			
General government	26,553	26,553	-
Human services	32,700	32,700	-
TOTAL EXPENDITURES	59,253	59,253	-
Revenues over (under) expenditures	100,932	100,932	-
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds:	-	-	-
Transfer out of local matching funds	(125,577)	(125,577)	-
TOTAL OTHER FINANCING SOURCES (USES)	(125,577)	(125,577)	-
Change in fund balance	\$ -	\$ (24,645)	\$ -
Fund Balances:			
Beginning of Year		242,167	
End of Year		\$ 217,522	

SPECIAL REVENUE FUNDS

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

MID-EAST COMMISSION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Fund
For the Year Ended June 30, 2015

	Aging	Workforce Development Region Q	Economic Development	Mid-East Revolving Loan Fund	Planning	Mid-East IRP Fund
Revenues:						
Federal awards	\$ 1,289,197	\$ 2,904,418	\$ 78,750	\$ -	\$ -	\$ -
State awards	1,548,898	-	-	-	92,500	-
Local match	234,144	9,300	-	-	-	-
Other local revenue	14,185	-	53,977	128	218,453	-
Program income	-	-	-	102,270	-	-
Interest Income	-	-	-	13,881	-	-
Total Revenues	<u>3,086,424</u>	<u>2,913,718</u>	<u>132,727</u>	<u>116,279</u>	<u>310,953</u>	<u>-</u>
Expenditures:						
Personnel	344,869	624,840	114,002	1,022	170,177	-
Participant wages and fringes	-	17,484	-	-	-	-
Travel	25,934	194,916	6,485	-	20,772	-
Contractual services	2,532,373	974,673	7,219	-	17,496	-
Capital outlay	5,484	4,682	-	-	28,499	-
Other direct expenses	94,426	823,798	18,682	2,463	797	-
Indirect costs	140,134	273,325	49,339	-	78,993	-
Total Expenditures	<u>3,143,220</u>	<u>2,913,718</u>	<u>195,727</u>	<u>3,485</u>	<u>316,734</u>	<u>-</u>
Revenues over(under) expenditures	<u>(56,796)</u>	<u>-</u>	<u>(63,000)</u>	<u>112,794</u>	<u>(5,781)</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers (to) from Special Projects	-	-	-	-	-	-
Transfer (to) from Special Projects	-	-	-	-	-	-
Transfer of local matching funds	<u>56,796</u>	<u>-</u>	<u>63,000</u>	<u>-</u>	<u>5,781</u>	<u>-</u>
Total other financing sources (uses)	<u>56,796</u>	<u>-</u>	<u>63,000</u>	<u>-</u>	<u>5,781</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,794</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,422</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,216</u>	<u>\$ -</u>	<u>\$ -</u>

RLF Sequester	Mid-East Revolving Loan Fund Svc & Mkt			Roanoke-Chowan IPT DTF	Total June 30, 2015
- \$	- \$		- \$	- \$	4,272,365
-	-		-	-	1,641,398
-	-		-	-	243,444
19	-		-	276	287,038
-	-		-	-	102,270
-	-		-	-	13,881
19	-		-	276	6,560,396
-	3,108		-	-	1,258,018
-	-		-	-	17,484
-	-		-	-	248,107
-	-		-	-	3,531,761
-	-		-	-	38,665
19	100		-	276	940,561
-	2,186		-	-	543,977
19	5,394		-	276	6,578,573
-	(5,394)		-	-	(18,177)
-	-		-	-	-
-	-		-	-	-
-	-		-	-	125,577
-	-		-	-	125,577
-	(5,394)		-	-	107,400
-	45,021		-	-	247,443
- \$	39,627 \$		- \$	- \$	354,843

MID-EAST COMMISSION

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs

For the Year Ended June 30, 2015

	Aging Planning and Administration Title III	Home and Community Care Block Grant	Legal	Aging Management Information Services	Title III Elder Abuse
Revenues:					
Federal awards	\$ 158,894	\$ 887,461	\$ 15,910	\$ -	\$ 2,387
State awards	8,229	1,318,497	937	-	277
Local match	-	234,144	-	-	-
Other local revenue	50	-	-	1,984	-
Total Revenues	<u>167,173</u>	<u>2,440,102</u>	<u>16,847</u>	<u>1,984</u>	<u>2,664</u>
Expenditures:					
Personnel	102,857	-	-	-	850
Travel	9,607	-	-	-	485
Contractual services	12,348	2,440,102	-	-	-
Capital outlay	-	-	-	-	1,699
Other direct expenses	33,601	-	16,847	1,984	-
Indirect costs	50,584	-	-	-	183
Total Expenditures	<u>208,997</u>	<u>2,440,102</u>	<u>16,847</u>	<u>1,984</u>	<u>3,217</u>
Revenues over(under) expenditures	<u>(41,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(553)</u>
Other Financing Sources (Uses)					
Transfer of local matching funds	41,824	-	-	-	553
Total other financing sources (uses)	<u>41,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553</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, 2015

Ombudsman Program	MIPPA	AAA Administration Support	Title III-D, Disease Prevention, Health Promotion and Senior Center Outreach	Family Caregiver Support
\$ 55,247	\$ -	\$ -	\$ 20,694	\$ 148,604
37,940	12,580	47,742	60,798	11,488
-	-	-	-	-
-	-	-	2,401	962
<u>93,187</u>	<u>12,580</u>	<u>47,742</u>	<u>83,893</u>	<u>161,054</u>
61,741	10,841	27,483	17,828	81,574
3,480	1,040	2,195	808	5,350
1,850	-	-	58,394	19,679
-	-	3,785	-	-
10,166	699	-	2,392	17,392
26,434	-	14,279	6,906	37,059
<u>103,671</u>	<u>12,580</u>	<u>47,742</u>	<u>86,328</u>	<u>161,054</u>
<u>(10,484)</u>	<u>-</u>	<u>-</u>	<u>(2,435)</u>	<u>-</u>
10,484	-	-	2,435	-
<u>10,484</u>	<u>-</u>	<u>-</u>	<u>2,435</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

	HUD HC	Special Project	CRC/LCA	SHIP	SMP	Vidant Grant	Kate B Reynolds	Total June 30, 2015
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,197
	12,852	1,948	30,000	2,110	3,500	-	-	1,548,898
	-	-	-	-	-	-	-	234,144
	3,911	-	-	-	-	2,169	2,708	14,185
	<u>16,763</u>	<u>1,948</u>	<u>30,000</u>	<u>2,110</u>	<u>3,500</u>	<u>2,169</u>	<u>2,708</u>	<u>3,086,424</u>
	12,767	-	24,196	1,829	2,903	-	-	344,869
	934	-	916	246	596	277	-	25,934
	-	-	-	-	-	-	-	2,532,373
	-	-	-	-	-	-	-	5,484
	3,062	1,948	199	35	1,501	1,892	2,708	94,426
	-	-	4,689	-	-	-	-	140,134
	<u>16,763</u>	<u>1,948</u>	<u>30,000</u>	<u>2,110</u>	<u>5,000</u>	<u>2,169</u>	<u>2,708</u>	<u>3,143,220</u>
	-	-	-	-	(1,500)	-	-	(56,796)
	-	-	-	-	1,500	-	-	56,796
	-	-	-	-	1,500	-	-	56,796
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
\$	<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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 158,894	\$
State awards		8,229	
Local match		-	
Other local revenue		50	
Total revenues	<u>167,173</u>	<u>167,173</u>	<u>-</u>
Expenditures			
Personnel		102,857	
Travel		9,607	
Contractual services		12,348	
Capital outlay		-	
Other direct expenses		33,601	
Indirect costs		50,584	
Total expenditures	<u>208,997</u>	<u>208,997</u>	<u>-</u>
Revenues over (under) expenditures	<u>(41,824)</u>	<u>(41,824)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>41,824</u>	<u>41,824</u>	<u>-</u>
Total other financing sources (uses)	<u>41,824</u>	<u>41,824</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 887,461	\$
State awards		1,318,497	
Other local revenue		234,144	
Total revenues	<u>2,440,102</u>	<u>2,440,102</u>	<u>-</u>
Expenditures			
Contractual services		2,440,102	
Total expenditures	<u>2,440,102</u>	<u>2,440,102</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 15,910	\$
State awards		937	
Other local revenue		-	
Total revenues	<u>16,847</u>	<u>16,847</u>	<u>-</u>
Expenditures			
Other direct expenses	-	16,847	
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,847</u>	<u>16,847</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other local revenue	\$ <u> </u>	\$ <u> 1,984 </u>	\$ <u> </u>
Total revenues	<u> 1,984 </u>	<u> 1,984 </u>	<u> -</u>
Expenditures			
Other direct expenses	<u> </u>	<u> 1,984 </u>	<u> </u>
Total expenditures	<u> 1,984 </u>	<u> 1,984 </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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 2,387	\$
State awards		277	
Local match		-	
Total revenues	<u>2,664</u>	<u>2,664</u>	<u>-</u>
Expenditures			
Personnel		850	
Travel		485	
Other direct expenses		1,699	
Indirect costs		183	
Total expenditures	<u>3,217</u>	<u>3,217</u>	<u>-</u>
Revenues over (under) expenditures	<u>(553)</u>	<u>(553)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>553</u>	<u>553</u>	<u>-</u>
Total other financing sources (uses)	<u>553</u>	<u>553</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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 55,247	\$
State awards		37,940	
Local revenue		-	-
Total revenues	<u>93,187</u>	<u>93,187</u>	<u>-</u>
Expenditures			
Personnel		61,741	
Travel		3,480	
Contractual services		1,850	
Capital outlay		-	
Other direct expenses		10,166	
Indirect costs		26,434	
Total expenditures	<u>103,671</u>	<u>103,671</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,484)</u>	<u>(10,484)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>10,484</u>	<u>10,484</u>	<u>-</u>
Total other financing sources (uses)	<u>10,484</u>	<u>10,484</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, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 12,580	\$
Total revenues	<u>12,580</u>	<u>12,580</u>	<u>-</u>
Expenditures			
Personnel		10,841	
Travel		1,040	
Contractual services		-	
Capital outlay		-	
Other direct expenses		699	
Indirect costs		-	
Total expenditures	<u>12,580</u>	<u>12,580</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State awards	\$	\$ 47,742	\$
Other local revenue		-	
Total revenues	<u>47,742</u>	<u>47,742</u>	<u>-</u>
Expenditures			
Personnel		27,483	
Travel		2,195	
Contractual services		-	
Capital outlay		-	
Other direct expenses		3,785	
Indirect costs		14,279	
Total expenditures	<u>47,742</u>	<u>47,742</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
Aging Programs - Title III-D Disease Prevention, Health Promotion, and Senior Center Outreach
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 20,694	\$
Local Match		2,401	
State awards		60,798	
Total revenues	<u>83,893</u>	<u>83,893</u>	<u>-</u>
Expenditures			
Contractual services		58,394	
Other direct expenses		27,934	
Total expenditures	<u>86,328</u>	<u>86,328</u>	<u>-</u>
Revenues over (under) expenditures	<u>(2,435)</u>	<u>(2,435)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>2,435</u>	<u>2,435</u>	<u>-</u>
Total other financing sources (uses)	<u>2,435</u>	<u>2,435</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 148,604	\$
Other local revenues		962	
State awards		11,488	
Total revenues	<u>161,054</u>	<u>161,054</u>	<u>-</u>
Expenditures			
Personnel		81,574	
Travel		5,350	
Contractual services		19,679	
Capital outlay		-	
Other direct expenses		17,392	
Indirect costs		37,059	
Total expenditures	<u>161,054</u>	<u>161,054</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 - HUD HC
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State awards	\$	\$ 12,852	\$
Local match		3,911	
Total revenues	<u>16,763</u>	<u>16,763</u>	<u>-</u>
Expenditures			
Personnel		12,767	
Travel		934	
Contractual services	-	-	
Other direct expenses		3,062	
Indirect costs		-	
Total expenditures	<u>16,763</u>	<u>16,763</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 - Special Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	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		-	
Capital outlay		-	
Other direct expenses		1,948	
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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State revenues	\$ <u> </u>	\$ <u>30,000</u>	\$ <u> </u>
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenditures			
Personnel		24,196	
Travel		916	
Contractual services		-	
Other direct expenses		199	
Equipment		-	
Indirect costs		<u>4,689</u>	
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u><u>-</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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 2,110	\$
Total revenues	<u>2,110</u>	<u>2,110</u>	<u>-</u>
Expenditures			
Personnel		1,829	
Travel		246	
Contractual services		-	
Other direct expenses		35	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>2,110</u>	<u>2,110</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State revenues	\$ <u> </u>	\$ <u> 3,500</u>	\$ <u> </u>
Total revenues	<u> 3,500</u>	<u> 3,500</u>	<u> -</u>
Expenditures			
Personnel		2,903	
Travel		596	
Contractual services		-	
Other direct expenses		1,501	
Equipment		-	
Indirect costs		-	
Total expenditures	<u> 5,000</u>	<u> 5,000</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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local revenues	\$	\$ 2,169	\$
Total revenues	<u>2,169</u>	<u>2,169</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		277	
Contractual services		-	
Other direct expenses		1,892	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>2,169</u>	<u>2,169</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		-	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - Kate B Reynolds
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other local	\$	\$ 2,708	\$
State awards		-	
Total revenues	<u>2,708</u>	<u>2,708</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		-	
Other direct expenses		2,708	
Indirect costs		-	
Total expenditures	<u>2,708</u>	<u>2,708</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, 2015

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Incumbent Worker WIA 2031	Youth WIA 2040	Incentive WIA 2050	Total June 30, 2015
Revenues:							
Federal awards	\$ 275,250	\$ 1,062,595	\$ 626,698	\$ 22,828	\$ 911,247	\$ 5,800	\$ 2,904,418
Local match	9,300	-	-	-	-	-	9,300
Total Revenues	<u>284,550</u>	<u>1,062,595</u>	<u>626,698</u>	<u>22,828</u>	<u>911,247</u>	<u>5,800</u>	<u>2,913,718</u>
Expenditures:							
Personnel	152,390	208,839	199,255	288	64,068	-	624,840
Participant wages and fringes	-	16,756	728	-	-	-	17,484
Travel	18,701	134,424	29,541	-	12,250	-	194,916
Contractual services	6,562	73,139	77,170	22,271	795,531	-	974,673
Capital outlay	4,682	-	-	-	-	-	4,682
Other direct expenses	36,709	537,400	233,143	156	10,590	5,800	823,798
Indirect costs	65,506	92,037	86,861	113	28,808	-	273,325
Total Expenditures	<u>284,550</u>	<u>1,062,595</u>	<u>626,698</u>	<u>22,828</u>	<u>911,247</u>	<u>5,800</u>	<u>2,913,718</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards		275,250	
Local match		9,300	
Total revenues	<u>284,550</u>	<u>284,550</u>	<u>-</u>
Expenditures			
Administration:			
Personnel		152,390	
Travel		18,701	
Contractual services		6,562	
Capital outlay		4,682	
Other direct expenses		36,709	
Indirect costs		65,506	
Total expenditures (admin)	<u>284,550</u>	<u>284,550</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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	-	1,062,595	
Total revenues	<u>1,062,595</u>	<u>1,062,595</u>	<u>-</u>
Expenditures			
Program:			
Personnel	208,839	208,839	-
Participant wages and fringes	16,756	16,756	-
Travel	134,424	134,424	-
Contractual services	73,139	73,139	-
Other direct expenses	537,400	537,400	-
Indirect costs	<u>92,037</u>	<u>92,037</u>	<u>-</u>
Total expenditures (program)	<u>1,062,595</u>	<u>1,062,595</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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	626,698	626,698	-
Total revenues	<u>626,698</u>	<u>626,698</u>	<u>-</u>
Expenditures			
Program:			
Personnel	199,255	199,255	-
Participant wages and fringes	728	728	-
Travel	29,541	29,541	-
Contractual services	77,170	77,170	-
Other direct expenses	233,143	233,143	-
Indirect costs	86,861	86,861	-
Total expenditures (program)	<u>626,698</u>	<u>626,698</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 - Incumbent Worker
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	22,828	22,828	-
Total revenues	<u>22,828</u>	<u>22,828</u>	<u>-</u>
Expenditures			
Program:			
Personnel	288	288	-
Participant wages and fringes	-	-	-
Travel	-	-	-
Contractual services	22,271	22,271	-
Other direct expenses	156	156	-
Indirect costs	113	113	-
Total expenditures (program)	<u>22,828</u>	<u>22,828</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 - Youth - WIA 2040
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	911,247	911,247	-
Total revenues	<u>911,247</u>	<u>911,247</u>	<u>-</u>
Expenditures			
Program:			
Personnel	64,068	64,068	-
Participant wages and fringes	-	-	-
Travel	12,250	12,250	-
Contractual services	795,531	795,531	-
Capital outlay	-	-	-
Other direct expenses	10,590	10,590	-
Indirect costs	28,808	28,808	-
Total expenditures (program)	<u>911,247</u>	<u>911,247</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 - Incentive - WIA 2050
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	5,800	5,800	-
Local match	-	-	-
Total revenues	<u>5,800</u>	<u>5,800</u>	<u>-</u>
Program:			
Personnel	-	-	-
Participant wages and fringes	-	-	-
Travel	-	-	-
Contractual services	-	-	-
Capital outlay	-	-	-
Other direct expenses	5,800	5,800	-
Indirect costs	-	-	-
Total expenditures	<u>5,800</u>	<u>5,800</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, 2015

	Economic Development Administration	Washington CDBG	Belhaven Med Center
Revenues:			
Federal awards	\$ 78,750	\$ -	\$ -
State awards	-	-	-
Other local revenue	2,841	9,431	4,000
Total Revenues	<u>81,591</u>	<u>9,431</u>	<u>4,000</u>
Expenditures:			
Personnel	83,330	5,565	-
Travel	5,730	77	-
Contractual services	3,219	-	4,000
Capital outlay	-	-	-
Other direct expenses	9,444	624	-
Indirect costs	42,868	3,165	-
Total Expenditures	<u>144,591</u>	<u>9,431</u>	<u>4,000</u>
Revenues over(under) expenditures	<u>(63,000)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfer (to) from special projects	-	-	-
Transfer (to) from general fund	-	-	-
Transfer of local matching funds	63,000	-	-
Total other financing sources (uses)	<u>63,000</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>GUC Sterling Point Project</u>	<u>GUC Westside</u>	<u>ED Special Projects</u>	<u>Beaufort County CDBG</u>	<u>Total June 30, 2015</u>
\$ -	\$ -	\$ -	\$ -	\$ 78,750
-	-	-	-	-
<u>259</u>	<u>569</u>	<u>28,673</u>	<u>8,204</u>	<u>53,977</u>
<u>259</u>	<u>569</u>	<u>28,673</u>	<u>8,204</u>	<u>132,727</u>
110	310	19,834	4,853	114,002
45	26	152	455	6,485
-	-	-	-	7,219
-	-	-	-	-
12	40	7,960	602	18,682
92	193	727	2,294	49,339
<u>259</u>	<u>569</u>	<u>28,673</u>	<u>8,204</u>	<u>195,727</u>
-	-	-	-	<u>(63,000)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	63,000
-	-	-	-	63,000
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	78,750	78,750	
Other local reevenue	2,841	2,841	
Total revenues	<u>81,591</u>	<u>81,591</u>	<u>-</u>
Expenditures			
Personnel	83,330	83,330	-
Travel	5,730	5,730	-
Contractual services	3,219	3,219	-
Other direct expenses	9,444	9,444	-
Indirect costs	42,868	42,868	-
Total expenditures	<u>144,591</u>	<u>144,591</u>	<u>-</u>
Revenues over (under) expenditures	<u>(63,000)</u>	<u>(63,000)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer from ED special projects	-	-	-
Transfer of local matching funds	63,000	63,000	-
Total other financing sources (uses)	<u>63,000</u>	<u>63,000</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	9,431	9,431	-
Total revenues	<u>9,431</u>	<u>9,431</u>	<u>-</u>
 Expenditures			
Personnel	5,565	5,565	-
Travel	77	77	-
Other direct expenses	624	624	-
Indirect costs	3,165	3,165	-
Total expenditures	<u>9,431</u>	<u>9,431</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 - Belhaven Med Center
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	4,000	4,000	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	4,000	4,000	-
Other direct expenses	-	-	-
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,000</u>	<u>4,000</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 - GUC Sterling Point
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	259	259	-
Total revenues	<u>259</u>	<u>259</u>	<u>-</u>
 Expenditures			
Personnel	110	110	-
Travel	45	45	-
Contractual services	-	-	-
Other direct expenses	12	12	-
Indirect costs	92	92	-
Total expenditures	<u>259</u>	<u>259</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 - GUC Westside
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	569	569	-
Total revenues	<u>569</u>	<u>569</u>	<u>-</u>
 Expenditures			
Personnel	310	310	-
Travel	26	26	-
Contractual services	-	-	-
Other direct expenses	40	40	-
Indirect costs	193	193	-
Total expenditures	<u>569</u>	<u>569</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 - ED Special Projects
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	28,673	28,673	-
Total revenues	<u>28,673</u>	<u>28,673</u>	<u>-</u>
Expenditures			
Personnel	19,834	19,834	-
Travel	152	152	-
Other direct expenses	7,960	7,960	-
Indirect costs	727	727	-
Total expenditures	<u>28,673</u>	<u>28,673</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>-</u></u>	

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	8,204	-	8,204	8,204	-
Total revenues	<u>-</u>	<u>-</u>	<u>8,204</u>	<u>8,204</u>	<u>-</u>
Expenditures					
Personnel	4,853	-	4,853	4,853	-
Travel	455	-	455	455	-
Contractual services	-	-	-	-	-
Other direct expenses	602	-	602	602	-
Indirect costs	2,294	-	2,294	2,294	-
Total expenditures	<u>-</u>	<u>-</u>	<u>8,204</u>	<u>8,204</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, 2015

	Aurora Planning & Zoning Administration	Aulander Planning & Zoning Administration	Beaufort County	Planning & Zoning Plymouth	Bicycle Master Plan Washington	Planning & Zoning Bath	Recreation Plan Murfreesboro
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local awards	703	577	21,268	34,211	2,766	4,334	2,451
Total Revenues	<u>703</u>	<u>577</u>	<u>21,268</u>	<u>34,211</u>	<u>2,766</u>	<u>4,334</u>	<u>2,451</u>
Expenditures:							
Personnel	497	335	10,775	17,099	1,535	2,699	1,665
Travel	36	-	837	2,708	-	114	-
Contractual services	-	-	1,844	1,702	-	-	-
Other direct expenses	-	-	-	-	-	-	-
Equipment	66	41	1,147	2,546	868	360	158
Indirect costs	104	201	6,665	10,156	363	1,161	628
Total Expenditures	<u>703</u>	<u>577</u>	<u>21,268</u>	<u>34,211</u>	<u>2,766</u>	<u>4,334</u>	<u>2,451</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, 2015

Bicycle/Pedestrian Plan Farmville	Pantego Planning & Zoning Admin	Chocowinity Planning & Zoning Admin	RPO	Rural Transportation Planning	Totals		Variance Positive (Negative)
					June 30, 2015	Budget	
\$ -	\$ -	\$ -	\$ -	\$ 92,500	\$ 92,500	\$ 92,500	-
4,071	1,156	18,948	110,625	17,343	218,453	218,453	-
<u>4,071</u>	<u>1,156</u>	<u>18,948</u>	<u>110,625</u>	<u>109,843</u>	<u>310,953</u>	<u>310,953</u>	<u>-</u>
2,360	654	10,672	60,357	61,529	170,177	170,177	-
37	130	562	9,183	7,165	20,772	20,772	-
-	-	1,281	1,874	10,795	17,496	17,496	-
797	-	-	-	-	797	797	-
124	90	972	11,841	10,286	28,499	28,499	-
753	282	5,461	27,370	25,849	78,993	78,993	-
<u>4,071</u>	<u>1,156</u>	<u>18,948</u>	<u>110,625</u>	<u>115,624</u>	<u>316,734</u>	<u>316,734</u>	<u>-</u>
-	-	-	-	(5,781)	(5,781)	(5,781)	-
-	-	-	-	-	-	-	-
-	-	-	-	5,781	5,781	5,781	-
-	-	-	-	5,781	5,781	5,781	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MID-EAST COMMISSION
State Technical Assistance
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State awards	\$ <u> </u>	\$ <u> - </u>	\$ <u> </u>
Total revenues	<u> - </u>	<u> - </u>	<u> - </u>
Expenditures			
Other direct expenses		-	
Indirect costs	<u> </u>	<u> - </u>	<u> </u>
Total expenditures	<u> - </u>	<u> - </u>	<u> - </u>
Revenues over(under) expenditures	-	-	-
Other Financing Sources (Uses)			
Transfer (to) other funds	-	-	-
Transfer (to) other funds	-	-	-
Transfer (to) Special Project Planning	<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
Mid-East Intermediary Re-Lending Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest	7,633	65,758	-	65,758	58,125
Program income	387,984	299,927	-	299,927	(88,057)
Other local revenue	63	79,796	-	79,796	79,733
Total revenues	<u>395,680</u>	<u>445,481</u>	<u>-</u>	<u>445,481</u>	<u>49,801</u>
Expenditures					
Personnel	8,825	-	-	-	8,825
Travel	32	32	-	32	-
Contractual services	40,275	40,275	-	40,275	-
Other direct expenses	443,416	443,416	-	443,416	-
Principal	247,615	247,615	-	247,615	-
Interest	7,843	7,843	-	7,843	-
Indirect costs	6,300	6,300	-	6,300	-
Total expenditures	<u>754,306</u>	<u>745,481</u>	<u>-</u>	<u>745,481</u>	<u>8,825</u>
Revenues over (under) expenditures	<u>(358,626)</u>	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>58,626</u>
Other Financing Sources (Uses)					
Loan proceeds	358,626	300,000	-	300,000	(58,626)
Total other financing sources (uses)	<u>358,626</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>(58,626)</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
Mid-East Revolving Loan Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	13,881	13,881	-
Processing fees	128	128	-
Other local revenue	-	-	-
Program income	<u>102,270</u>	<u>102,270</u>	<u>-</u>
Total revenues	<u>116,279</u>	<u>116,279</u>	<u>-</u>
Expenditures			
Personnel	1,022	1,022	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	2,463	2,463	-
Indirect costs	<u>112,794</u>	<u>-</u>	<u>112,794</u>
Total expenditures	<u>116,279</u>	<u>3,485</u>	<u>112,794</u>
Revenues over (under) expenditures	<u>-</u>	<u>112,794</u>	<u>112,794</u>
Change in fund balance	\$ <u>-</u>	112,794	\$ <u>112,794</u>
Fund Balances:			
Beginning of year		<u>202,422</u>	
End of year		\$ <u>315,216</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest income	<u>19</u>	<u>19</u>	<u>-</u>
Total revenues	<u>19</u>	<u>19</u>	<u>-</u>
Expenditures			
Personnel	<u>-</u>	<u>-</u>	<u>-</u>
Other direct expenses	<u>19</u>	<u>19</u>	<u>-</u>
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>19</u>	<u>19</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
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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	-	-	-
Processing fees	-	-	-
Other local revenue	-	-	-
Program income	71,329	-	(71,329)
Total revenues	<u>71,329</u>	<u>-</u>	<u>(71,329)</u>
Expenditures			
Personnel	3,108	3,108	-
Travel	-	-	-
Contractual services	65,935	-	65,935
Other direct expenses	100	100	-
Indirect costs	2,186	2,186	-
Total expenditures	<u>71,329</u>	<u>5,394</u>	<u>65,935</u>
Revenues over (under) expenditures	<u>-</u>	<u>(5,394)</u>	<u>(5,394)</u>
Change in fund balance	\$ <u>-</u>	(5,394)	\$ <u>(5,394)</u>
Fund Balances:			
Beginning of year		<u>45,021</u>	
End of year		\$ <u>39,627</u>	

MID-EAST COMMISSION
Inter Program Training
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	-	-	-
Local revenues	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Personnel	-	-	-
Other direct expenses	-	-	-
Indirect costs	-	-	-
Total 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
RC DTF Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Local revenues	<u>276</u>	<u>276</u>	<u>-</u>
Total revenues	<u>276</u>	<u>276</u>	<u>-</u>
Expenditures			
Other direct expenses	<u>276</u>	<u>276</u>	<u>-</u>
Total expenditures	<u>276</u>	<u>276</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

PROPRIETARY FUNDS

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.

MID-EAST COMMISSION
Combining Statement of Fund Net Position - Proprietary Fund
Mid-East Development Corporation
June 30, 2015

	Twin Gables	Belhaven Senior Center	Veranda
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,973	\$ 2,904	\$ 6,150
Security deposits	3,267	-	2,050
Escrow	1,209	-	1,209
Reserve	13,242	-	13,193
Accounts receivable	-	10,725	-
Prepaid expenses	110	-	110
Total current assets	<u>41,801</u>	<u>13,629</u>	<u>22,712</u>
Capital assets:			
Building	250,105	-	357,373
Land	10,000	-	20,000
Improvements	5,764	-	3,165
Furniture	4,263	-	4,775
Accumulated Depreciation	<u>(143,259)</u>	<u>-</u>	<u>(135,257)</u>
Total capital assets, net	<u>126,873</u>	<u>-</u>	<u>250,056</u>
Total Assets	<u>168,674</u>	<u>13,629</u>	<u>272,768</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	-	-	3,000
Security deposits	3,267	-	2,050
Notes payable - current	<u>8,005</u>	<u>-</u>	<u>5,670</u>
Total current liabilities	<u>11,272</u>	<u>-</u>	<u>10,720</u>
Non-current liabilities			
Notes payable - non-current			
NC Housing	22,494	-	83,006
FMHA	<u>207,295</u>	<u>-</u>	<u>257,004</u>
Total non-current liabilities	<u>229,789</u>	<u>-</u>	<u>340,010</u>
Total Liabilities	<u>241,061</u>	<u>-</u>	<u>350,730</u>
NET POSITION			
Net Investment in Capital Assets	(110,921)	-	(95,624)
Unrestricted	<u>38,534</u>	<u>13,629</u>	<u>17,662</u>
Total Net Position	<u>\$ (72,387)</u>	<u>\$ 13,629</u>	<u>\$ (77,962)</u>

	Dogwoods	Management & Operations	Total
	<u> </u>	<u> </u>	<u> </u>
\$	12,117	\$ 141,840	\$ 186,984
	12,799	-	18,116
	7,391	-	9,809
	53,170	-	79,605
	8,596	1,125	20,446
	1,889	-	2,109
	<u>95,962</u>	<u>142,965</u>	<u>317,069</u>
	1,179,759	-	1,787,237
	68,750	-	98,750
	-	-	8,929
	10,547	20,680	40,265
	<u>(616,748)</u>	<u>(20,680)</u>	<u>(915,944)</u>
	<u>642,308</u>	<u>-</u>	<u>1,019,237</u>
	738,270	142,965	1,336,306
	<u> </u>	<u> </u>	<u> </u>
	8,030	16,080	27,110
	12,799	-	18,116
	<u>12,426</u>	<u>-</u>	<u>26,101</u>
	<u>33,255</u>	<u>16,080</u>	<u>71,327</u>
	<u> </u>	<u> </u>	<u> </u>
	-	-	105,500
	<u>950,095</u>	<u>-</u>	<u>1,414,394</u>
	<u>950,095</u>	<u>-</u>	<u>1,519,894</u>
	<u>983,350</u>	<u>16,080</u>	<u>1,591,221</u>
	<u> </u>	<u> </u>	<u> </u>
	(320,213)	-	(526,758)
	<u>75,133</u>	<u>126,885</u>	<u>271,843</u>
\$	<u><u>(245,080)</u></u>	<u><u>126,885</u></u>	<u><u>\$ (254,915)</u></u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
OPERATING REVENUES:						
Rental income	\$ 24,548	\$ -	\$ 17,184	\$ 154,725	\$ -	\$ 196,457
Operation and management	-	-	-	-	-	-
Other local revenue	249	50,345	294	2,176	2,034	55,098
Total operating revenues	<u>24,797</u>	<u>50,345</u>	<u>17,478</u>	<u>156,901</u>	<u>2,034</u>	<u>251,555</u>
OPERATING EXPENSES						
Management related	19,544	35,187	18,559	24,037	5,766	103,093
Operation of program services	27,074	15,158	33,724	67,858	-	143,814
Depreciation	6,541	-	9,277	32,650	-	48,468
Contractual services	10,205	-	5,270	32,029	-	47,504
Total operating expenditures	<u>63,364</u>	<u>50,345</u>	<u>66,830</u>	<u>156,574</u>	<u>5,766</u>	<u>342,879</u>
Operating income (loss)	<u>(38,567)</u>	<u>-</u>	<u>(49,352)</u>	<u>327</u>	<u>(3,732)</u>	<u>(91,324)</u>
NON-OPERATING REVENUES (EXPENSES):						
Rental assistance received	47,568	-	58,949	-	-	106,517
Interest subsidies received	11,475	-	12,663	-	-	24,138
Interest income	22	-	16	63	23	124
Contributions and local support	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-
Interest expense	(15,200)	-	(16,729)	(14,999)	-	(46,928)
Total nonoperating revenues(expenses)	<u>43,865</u>	<u>-</u>	<u>54,899</u>	<u>(14,936)</u>	<u>23</u>	<u>83,851</u>
Change in net position	5,298	-	5,547	(14,609)	(3,709)	(7,473)
Net position, beginning	<u>(77,685)</u>	<u>\$ 13,629</u>	<u>\$ (83,509)</u>	<u>\$ (230,471)</u>	<u>\$ 130,594</u>	<u>\$ (247,442)</u>
Net position, ending	<u>\$ (72,387)</u>	<u>\$ 13,629</u>	<u>\$ (77,962)</u>	<u>\$ (245,080)</u>	<u>\$ 126,885</u>	<u>\$ (254,915)</u>

MID-EAST COMMISSION
Combining Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2015

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
Cash Flows From Operating Activities:						
Cash Received from Customers/others	\$ 24,797	\$ 50,345	\$ 17,478	\$ 156,901	\$ 2,034	\$ 251,555
Cash Paid for Goods, Services, & Employees	(57,057)	(47,961)	(57,496)	(122,554)	(1,264)	(286,332)
Net Cash Provided by (Used for) Operating Activities	(32,260)	2,384	(40,018)	34,347	770	(34,777)
Cash Flows from Noncapital Financing Activities:						
Rental assistance and interest subs	59,043	-	71,612	-	-	130,655
Contributions and local support	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	59,043	-	71,612	-	-	130,655
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	-	-	-	(26,100)	-	(26,100)
Principal Paid on Bond\Note Maturities and Capital Leases	(2,228)	-	(3,002)	(13,867)	-	(19,097)
Disposal of asset	-	-	-	-	-	-
Interest Paid on Bond\Note Maturities and Capital Leases	(15,200)	-	(16,729)	(14,999)	-	(46,928)
Capital contributions	-	-	-	-	-	-
Net Cash Provided (Used for) Capital and Related Financing Activities	(17,428)	-	(19,731)	(54,966)	-	(92,125)
Cash Flows from Investing Activities:						
Interest on investments	22	-	16	63	23	124
Net Increase (Decrease) in Cash and Cash Equivalents	9,377	2,384	11,879	(20,556)	793	3,877
Cash and cash equivalents, July 1	32,314	520	10,723	106,033	141,047	290,637
Cash and cash equivalents, June 30	<u>\$ 41,691</u>	<u>\$ 2,904</u>	<u>\$ 22,602</u>	<u>\$ 85,477</u>	<u>\$ 141,840</u>	<u>\$ 294,514</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Activities:						
Operating Income (Loss)	\$ (38,567)	\$ -	\$ (49,352)	\$ 327	\$ (3,732)	\$ (91,324)
Adjustments to Reconcile Operating Income to Net Cash Provided						
Operating Activities:						
Depreciation	6,541	-	9,277	32,650	-	48,468
Changes in Assets and Liabilities:						
(Increase) Decrease						
in Accounts Receivable	-	2,384	-	630	11,669	14,683
in Prepaids	55	-	57	(6)	-	106
Increase (Decrease)						
in Accounts Payable & accrued liabilities	-	-	-	(153)	(7,167)	(7,320)
in Customer Deposits	(289)	-	-	899	-	610
Total Adjustments	6,307	2,384	9,334	34,020	4,502	56,547
Net Cash Provided by Operating Activities	<u>\$ (32,260)</u>	<u>\$ 2,384</u>	<u>\$ (40,018)</u>	<u>\$ 34,347</u>	<u>\$ 770</u>	<u>\$ (34,777)</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, 2015

	2015		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 24,548	\$
Operation and management		-	
Other local revenue		249	
Total operating revenues	<u>24,797</u>	<u>24,797</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	59,043	59,043	-
Interest on Investments	22	22	-
Total Revenues	<u>83,862</u>	<u>83,862</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		13,553	
Repairs and maintenance		-	
Operating expenses		5,991	
Total	<u>19,544</u>	<u>19,544</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		6,092	
Operating expenses		20,982	
Total	<u>27,074</u>	<u>27,074</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		10,205	
Operating expenses		-	
Total	<u>10,205</u>	<u>10,205</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		15,200	
Debt Principal		2,228	
Total	<u>27,039</u>	<u>17,428</u>	<u>9,611</u>
Total Expenditures	<u>83,862</u>	<u>74,251</u>	<u>9,611</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>9,611</u>	<u>9,611</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, 2015

	2015		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	-	9,611	9,611
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 9,611	\$ 9,611

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 9,611
Reconciling items:	
Capital Outlay	-
Principal Payments	2,228
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	(4,313)
Change in net position	\$ 5,298

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, 2015

	2015		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		-	
Other local revenue		50,345	
Total operating revenues	<u>50,345</u>	<u>50,345</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	-	-	-
Total Revenues	<u>50,345</u>	<u>50,345</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		35,187	
Total	<u>35,188</u>	<u>35,187</u>	<u>1</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		15,158	
Total	<u>15,158</u>	<u>15,158</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>50,346</u>	<u>50,345</u>	<u>1</u>
Revenues Over (Under) Expenditures	<u>(1)</u>	<u>-</u>	<u>1</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, 2015

	2015		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	(1)	-	1
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (1)	\$ -	\$ 1

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, 2015

	2015		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 17,184	\$
Operation and management		-	
Other local revenue		294	
Total operating revenues	<u>17,478</u>	<u>17,478</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies		71,612	
Interest on Investments		16	
Total Revenues	<u>89,106</u>	<u>89,106</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		13,375	
Repairs and maintenance		-	
Operating expenses		5,184	
Total	<u>18,559</u>	<u>18,559</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		4,372	
Operating expenses		29,352	
Total	<u>33,724</u>	<u>33,724</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		5,270	
Total	<u>5,270</u>	<u>5,270</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		16,729	
Debt Principal		3,002	
Total	<u>31,553</u>	<u>19,731</u>	<u>11,822</u>
Total Expenditures	<u>89,106</u>	<u>77,284</u>	<u>11,822</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>11,822</u>	<u>11,822</u>

MID-EAST COMMISSION
Enterprise Fund - VERANDA
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2015

	2015		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	-	11,822	11,822
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 11,822	\$ 11,822

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 11,822
Reconciling items:	
Capital Outlay	-
Principal Payments	3,002
Depreciation	(9,277)
Total reconciling items	(6,275)
Change in net position	\$ 5,547

MID-EAST COMMISSION
Enterprise Fund - DOGWOODS
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2015

	2015		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 154,725	\$
Operation and management		-	
Other local revenue		2,176	
Total operating revenues	<u>156,901</u>	<u>156,901</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>63</u>	<u>63</u>	<u>-</u>
Total Revenues	<u>156,964</u>	<u>156,964</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		24,037	
Repairs and maintenance		-	
Operating expenses	-	-	
Total	<u>24,037</u>	<u>24,037</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		67,858	
Total	<u>67,858</u>	<u>67,858</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		32,029	
Total	<u>32,029</u>	<u>32,029</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		14,999	
Debt Principal		13,867	
Total	<u>33,040</u>	<u>28,866</u>	<u>4,174</u>
Total Expenditures	<u>156,964</u>	<u>152,790</u>	<u>4,174</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>4,174</u>	<u>4,174</u>

MID-EAST COMMISSION
Enterprise Fund - DOGWOODS
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2015

	2015		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	-	4,174	4,174
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 4,174	\$ 4,174

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 4,174
Reconciling items:	
Capital Outlay	-
Principal Payments	13,867
Depreciation	(32,650)
Total reconciling items	(18,783)
Change in net position	\$ (14,609)

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, 2015

	2015		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		-	
Other local revenue		2,034	
Total operating revenues	<u>5,743</u>	<u>2,034</u>	<u>(3,709)</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>23</u>	<u>23</u>	<u>-</u>
Total Revenues	<u>5,766</u>	<u>2,057</u>	<u>(3,709)</u>
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		5,766	
Total	<u>5,766</u>	<u>5,766</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>5,766</u>	<u>5,766</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,709)</u>	<u>(3,709)</u>

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, 2015

	2015		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	-	(3,709)	(3,709)
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (3,709)	\$ (3,709)

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (3,709)
Reconciling items:	
Capital Outlay	-
Principal Payments	-
Depreciation	-
Total reconciling items	-
Change in net position	\$ (3,709)

Mid-East Commission
Schedule of Indirect Costs
For the Year Ended June 30, 2015

Salaries	\$	212,898
Fringe benefits		138,888
Professional services		33,204
Operating costs		140,636
Travel		18,351
Total Indirect Costs	\$	<u>543,977</u>

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

**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, 2015, 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 18, 2015.

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., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Wilmington, North Carolina
November 18, 2015



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; In Accordance With OMB Circular A-133 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 Mid-East Commission's, compliance with the types of compliance requirements described in the (OMB) Circular A-133 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 Mid-East Commission's major federal programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that 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 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 on the Mid-East Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2015.

Report on Internal Control Over Compliance

Management of 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 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 OMB Circular A-133, 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 deficiencies, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

Wilmington, North Carolina

November 18, 2015



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 3
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 395-4872

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In Accordance With OMB Circular A-133 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 Mid-East Commission's, compliance with the types of compliance requirements described in the (OMB) Circular A-133 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 Mid-East Commission's major State programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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 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 on the Mid-East Commission's compliance.

Opinion on Each Major State Program

In our opinion, 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, 2015.

Report on Internal Control Over Compliance

Management of 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 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

Wilmington, North Carolina

November 18, 2015

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ☐ yes ☒ no

Noncompliance material to financial
statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ☐ yes ☒ 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 Section 510(a) of Circular A-133 ☐ yes ☒ no

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
--------------	-------------------------------------

Aging Cluster

93.045	Special Programs for the Aging – Title III C
93.044	Special Programs for the Aging – Title III B

Workforce Investment Act Cluster

17.258	WIA – Adult
17.259	WIA – Youth
17.278	WIA – Dislocated Workers
11.307	Revolving Loan Fund

Mid-East Commission
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? ____yes Xno

State Awards

Internal control over major state programs:

- Material weakness(es) identified? ____yes Xno
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ____yes Xnone reported

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

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

Identification of major state programs:

Name of State Program or Cluster

In Home Services

Mid-East Commission
Corrective Action Plan
For the Fiscal Year Ended June 30, 2015

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Mid-East Commission
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2015

Status: N/A

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2015

Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Federal Direct and Pass Through Expenditures	State Expenditures
Federal Programs			
<u>U.S. Dept. of Agriculture</u>			
Direct Program			
Rural Rental Assistance Payments (MEDC)			
Interest subsidies	10.427	\$ 24,138	\$ -
Rental subsidies	10.427	106,517	-
		<u>130,655</u>	<u>-</u>
Passed through State Dept. of Health and Human Services			
USDA Supplement	10.570	<u>89,271</u>	<u>-</u>
Total U. S. Dept. of Agriculture		<u>\$ 219,926</u>	<u>\$ -</u>
<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			
Planning and Administration	93.044	44,387	2,432
In-Home Services	93.044	66,552	3,915
Ombudsman Program	93.044	39,884	2,346
Legal Services	93.044	15,909	936
Access	93.044	163,184	9,599
		<u>329,916</u>	<u>19,228</u>
Special Programs for the Aging - Title III C			
Congregate Nutrition	93.045	230,307	13,547
Home Delivered Meals	93.045	197,436	11,614
Planning and Administration	93.045	76,866	4,212
		<u>504,609</u>	<u>29,373</u>
Total Aging Cluster		<u>834,525</u>	<u>48,601</u>
Special Programs for the Aging			
Title VII - B – Elder Abuse	93.041	4,701	277
Title VII - E – Ombudsman Program	93.042	16,533	973
Preventive Health	93.043	20,692	1,217
Family Caregiver Support	93.052	176,532	11,769
Title III-E Planning and Administration	93.052	28,905	1,584
Options Counseling	93.517	-	-
SSBG	93.667	133,857	3,824
CRC/LCA	93.791	30,000	-
		<u>411,220</u>	<u>19,644</u>

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2015

Passed through State Dept. of Insurance			
SHIIP	93.779	3,238	
Empowering Older People -SMP	93.048	3,500	
MIPPA	93.071	15,063	
		<u>21,801</u>	<u>-</u>
Total U. S. Health and Human Services		<u>\$ 1,267,546</u>	<u>\$ 68,245</u>

U.S. Dept. of Commerce

Direct Program			
Economic Development Administration-Revolving Loan Fund	11.307	462,898	
Economic Development Administration-Planning Program	11.302	78,750	
		<u></u>	<u></u>
Total U. S. Dept. of Commerce		<u>\$ 541,648</u>	<u>\$ -</u>

U.S. Department of Labor-Workforce Investment Act

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

Workforce Investment Act Cluster			
WIA Adult	17.258	1,158,439	
WIA Youth	17.259	1,052,558	
WIA Dislocated Worker	17.278	699,462	
Total Workforce Investment Act Cluster		<u>\$ 2,910,458</u>	<u>\$ -</u>

U.S. Department Housing and Urban Development

Passed through North Carolina Housing Finance Agency

Comprehensive Housing Counseling	14.169	<u>\$ 14,878</u>	<u></u>
----------------------------------	--------	------------------	---------

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2015

<u>U.S. Dept. of Transportation</u>			
Passed through State Dept. of Transportation			
Rural Transportation Planning	20.205-8	\$	52,674
Total Federal Assistance		\$	<u>5,007,131</u>
State Programs			
<u>Department of Administration (OSBM)</u>			
State Technical Assistance	N/A	\$	-
<u>Department of Health and Human Services</u>			
AAA Administration	N/A		48,262
Access	N/A		54,437
Congregate nutrition	N/A		-
Home delivered meals	N/A		223,853
In-Home Services	N/A		751,884
In-Home Services-Caregiver Match	N/A		236,573
Ombudsman	N/A		34,620
Senior Center Development	N/A		58,398
Project Care 100%	N/A		-
Total Department of Health and Human Services		\$	<u>1,408,027</u>
Total State programs		\$	<u>1,408,027</u>
Total State Assistance		\$	<u>1,476,272</u>

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2015

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 Mid East Con under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of MEC, it is not intended to and does not present the financial position, changes in net assets 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 principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or cost principles contained in Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note Subrecipients - Of the Federal and State expenditures presented in the schedule, Mid-East Commission provided
3. federal and state awards to subrecipients as follows:

Program Title	CFDA Number	Federal Expenditures	State Expenditures
USDA Supplement	10.570	89,271	
WIA Adult	17.258	721,995	
WIA Youth	17.259	793,764	
WIA Dislocated Worker	17.278	397,427	
Preventive Health	93.043	20,692	1,217
Access Services	93.044	163,184	9,599
In-home Services	93.044	66,552	3,915
Legal Services	93.044	15,909	936
Congregate Nutrition	93.045	230,307	13,547
Home Delivered Meals	93.045	197,436	11,614
Empowering Older People	93.048	3,500	
SSBG	93.667	133,857	3,824
CRC/LCA	93.791	30,000	
Access	N/A		54,437
Congregate Nutrition	N/A		-
Home delivered meals	N/A		223,853
In-Home Services	N/A		751,884
Senior Center Development	N/A		58,398
Totals		\$ 2,863,894	\$ 1,133,224