

MID-EAST COMMISSION
Washington, North Carolina
Financial Statements
For the Year Ended June 30, 2016

**Mid-East Commission
Table of Contents
June 30, 2016**

<u>Exhibit</u>		<u>Page(s)</u>
	Financial Section:	
	Independent Auditor's Report	1 - 3
	Management's Discussion and Analysis	4 - 10
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	11
2	Statement of Activities	12
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds	14
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	15
6	Statement of Revenues, Expenditures, and Changes in Fund Balances -- Annual Budget and Actual -- General Fund	16
7	Statement of Fund Net Position-Proprietary Fund	17
8	Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Fund	18
9	Statement of Cash Flows-Proprietary Fund	19
9	Reconciliation of the Statement of Cash Flows of Proprietary Fund	20
	Notes to Financial Statements	21 - 37

Required Supplemental Financial Data

Other Postemployment Benefits – Schedule of Funding Progress	38
Other Postemployment Benefits – Schedule of Employer Contributions	39
Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees’ Retirement System	40
Schedule of Contributions – Local Government Employees’ Retirement System	41

Individual Fund Statements and Schedules:

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	42
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Fund	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Aging Programs	44 - 46
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Aging Programs	47 - 63
Workforce Development Region Q	64 - 69
Economic Development Programs	70 - 80
Planning Programs	81 - 82
Mid-East Intermediary Re-Lending Program	83
Mid-East Revolving Loan Fund	84
RLF Sequester	85
Mid-East Revolving Loan Fund Service and Marketing	86

Mid East Development Corporation

Combining Statement of Fund Net Position-Proprietary Funds	87
Combining Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	88
Combining Statement of Cash Flows - Proprietary Funds	89
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Twin Gables	90 - 91
Belhaven Senior Center	92 - 93
Veranda	94 - 95
Dogwoods	96 - 97
Management and Operations	98 - 99
Additional Schedules	
Schedule of Indirect Costs	100

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 <i>Government Auditing Standards</i>	101 - 102
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; In Accordance with OMB Uniform Guidance; and the Single Audit Implementation Act	103 - 104
Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; In Accordance with OMB Uniform Guidance; and the Single Audit Implementation Act	105 - 107
Schedule of Findings and Questioned Costs	108 - 110
Corrective Action Plan	111
Summary Schedule of Prior Audit Findings	112
Schedule of Expenditures of Federal and State Awards	113 - 116

FINANCIAL SECTION



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission as of and for the year then ended June 30, 2016, 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, 2016, 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 Liability and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Mid-East Commission. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016 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

October 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Mid-East Commission, we offer readers of the Mid-East Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2016. 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

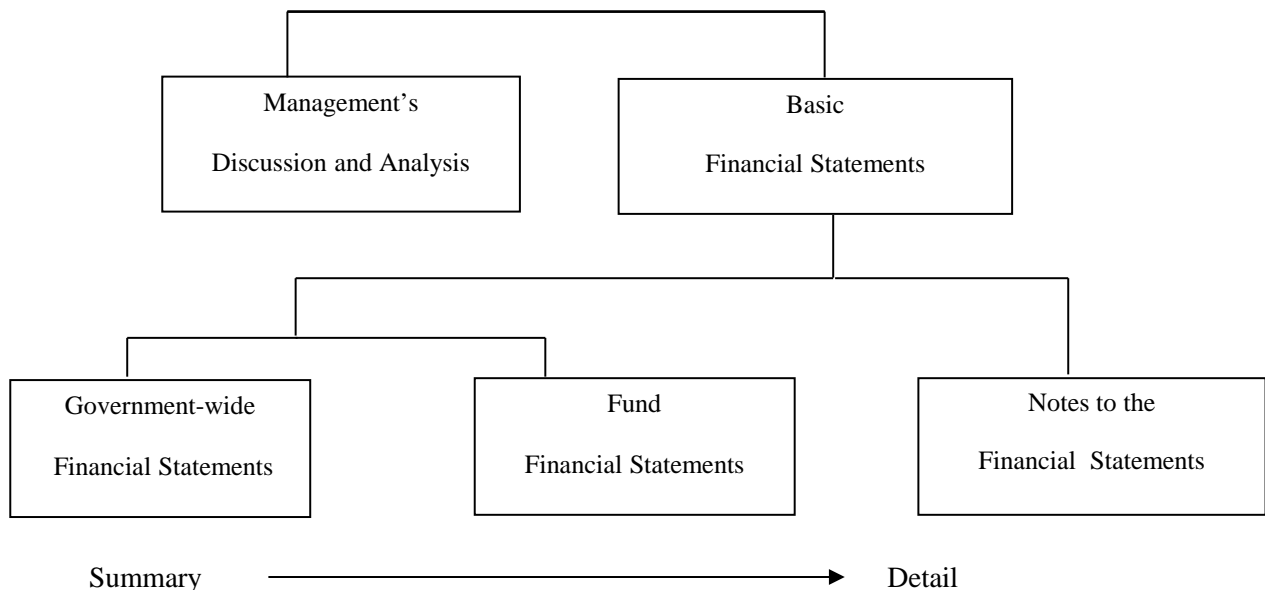
- The assets and deferred outflows of resources of the Mid-East Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$334,652 (*net position*).
- The government's total net position decreased over the prior year by \$69,855.
- At the close of the current fiscal year, Mid-East Commission's governmental funds reported combined ending fund balances of \$518,705, a decrease of \$53,660 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$222,051. This is a decrease of \$4,529 from the prior year.
- Mid-East Commissions' total debt excluding compensated absences, Net pension liability, and OPEB liability consists of \$1,526,762.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show additional details about the Commission's activities. Budgetary information required by the General Statutes can also be found in this part of the statements.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

The Fund Financial Statements (see Figure 1) provide a more detailed look at the Commission's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Mid-East Commission, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the Commission's budget ordinance. All of the funds of the Mid-East Commission can be divided into two categories: governmental funds and proprietary funds.

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

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

Proprietary Funds – Mid-East Commission has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Mid-East Commission uses an enterprise fund to account for the activities of blended component unit, the Mid-East Development Corporation, Inc. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position.

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Mid-East Commission exceeded liabilities and deferred inflows by \$334,652 as of June 30, 2016. The Commission's net position decrease by \$69,855. Mid-East Commission uses the governmental Activities capital assets of (\$517,542) to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Commissions net position \$1,427,399 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$575,205) for governmental activities is unrestricted.

Mid-East Commission's Net Assets
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$1,965,918	\$ 1,869,326	\$ 363,732	\$ 317,069	\$2,329,650	\$2,186,395
Capital assets	40,046	55,428	969,174	1,019,237	1,009,220	1,074,665
Deferred Outflows of resources	75,152	103,058	-	-	75,152	103,058
Total assets and deferred outflows	2,081,116	2,027,812	1,332,906	1,336,306	3,414,022	3,364,118
Long-term liabilities outstanding	97,793	-	1,526,762	1,545,995	1,624,555	1,545,995
Other liabilities	1,344,344	1,052,028	52,934	45,226	1,397,278	1,097,254
Deferred inflows of resources	57,537	316,362	-	-	57,537	316,362
Total liabilities and deferred inflows	1,499,674	1,368,390	1,579,696	1,591,221	3,079,370	2,959,611
Net position:						
Net investment in capital assets	40,046	55,428	(557,588)	(526,758)	(517,542)	(471,330)
Restricted	1,427,399	572,365	-	-	1,427,399	572,365
Unrestricted	(886,003)	31,629	310,798	271,843	(575,205)	303,472
Total net position	\$ 581,442	\$ 659,422	\$ (246,790)	\$ (254,915)	\$ 334,652	\$ 404,507

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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 261,627	\$ 251,555	\$ 261,627	\$ 251,555
Operating grants	6,383,790	6,337,190	126,619	130,655	6,510,409	6,467,845
General revenues:						
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment earnings, unrestricted	16,522	14,996	1,160	124	17,682	15,120
Total revenues	6,400,312	6,352,186	389,406	382,334	6,789,718	6,734,520
Expenses:						
Economic & Physical Development	2,929,971	3,006,303	-	-	2,929,971	3,006,303
Human Services	3,049,205	3,035,786	-	-	3,049,205	3,035,786
Indirect costs	499,116	543,977	-	-	499,116	543,977
Business type activities	-	-	381,281	389,807	381,281	389,807
Total expenses	6,478,292	6,586,066	381,281	389,807	6,859,573	6,975,873
 Increase (decrease) in net position before transfers	 (77,980)	 (233,880)	 8,125	 (7,473)	 (69,855)	 (241,353)
 Transfers	 -	 -	 -	 -	 -	 -
 Increase (decrease) in net position	 (77,980)	 (233,880)	 8,125	 (7,473)	 (69,855)	 (241,353)
 Net position, July	 659,422	 893,302	 (254,915)	 (247,442)	 404,507	 645,860
Net position, June 30	\$ 581,442	\$ 659,422	\$ (246,790)	\$ (254,915)	\$ 334,652	\$ 404,507

Governmental activities: Governmental activities decreased the Commission's net position by \$77,980.

Business-type activities: Business-type activities increased the Commission's net position by \$8,125.

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 \$222,051 while fund balance available was \$0.

At June 30, 2016, the Governmental Funds of the Commission reported a combined fund balance of \$518,705 with a net decrease of \$53,660. Included in these changes in fund balance is an increase in the General Fund and decrease in Special Revenue fund.

General Fund Budgetary Highlights. During the fiscal year, the Commission revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Proprietary Funds: The Commission's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The total increase in net position was \$8,125.

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, 2016 totals \$40,046 (net of accumulated depreciation) and \$969,174 (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	
	2016	2015	2016	2015	2016	2015
Land	\$ -	\$ -	\$ 98,750	\$ 98,750	\$ 98,750	\$ 98,750
Buildings	-	-	865,340	919,695	865,340	919,695
Equipment	40,046	55,428	5,084	792	45,130	56,220
Total	\$ 40,046	\$ 55,428	\$ 969,174	\$ 1,019,237	\$ 1,009,220	\$ 1,074,665

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, 2016 the Mid-East Commission's notes payable totaled \$-0- for the Intermediary Relending Program and \$1,526,762 for the Mid-East Development Corporation.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Compensated absences	\$ 93,849	\$ 116,280	\$ -	\$ -	\$ 93,849	\$ 116,280
OPEB Liability	130,476	99,380	-	-	130,476	99,380
Installment purchases	-	-	1,526,762	1,545,995	1,526,762	1,545,995
Net pension liability (LGRS)	97,793	-	-	-	97,793	-
Total	\$ 322,118	\$ 215,660	\$1,526,762	\$1,545,995	\$1,848,880	\$1,761,655

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 759,370	\$ 208,003	\$ 967,373
Cash - Escrow	-	10,239	10,239
Cash - Reserve	-	103,438	103,438
Restricted Cash	-	17,815	17,815
Grants receivable	836,557	-	836,557
Accounts receivable	368,791	22,187	390,978
Prepays	1,200	2,050	3,250
Total Current Assets	1,965,918	363,732	2,329,650
Non-Current Assets:			
Capital assets:			
Land, improvements, and construction in progress	-	98,750	98,750
Other capital assets, net of depreciation	40,046	870,424	910,470
Total capital assets	40,046	969,174	1,009,220
Total assets	2,005,964	1,332,906	3,338,870
DEFERRED OUTFLOWS OF RESOURCES	\$ 75,152	\$ -	\$ 75,152
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,213,868	\$ 35,119	\$ 1,248,987
OPEB payable	130,476	-	130,476
Liabilities payable from restricted assets:			
Security deposits	-	17,815	17,815
Long-term liabilities:			
Net pension liability	97,793	-	97,793
Due within one year	-	27,240	27,240
Due in more than one year	-	1,499,522	1,499,522
Total liabilities	1,442,137	1,579,696	3,021,833
DEFERRED INFLOWS OF RESOURCES	57,537	-	57,537
NET POSITION			
Net Investment in Capital Assets	40,046	(557,588)	(517,542)
Restricted			
Stabilization by State Statute	1,427,399	-	1,427,399
Economic development	-	-	-
Unrestricted (deficit)	(886,003)	310,798	(575,205)
Total net position	\$ 581,442	\$ (246,790)	\$ 334,652

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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Economic and physical development	\$ 2,929,971	\$ -	\$ 3,240,553	\$ -	\$ 310,582	-	310,582
Human services	3,049,205	-	3,143,237	-	94,032	-	94,032
Indirect costs	499,116	-	-	-	(499,116)	-	(499,116)
Total governmental activities	6,478,292	-	6,383,790	-	(94,502)	-	(94,502)
Business-type activities:							
Mid-East Development Corporation	381,281	261,627	126,619	-	-	6,965	6,965
Total business-type activities	381,281	261,627	126,619	-	-	6,965	6,965
Total primary government	\$ 6,859,573	\$ 261,627	\$ 6,510,409	\$ -	(94,502)	6,965	(87,537)
General revenues:							
Grants and contributions not restricted to specific programs					-	-	-
Unrestricted investment earnings					16,522	1,160	17,682
Total general revenues					16,522	1,160	17,682
Change in net position					(77,980)	8,125	(69,855)
Net position, beginning					659,422	(254,915)	404,507
Net position-ending					\$ 581,442	\$ (246,790)	\$ 334,652

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

MID-EAST COMMISSION
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds		Total Governmental Funds
	<u>General Fund</u>	<u>Special Revenue</u>	
ASSETS			
Cash and cash equivalents	\$ -	\$ 759,370	\$ 759,370
Grants receivable	-	836,557	836,557
Restricted cash	-	-	-
Accounts receivable	-	13,409	13,409
Other receivables	-	-	-
Loans receivable	-	355,382	355,382
Prepays	-	1,200	1,200
Due from other funds	222,051	(222,051)	-
Total assets	<u>222,051</u>	<u>1,743,867</u>	<u>1,965,918</u>
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	-	1,213,868	1,213,868
Total liabilities	<u>-</u>	<u>1,213,868</u>	<u>1,213,868</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	-	233,345	233,345
Total deferred inflows of resources	<u>-</u>	<u>233,345</u>	<u>233,345</u>
FUND BALANCES			
Restricted			
Stabilization by State Statute	222,051	1,205,348	1,427,399
Economic development	-	-	-
Committed			
Economic development	-	-	-
Unassigned	-	(908,694)	(908,694)
Total fund balances	<u>222,051</u>	<u>296,654</u>	<u>518,705</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>222,051</u>	\$ <u>1,743,867</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:	40,046
Deferred outflows of resources related to pensions are not reported in the funds.	75,152
Deferred inflows of resources for grants receivable.	233,345
Deferred inflows of resources related to pensions are not reported in the funds.	(57,537)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported	(130,476)
Net pension liability.	(97,793)
Total net position of governmental activities	\$ <u>581,442</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, 2016

	Major Funds		Total Governmental Funds
	General	Special Revenue	
REVENUES			
Federal awards	\$ -	\$ 3,971,505	\$ 3,971,505
State awards	-	1,569,355	1,569,355
Local in kind match	-	242,828	242,828
Other local revenue	198,050	303,755	501,805
Program income	-	79,464	79,464
Interest income	624	15,898	16,522
Total revenues	198,674	6,182,805	6,381,479
EXPENDITURES			
Economic and physical development	-	3,166,538	3,166,538
Human services	66,977	3,201,624	3,268,601
Total expenditures	66,977	6,368,162	6,435,139
Revenues over (under) expenditures	131,697	(185,357)	(53,660)
OTHER FINANCING SOURCES (USES):			
Transfers (to) from other funds	-	-	-
Transfer of local matching funds	(127,168)	127,168	-
Total other financing sources (uses)	(127,168)	127,168	-
Net change in fund balance	4,529	(58,189)	(53,660)
Fund balances, beginning	217,522	354,843	572,365
Fund balances, ending	\$ 222,051	\$ 296,654	\$ 518,705

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, 2016

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

Net changes in fund balances - total governmental funds	\$	(53,660)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	-	
Depreciation expense for governmental assets	<u>(15,382)</u>	(15,382)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		59,796
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

June 30, 2015		(214,510)
June 30, 2016		<u>233,345</u>
Change in deferred revenues		18,835

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other postemployment benefits		(31,096)
Pension expense		<u>(56,473)</u>

Total changes in net position of governmental activities	\$	<u><u>(77,980)</u></u>
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MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2016

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local revenue	\$ 198,050	\$ 198,050	\$ 198,050	\$ -
Interest Income	624	624	624	-
Total Revenues	<u>198,674</u>	<u>198,674</u>	<u>198,674</u>	<u>-</u>
Expenditures:				
Human services	10,246	10,246	10,246	-
General Government	56,731	56,731	56,731	-
Total Expenditures	<u>66,977</u>	<u>66,977</u>	<u>66,977</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>131,697</u>	<u>131,697</u>	<u>131,697</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	-	-	-	-
Transfer of local matching funds	<u>(127,168)</u>	<u>(127,168)</u>	<u>(127,168)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(127,168)</u>	<u>(127,168)</u>	<u>(127,168)</u>	<u>-</u>
Net Change in fund Balance	\$ <u>-</u>	\$ <u>-</u>	4,529	\$ <u>-</u>
Fund Balances, Beginning of Year			217,522	
Fund Balances, End of Year			<u>\$ 222,051</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, 2016

	<u>Major Enterprise Fund</u> <u>Mid-East Development</u> <u>Corporation</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 208,003
Restricted cash	17,815
Cash - Escrow	10,239
Cash - Reserve	103,438
Accounts receivable	22,187
Prepaid expenses	2,050
Total current assets	<u>363,732</u>
Capital assets:	
Land	98,750
Other capital assets, net of depreciation	870,424
Total capital assets	<u>969,174</u>
Total Assets	<u>\$ 1,332,906</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 35,119
Liabilities payable from restricted assets:	
Security deposits	17,815
Notes payable - current	27,240
Total current liabilities	<u>80,174</u>
Noncurrent liabilities:	
Notes payable - noncurrent	1,499,522
Total noncurrent liabilities	<u>1,499,522</u>
Total liabilities	<u>1,579,696</u>
NET POSITION	
Net investment in capital assets	(557,588)
Unrestricted	310,798
Total Net Position	<u><u>\$ (246,790)</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, 2016

	Major Enterprise Fund Mid-East Development Corporation
OPERATING REVENUES:	
Rental income	\$ 196,936
Operation and management	3,015
Other revenue	61,676
Total operating revenues	<u>261,627</u>
OPERATING EXPENSES	
Management related	99,495
Operation of program services	147,008
Contractual services	40,672
Depreciation	50,063
Total operating expenditures	<u>337,238</u>
Operating income (loss)	<u>(75,611)</u>
NON-OPERATING REVENUES (EXPENSES):	
Rental assistance - RECD	103,910
Interest subsidies - RECD	22,709
Interest income	1,160
Contributions and local support	-
Interest expense	(44,043)
Total nonoperating revenues (expenses)	<u>83,736</u>
Income (loss) before capital contributions	8,125
Capital contributions	<u>-</u>
Change in net position	<u>8,125</u>
Total net position, beginning	<u>(254,915)</u>
Total net position, ending	<u>\$ (246,790)</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, 2016

	<u>Major Enterprise Fund</u> <u>Development</u> <u>Corporation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from renters	\$ 196,936
Other cash received	64,691
Cash paid for goods and services	(181,654)
Cash paid to employees for services	(99,495)
Net cash provided (used) by operating activities	<u>(19,522)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Rental assistance and interest subsidies	126,619
Contributions and local support	-
Net cash provided (used) by non-capital financing activities	<u>126,619</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	\$ -
Acquisition and construction of capital assets	-
Disposal of asset	-
Principal paid on long-term debt	(19,233)
Interest paid on long-term debt	(44,043)
Net cash provided (used) by capital and related financing activities	<u>(63,276)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	1,160
Net cash provided (used) by investing activities	<u>1,160</u>
Net increase (decrease) in cash and cash equivalents	<u>44,981</u>
Cash and cash equivalents, beginning	<u>294,514</u>
Cash and cash equivalents, ending	<u>\$ 339,495</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, 2016

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

Operating income (loss)	\$	(75,611)
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Adjustments to reconcile excess of revenues over (under) expenses to net cash used by operating activities

Depreciation		50,063
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Changes in current assets and current liabilities

(Increase) decrease in accounts receivable		(1,741)
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(Increase) decrease in prepaid expenses		59
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Increase (decrease) in accounts payable		8,009
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Increase (decrease) in security deposits		(301)
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Total adjustments		56,089
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Net cash provided (used) by operating activities	\$	<u>(19,522)</u>
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Supplemental disclosure of cash flow information:

Rental assistance from the Rural Economic and Community Development Service was applied to cover note principal of \$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, 2016

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, 2016.

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

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

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

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

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise fund:

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

C. Measurement Focus, Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission enterprise funds are charges to customers for rent. Operating expenses for enterprise funds include the cost of rentals, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

The Commission considers all revenues available if they are collected within 90 days after year-end. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

D. Budgetary Data

The Commission's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. Project ordinances are adopted for the special revenue fund. All annual appropriations lapse at fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Some special revenue fund projects are budgeted on the period of the corresponding grant, which does not follow the same fiscal year as the Commission. Expenditures may not legally exceed appropriations at the functional level for the general fund and at the departmental level for the special revenue fund. The Budget Officer is authorized by the budget ordinance to transfer appropriations within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

All deposits of the Commission and Mid-East Development Corporation are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Commission and Mid-East Development Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Commission and Mid-East Development Corporation may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the Commission and the Mid-East Development Corporation to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The securities of the NCCMT Cash Portfolio, a SEC-registered (2a7) external investment pool, is measured at amortized cost, which is NCCMT's share price.

2. Cash and Cash Equivalents

Mid-East Commission pools money from several funds to facilitate disbursement and investment and to maximize investment income and are considers all cash and cash investments to be cash and cash equivalents. Mid-East Development Corporation considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents. in accordance with Rural Economic & Community Development (RECD) service regulations. The Corporation maintains all RECD project funds separate and distinct from other projects, and tenant security deposits are maintained in an account separate from other project funds.

3. Restricted Assets

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

Enterprise Fund

	Customer Deposits	\$ 17,815
Total Restricted Cash		<u>\$ 17,815</u>

4. Allowance for Doubtful Accounts

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

5. Prepaid Items

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

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Certain items acquired before July 1, 1980 are recorded at an estimated original cost. The total of such estimates is not considered large enough that errors would be material when the fixed assets are considered as whole. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

7. Long-term Obligations

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

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Commission has one item that meets this criterion, contributions made to the pension plan in the 2016 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 either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

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

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

The Commission has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-commission funds, commission funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Commission.

11. Pensions

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

F. Revenues, Expenditures and Expenses

Cost Allocation Plan

Mid-East Commission institutes an annual cost allocation plan, based on estimates of the current year, in which indirect costs are pro-rated to the various grants based on an indirect rate that is determined in accordance with federal guidelines. The indirect costs shown in this report for the various grants have been adjusted to the actual amount of indirect expenditures for the year ended June 30, 2016. 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, 2016, the Commission's deposits had a carrying amount of \$930,790 and a bank balance of \$1,061,897. 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, 2016, the Commission had \$168,075 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 formal policy regarding credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2016 were as follows:

	Accounts	Due From Other Governments	Loans Receivable	Total
Governmental Activities:				
General	\$ -	\$ -	\$ -	\$ -
Other Governmental	13,409	836,557	355,382	1,205,348
Total Receivables	<u>\$ 13,409</u>	<u>\$ 836,557</u>	<u>\$ 355,382</u>	<u>\$ 1,205,348</u>
Business-Type Activities:				
Mid-East Development Corp	\$ 22,187	\$ -	\$ -	\$ 22,187

4. Capital Assets

Capital asset activity for the Primary Government year ended June 30, 2016, was as follows:

	Beginning Balances July 1, 2015	Increases	Decreases	Ending Balances June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Equipment	\$ 114,480	\$ -	\$ (5,283)	\$ 109,197
Less accumulated depreciation for Equipment	59,052	15,382	(5,283)	69,151
Governmental activity capital assets, net	<u>\$ 55,428</u>	<u>\$ 15,382</u>	<u>\$ (10,566)</u>	<u>\$ 40,046</u>

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

Human services	\$ 15,382
Economic Development	-
Total Depreciation Expense	<u>\$ 15,382</u>

	Beginning Balances July 1, 2015	Increases	Decreases	Ending Balances June 30, 2016
Business-type Activities				
Mid-East Development Corporation				
Capital assets not being depreciated:				
Land	\$ 98,750	\$ -	\$ -	\$ 98,750
Capital assets being depreciated:				
Buildings	1,791,442	-	-	1,791,442
Furniture, fixtures, equipment	46,836	-	-	46,836
Total capital assets being depreciated	<u>1,838,278</u>	<u>-</u>	<u>-</u>	<u>1,838,278</u>
Less accumulated depreciation for:				
Buildings	876,403	49,699	-	926,102
Furniture, fixtures, equipment	41,388	364	-	41,752
Total accumulated depreciation	<u>917,791</u>	<u>\$ 50,063</u>	<u>\$ -</u>	<u>967,854</u>
Total capital assets being depreciated, net	<u>920,487</u>			<u>870,424</u>
Business-type activities capital assets, net	<u>\$ 1,019,237</u>			<u>\$ 969,174</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, 2016 loans receivable amounted to \$355,382 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, 2016 loans receivable amounted to \$-0-.

B. Liabilities1. Payables

Payables at the government-wide level at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities			
Other Governmental	\$ 958,297	\$ 255,571	\$ 1,213,868
Business-type Activities			
Mid-East Development Corporation	\$ 35,119	\$ -	\$ 35,119

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Commission employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Commission's contractually required contribution rate for the year ended June 30, 2016, 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 \$59,796 for the year ended June 30, 2016.

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, 2016, the Commission reported a liability of \$97,793 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the Commission's proportion was 0.02179%, which was a decrease of 0.00022% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Commission recognized pension expense of \$56,473. At June 30, 2016, the Commission 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	\$ -	\$ 22,987
Net difference between projected and actual earnings on pension plan investments	-	27,841
Changes in proportion and differences between Commission's contributions and proportionate share of contributions	15,356	6,709
Commission's contributions subsequent to the measurement date	59,796	-
Total	<u>\$ 75,152</u>	<u>\$ 57,537</u>

\$59,796 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2017	\$ (29,060)
2018	(29,060)
2019	(29,076)
2020	45,015
2021	-
Thereafter	-
	<u>\$ (42,181)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 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, 2014 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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation		
Protection	6.0%	3.4%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. 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)	\$681,917	\$97,792	(\$394,321)

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

3. Deferred Outflows and Inflows of Resources

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

Source

Changes in proportion and differences between Town's contributions and proportionate share of contributions	\$ 15,356
Contributions to pension plan in current fiscal year	<u>59,796</u>
Total	<u><u>\$ 75,152</u></u>

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

Pension deferrals	\$ 57,537
Grants Receivable	\$ 233,345

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, 2016, 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	14,634
Annual OPEB cost (expense)	<u>31,096</u>
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	31,096
Net OPEB obligation, beginning of year	99,380
Net OPEB obligation, end of year	<u>\$ 130,476</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, 2016 were as follows:

For Year Ended 30-Jun	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 25,441	0.0%	\$ 73,809
2015	\$ 25,571	0.0%	\$ 99,380
2016	\$ 31,096	0.0%	\$ 130,476

Funded Status and Funding Progress. As of June 30, 2016, the actuarial accrued liability for benefits was \$367,158, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$890,223 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 41.24 percent.

Actuarial valuations of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

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

4. Other Employment Benefits

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

5. Operating Lease Commitments

The Commission conducts its operations in leased facilities under a non-cancelable operating lease, which expires in 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 30-Jun	Payment
2017	143,615
2018	143,615
2019	27,886
2020	27,156
2021	4,526
Total	<u>\$ 346,798</u>

6. Long-Term Obligations

a. 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%).	207,282
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%).	233,531
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%).	23,236
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%).	947,725
Total	\$ 1,526,762

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Payment	Total Interest	Interest Subsidy	Interest Expense	Principal
2017	\$ 124,415	\$ 97,175	\$ 70,692	\$ 26,483	\$ 27,240
2018	124,246	95,789	70,692	25,096	28,457
2019	125,089	95,332	70,692	24,640	29,757
2020	123,572	92,424	70,692	21,731	31,148
2021	123,570	90,957	70,692	20,264	32,613
2022-2026	589,734	428,680	353,461	75,220	161,054
2027-2031	589,737	372,756	353,461	19,295	216,981
2032-2036	589,737	294,904	353,461	(58,557)	294,833
2037-2041	577,005	186,309	353,461	(167,152)	390,696
2042-2046	294,945	54,880	155,094	(100,214)	240,065
2047-2051	85,767	11,849	49,617	(37,768)	73,918
Total	\$ 3,347,816	\$ 1,821,054	\$ 1,972,016	\$ (150,961)	\$ 1,526,762

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

b. Changes in Long-Term Liabilities

	Beginning Balance 6/30/2015	Increases	Decreases	Ending Balance 6/30/2016	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Liability	99,380	31,096	-	130,476	-
Net pension liability (LGERS)	-	97,793	-	97,793	-
Compensated absences	116,280	-	(22,431)	93,849	-
Total governmental activities	<u>\$ 215,660</u>	<u>\$ 128,889</u>	<u>\$ (22,431)</u>	<u>\$ 322,118</u>	<u>\$ -</u>
Business Type Activities:					
Installment purchase	\$ 1,545,995	\$ -	\$ (19,233)	\$ 1,526,762	\$ 27,240
Total business type activities	<u>\$ 1,545,995</u>	<u>\$ -</u>	<u>\$ (19,233)</u>	<u>\$ 1,526,762</u>	<u>\$ 27,240</u>

The LGERS plan had a net pension asset as of June 30, 2016; however, the plan had a net pension liability at the beginning of the fiscal year.

7. Risk Management

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

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

Mid-East Development Corporation is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters. The Corporation carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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

8. Contingent Liabilities

At June 30, 2016, they Commission was a defendant to various lawsuits. In the opinion of the Commission's management and the Commission's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Commission's financial position.

C. Interfund Balances and Activity

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

From the General Fund to the Special Revenue Fund	<u>\$ 222,051</u>
Total	<u>\$ 222,051</u>

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

D. Fund Balance

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

Total fund balance - General Fund	\$ 222,051
Less:	
Stabilization by State Statute	222,051
Remaining Fund Balance	\$ -

III. Summary Disclosure of Significant ContingenciesFederal and State Assisted Programs

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

IV. Significant Effects of Subsequent Events

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

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted 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-14	-	\$ 229,879	\$ 229,879	0.0%	\$ 1,248,760	18.41%
30-Jun-15	-	\$ 218,762	\$ 218,762	0.0%	\$ 1,167,798	18.73%
30-Jun-16	-	\$ 367,158	\$ 367,158	0.0%	\$ 890,223	41.24%

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%
2015	\$ 16,097	0.00%

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

Local Government Employees' Retirement System

	2016	2015	2014
Commission's proportion of the net pension liability (asset) (%)	0.002179%	0.2201%	0.0200%
Board's proportion of the net pension liability (asset) (\$)	\$ 97,793	\$ (129,803)	\$ 241,077
Board's covered-employee payroll	\$ 1,167,798	\$ 1,248,760	\$ 1,127,546
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.37%	(10.39%)	21.38%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	102.64%

* 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 Three Fiscal Years

Local Government Employees' Retirement System

	2016	2015	2014
Contractually required contribution	\$ 59,796	\$ 82,563	\$ 88,287
Contributions in relation to the contractually required contribution	59,796	82,563	88,287
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 890,223	\$ 1,167,798	\$ 1,248,760
Contributions as a percentage of covered-employee payroll	6.72%	7.07%	7.07%

INDIVIDUAL FUND SCHEDULES

-
- Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
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MID-EAST COMMISSION
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	2016		
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Other local revenue	\$ 198,050	\$ 198,050	\$ -
Interest income	624	624	-
TOTAL REVENUES	198,674	198,674	-
EXPENDITURES			
General government	56,731	56,731	-
Human services	10,246	10,246	-
TOTAL EXPENDITURES	66,977	66,977	-
Revenues over (under) expenditures	131,697	131,697	-
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds:	-	-	-
Transfer out of local matching funds	(127,168)	(127,168)	-
TOTAL OTHER FINANCING SOURCES (USES)	(127,168)	(127,168)	-
Change in fund balance	\$ -	\$ 4,529	\$ -
Fund Balances:			
Beginning of Year		217,522	
End of Year		\$ 222,051	

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, 2016

	Aging	Workforce Development Region Q	Economic Development	Mid-East Revolving Loan Fund	Planning	Mid-East IRP Fund	RLF Sequester	Mid-East Revolving Loan Fund Svc & Mkt	Total June 30, 2016
Revenues:									
Federal awards	\$ 1,437,988	\$ 2,470,517	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,971,505
State awards	1,395,809	-	-	-	173,546	-	-	-	1,569,355
Local match	238,054	4,774	-	-	-	-	-	-	242,828
Other local revenue	71,386	-	105,263	950	126,150	-	6	-	303,755
Program income	-	-	-	79,464	-	-	-	-	79,464
Interest Income	-	-	-	15,898	-	-	-	-	15,898
Total Revenues	<u>3,143,237</u>	<u>2,475,291</u>	<u>168,263</u>	<u>96,312</u>	<u>299,696</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>6,182,805</u>
Expenditures:									
Personnel	304,662	316,844	113,330	-	143,522	-	-	-	878,358
Participant wages and fringes	-	-	-	-	-	-	-	-	-
Travel	29,038	39,201	7,588	-	13,481	-	-	-	89,308
Contractual services	2,601,483	1,827,126	20,886	500	11,592	-	-	-	4,461,587
Capital outlay	-	-	-	-	-	-	-	-	-
Other direct expenses	90,479	117,871	25,236	152,257	52,200	-	6	1,744	439,793
Indirect costs	175,962	174,249	64,223	-	84,682	-	-	-	499,116
Total Expenditures	<u>3,201,624</u>	<u>2,475,291</u>	<u>231,263</u>	<u>152,757</u>	<u>305,477</u>	<u>-</u>	<u>6</u>	<u>1,744</u>	<u>6,368,162</u>
Revenues over(under) expenditures	<u>(58,387)</u>	<u>-</u>	<u>(63,000)</u>	<u>(56,445)</u>	<u>(5,781)</u>	<u>-</u>	<u>-</u>	<u>(1,744)</u>	<u>(185,357)</u>
Other Financing Sources (Uses)									
Transfers (to) from Special Projects	-	-	-	-	-	-	-	-	-
Transfer (to) from Special Projects	-	-	-	-	-	-	-	-	-
Transfer of local matching funds	58,387	-	63,000	-	5,781	-	-	-	127,168
Total other financing sources (uses)	<u>58,387</u>	<u>-</u>	<u>63,000</u>	<u>-</u>	<u>5,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,168</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,744)</u>	<u>(58,189)</u>
Fund Balances:									
Beginning of Year	-	-	-	315,216	-	-	-	39,627	354,843
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,883</u>	<u>\$ 296,654</u>

MID-EAST COMMISSION

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

For the Year Ended June 30, 2016

	Aging Planning and Administration Title III	Home and Community Care Block Grant	Legal	Aging Management Information Services	Title III Elder Abuse
Revenues:					
Federal awards	\$ 147,257	\$ 997,715	\$ 15,912	\$ -	\$ 6,514
State awards	11,408	1,244,121	937	-	277
Local match	-	238,054	-	-	-
Other local revenue	3,117	-	-	1,881	3,378
Total Revenues	<u>161,782</u>	<u>2,479,890</u>	<u>16,849</u>	<u>1,881</u>	<u>10,169</u>
Expenditures:					
Personnel	83,024	-	-	-	3,746
Travel	6,258	-	-	-	857
Contractual services	11,404	2,479,890	16,849	-	-
Capital outlay	-	-	-	-	-
Other direct expenses	30,351	-	-	1,881	4,534
Indirect costs	72,643	-	-	-	1,585
Total Expenditures	<u>203,680</u>	<u>2,479,890</u>	<u>16,849</u>	<u>1,881</u>	<u>10,722</u>
Revenues over(under) expenditures	<u>(41,898)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(553)</u>
Other Financing Sources (Uses)					
Transfer of local matching funds	41,898	-	-	-	553
Total other financing sources (uses)	<u>41,898</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, 2016

Ombudsman Program	MIPPA	AAA Administration Support	Title III-D, Disease Prevention, Health Promotion and Senior Center Outreach	Family Caregiver Support
\$ 81,794	\$ -	\$ -	\$ 30,692	\$ 158,104
16,018	14,683	50,540	1,807	10,551
-	-	-	-	-
-	-	-	56,987	70
<u>97,812</u>	<u>14,683</u>	<u>50,540</u>	<u>89,486</u>	<u>168,725</u>
54,616	13,854	22,424	18,930	72,318
4,331	829	8,876	1,583	4,198
11,638	-	415	56,988	20,993
-	-	-	-	-
4,180	-	5,704	4,988	33,083
33,873	-	13,121	10,607	38,133
<u>108,638</u>	<u>14,683</u>	<u>50,540</u>	<u>93,096</u>	<u>168,725</u>
<u>(10,826)</u>	<u>-</u>	<u>-</u>	<u>(3,610)</u>	<u>-</u>
10,826	-	-	3,610	-
<u>10,826</u>	<u>-</u>	<u>-</u>	<u>3,610</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, 2016
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,988
	3,653	1,948	30,000	4,366	5,500	-	-	1,395,809
	-	-	-	-	-	-	-	238,054
	-	4,446	-	-	-	1,331	176	71,386
	<u>3,653</u>	<u>6,394</u>	<u>30,000</u>	<u>4,366</u>	<u>5,500</u>	<u>1,331</u>	<u>176</u>	<u>3,143,237</u>
	3,078	-	22,679	4,164	5,829	-	-	304,662
	-	58	572	202	1,152	-	122	29,038
	-	3,306	-	-	-	-	-	2,601,483
	-	-	-	-	-	-	-	-
	575	3,030	749	-	19	1,331	54	90,479
	-	-	6,000	-	-	-	-	175,962
	<u>3,653</u>	<u>6,394</u>	<u>30,000</u>	<u>4,366</u>	<u>7,000</u>	<u>1,331</u>	<u>176</u>	<u>3,201,624</u>
	-	-	-	-	(1,500)	-	-	(58,387)
	-	-	-	-	1,500	-	-	58,387
	-	-	-	-	1,500	-	-	58,387
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
\$	<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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 147,257	\$
State awards		11,408	
Local match		-	
Other local revenue		3,117	
Total revenues	<u>161,782</u>	<u>161,782</u>	<u>-</u>
Expenditures			
Personnel		83,024	
Travel		6,258	
Contractual services		11,404	
Capital outlay		-	
Other direct expenses		30,351	
Indirect costs		72,643	
Total expenditures	<u>203,680</u>	<u>203,680</u>	<u>-</u>
Revenues over (under) expenditures	<u>(41,898)</u>	<u>(41,898)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>41,898</u>	<u>41,898</u>	<u>-</u>
Total other financing sources (uses)	<u>41,898</u>	<u>41,898</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 997,715	\$
State awards		1,244,121	
Other local revenue		238,054	
Total revenues	<u>2,479,890</u>	<u>2,479,890</u>	<u>-</u>
Expenditures			
Contractual services		2,479,890	
Total expenditures	<u>2,479,890</u>	<u>2,479,890</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards	\$	\$ 15,912	\$
State awards		937	
Other local revenue		-	
Total revenues	<u>16,849</u>	<u>16,849</u>	<u>-</u>
Expenditures			
Other direct expenses	-	16,849	
Indirect costs	<u>-</u>	<u>-</u>	
Total expenditures	<u>16,849</u>	<u>16,849</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 - Aging Management Information Services
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Other local revenue	\$	\$ 1,881	\$
Total revenues	<u>1,881</u>	<u>1,881</u>	<u>-</u>
Expenditures			
Other direct expenses		1,881	
Total expenditures	<u>1,881</u>	<u>1,881</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	-	-	-
Total other financing sources (uses)	<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 - Title III Elder Abuse
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 6,514	\$
State awards		277	
Local match		3,378	
Total revenues	<u>10,169</u>	<u>10,169</u>	<u>-</u>
Expenditures			
Personnel		3,746	
Travel		857	
Other direct expenses		4,534	
Indirect costs		1,585	
Total expenditures	<u>10,722</u>	<u>10,722</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 81,794	\$
State awards		16,018	
Local revenue		-	-
Total revenues	<u>97,812</u>	<u>97,812</u>	<u>-</u>
Expenditures			
Personnel		54,616	
Travel		4,331	
Contractual services		11,638	
Capital outlay		-	
Other direct expenses		4,180	
Indirect costs		33,873	
Total expenditures	<u>108,638</u>	<u>108,638</u>	<u>-</u>
Revenues over (under) expenditures	<u>(10,826)</u>	<u>(10,826)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>10,826</u>	<u>10,826</u>	<u>-</u>
Total other financing sources (uses)	<u>10,826</u>	<u>10,826</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 14,683	\$
Total revenues	<u>14,683</u>	<u>14,683</u>	<u>-</u>
Expenditures			
Personnel		13,854	
Travel		829	
Contractual services		-	
Capital outlay		-	
Other direct expenses		-	
Indirect costs		-	
Total expenditures	<u>14,683</u>	<u>14,683</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 50,540	\$
Other local revenue		-	
Total revenues	<u>50,540</u>	<u>50,540</u>	<u>-</u>
Expenditures			
Personnel		22,424	
Travel		8,876	
Contractual services		415	
Capital outlay		-	
Other direct expenses		5,704	
Indirect costs		13,121	
Total expenditures	<u>50,540</u>	<u>50,540</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 30,692	\$
Local Match		56,987	
State awards		1,807	
Total revenues	<u>89,486</u>	<u>89,486</u>	<u>-</u>
Expenditures			
Contractual services		56,988	
Other direct expenses		36,108	
Total expenditures	<u>93,096</u>	<u>93,096</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,610)</u>	<u>(3,610)</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer of local matching funds	<u>3,610</u>	<u>3,610</u>	<u>-</u>
Total other financing sources (uses)	<u>3,610</u>	<u>3,610</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ 158,104	\$
Other local revenues		70	
State awards		10,551	
Total revenues	<u>168,725</u>	<u>168,725</u>	<u>-</u>
Expenditures			
Personnel		72,318	
Travel		4,198	
Contractual services		20,993	
Capital outlay		-	
Other direct expenses		33,083	
Indirect costs		38,133	
Total expenditures	<u>168,725</u>	<u>168,725</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State awards	\$	\$ 3,653	\$
Local match		-	
Total revenues	<u>3,653</u>	<u>3,653</u>	<u>-</u>
Expenditures			
Personnel		3,078	
Travel		-	
Contractual services	-	-	
Other direct expenses		575	
Indirect costs		-	
Total expenditures	<u>3,653</u>	<u>3,653</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$	\$ -	\$
State awards		1,948	
Other local revenue		4,446	
Local match		-	
Total revenues	<u>6,394</u>	<u>6,394</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		58	
Contractual services		3,306	
Capital outlay		-	
Other direct expenses		3,030	
Indirect costs		-	
Total expenditures	<u>6,394</u>	<u>6,394</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 30,000	\$
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenditures			
Personnel		22,679	
Travel		572	
Contractual services		-	
Other direct expenses		749	
Equipment		-	
Indirect costs		6,000	
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>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Aging Programs - SHIP
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 4,366	\$
Total revenues	<u>4,366</u>	<u>4,366</u>	<u>-</u>
Expenditures			
Personnel		4,164	
Travel		202	
Contractual services		-	
Other direct expenses		-	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>4,366</u>	<u>4,366</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
State revenues	\$	\$ 5,500	\$
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Expenditures			
Personnel		5,829	
Travel		1,152	
Contractual services		-	
Other direct expenses		19	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>7,000</u>	<u>7,000</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local revenues	\$	\$ 1,331	\$
Total revenues	<u>1,331</u>	<u>1,331</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		-	
Contractual services		-	
Other direct expenses		1,331	
Equipment		-	
Indirect costs		-	
Total expenditures	<u>1,331</u>	<u>1,331</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 - Kate B Reynolds
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other local	\$	\$ 176	\$
State awards		-	
Total revenues	<u>176</u>	<u>176</u>	<u>-</u>
Expenditures			
Personnel		-	
Travel		122	
Contractual services		-	
Other direct expenses		54	
Indirect costs		-	
Total expenditures	<u>176</u>	<u>176</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, 2016

	Administration WIA 2010	Adult WIA 2020	Dislocated Worker WIA 2030	Youth WIA 2040	Incentive WIA 2050	Total June 30, 2016
Revenues:						
Federal awards	\$ 284,687	\$ 920,255	\$ 433,359	\$ 825,679	\$ 6,537	\$ 2,470,517
Local match	4,168	606	-	-	-	4,774
Total Revenues	<u>288,855</u>	<u>920,861</u>	<u>433,359</u>	<u>825,679</u>	<u>6,537</u>	<u>2,475,291</u>
Expenditures:						
Personnel	141,263	60,678	58,172	56,731	-	316,844
Participant wages and fringes	-	-	-	-	-	-
Travel	19,704	2,603	5,586	11,103	205	39,201
Contractual services	4,354	802,956	313,843	705,679	294	1,827,126
Capital outlay	-	-	-	-	-	-
Other direct expenses	46,287	21,761	21,951	21,834	6,038	117,871
Indirect costs	77,247	32,863	33,807	30,332	-	174,249
Total Expenditures	<u>288,855</u>	<u>920,861</u>	<u>433,359</u>	<u>825,679</u>	<u>6,537</u>	<u>2,475,291</u>
Revenues over(under) expenditures	<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>
Fund Balances:						
Beginning of Year	<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>

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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Federal awards		284,687	
Local match		4,168	
Total revenues	<u>288,855</u>	<u>288,855</u>	<u>-</u>
Expenditures			
Administration:			
Personnel		141,263	
Travel		19,704	
Contractual services		4,354	
Capital outlay		-	
Other direct expenses		46,287	
Indirect costs		77,247	
Total expenditures (admin)	<u>288,855</u>	<u>288,855</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	-	920,255	
Local funds		606	
Total revenues	<u>920,861</u>	<u>920,861</u>	<u>-</u>
Expenditures			
Program:			
Personnel	60,678	60,678	-
Participant wages and fringes	-	-	-
Travel	2,603	2,603	-
Contractual services	802,956	802,956	-
Other direct expenses	21,761	21,761	-
Indirect costs	<u>32,863</u>	<u>32,863</u>	<u>-</u>
Total expenditures (program)	<u>920,861</u>	<u>920,861</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	433,359	433,359	-
Total revenues	<u>433,359</u>	<u>433,359</u>	<u>-</u>
Expenditures			
Program:			
Personnel	58,172	58,172	-
Participant wages and fringes	-	-	-
Travel	5,586	5,586	-
Contractual services	313,843	313,843	-
Other direct expenses	21,951	21,951	-
Indirect costs	33,807	33,807	-
Total expenditures (program)	<u>433,359</u>	<u>433,359</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION
Workforce Development Region Q - Youth - WIA 2040
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	825,679	825,679	-
Total revenues	<u>825,679</u>	<u>825,679</u>	<u>-</u>
Expenditures			
Program:			
Personnel	56,731	56,731	-
Participant wages and fringes	-	-	-
Travel	11,103	11,103	-
Contractual services	705,679	705,679	-
Capital outlay	-	-	-
Other direct expenses	21,834	21,834	-
Indirect costs	30,332	30,332	-
Total expenditures (program)	<u>825,679</u>	<u>825,679</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	6,537	6,537	-
Local match	-	-	-
Total revenues	<u>6,537</u>	<u>6,537</u>	<u>-</u>
Program:			
Personnel	-	-	-
Participant wages and fringes	-	-	-
Travel	205	205	-
Contractual services	294	294	-
Capital outlay	-	-	-
Other direct expenses	6,038	6,038	-
Indirect costs	-	-	-
Total expenditures	<u>6,537</u>	<u>6,537</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, 2016

	Economic Development Administration	Washington CDBG	Belhaven Med Center	EDA Pitt	EDA Washington
Revenues:					
Federal awards	\$ 63,000	\$ -	\$ -	\$ -	\$ -
State awards	-	-	-	-	-
Other local revenue	-	34,586	5,062	11,986	24,659
Total Revenues	<u>63,000</u>	<u>34,586</u>	<u>5,062</u>	<u>11,986</u>	<u>24,659</u>
Expenditures:					
Personnel	64,896	9,673	2,607	6,726	14,002
Travel	2,219	1,054	952	474	192
Contractual services	3,377	17,500	-	-	-
Capital outlay	-	-	-	-	-
Other direct expenses	15,299	1,899	486	1,276	2,745
Indirect costs	40,209	4,460	1,017	3,510	7,720
Total Expenditures	<u>126,000</u>	<u>34,586</u>	<u>5,062</u>	<u>11,986</u>	<u>24,659</u>
Revenues over(under) expenditures	<u>(63,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer (to) from special projects	-	-	-	-	-
Transfer (to) from general fund	-	-	-	-	-
Transfer of local matching funds	63,000	-	-	-	-
Total other financing sources (uses)	<u>63,000</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	-	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<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, 2016</u>
\$ -	\$ -	\$ -	\$ -	\$ 63,000
-	-	-	-	-
2,974	8,163	7,858	9,975	105,263
<u>2,974</u>	<u>8,163</u>	<u>7,858</u>	<u>9,975</u>	<u>168,263</u>
1,785	4,735	5,234	3,672	113,330
117	-	498	2,082	7,588
-	-	-	9	20,886
-	-	-	-	-
283	883	689	1,676	25,236
789	2,545	1,437	2,536	64,223
<u>2,974</u>	<u>8,163</u>	<u>7,858</u>	<u>9,975</u>	<u>231,263</u>
-	-	-	-	(63,000)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	63,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,000</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

MID-EAST COMMISSION
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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	63,000	63,000	
Other local reevenue	-	-	
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>-</u>
Expenditures			
Personnel	64,896	64,896	-
Travel	2,219	2,219	-
Contractual services	3,377	3,377	-
Other direct expenses	15,299	15,299	-
Indirect costs	40,209	40,209	-
Total expenditures	<u>126,000</u>	<u>126,000</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	34,586	34,586	-
Total revenues	<u>34,586</u>	<u>34,586</u>	<u>-</u>
Expenditures			
Personnel	9,673	9,673	-
Travel	1,054	1,054	-
Contractual services	17,500	17,500	-
Other direct expenses	1,899	1,899	-
Indirect costs	4,460	4,460	-
Total expenditures	<u>34,586</u>	<u>34,586</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 - Belhaven Med Center
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local revenue	5,062	5,062	-
Total revenues	<u>5,062</u>	<u>5,062</u>	<u>-</u>
Expenditures			
Personnel	2,607	2,607	-
Travel	952	952	-
Contractual services	-	-	-
Other direct expenses	486	486	-
Indirect costs	1,017	1,017	-
Total expenditures	<u>5,062</u>	<u>5,062</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

MID-EAST COMMISSION
Economic Development Programs - EDA Pitt
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local revenues	11,986	11,986	-
Total revenues	<u>11,986</u>	<u>11,986</u>	<u>-</u>
Expenditures			
Personnel	6,726	6,726	-
Travel	474	474	-
Contractual services	-	-	-
Other direct expenses	1,276	1,276	-
Indirect costs	3,510	3,510	-
Total expenditures	<u>11,986</u>	<u>11,986</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Economic Development Programs - EDA Washington
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local revenues	24,659	24,659	-
Total revenues	<u>24,659</u>	<u>24,659</u>	<u>-</u>
Expenditures			
Personnel	14,002	14,002	-
Travel	192	192	-
Contractual services	-	-	-
Other direct expenses	2,745	2,745	-
Indirect costs	7,720	7,720	-
Total expenditures	<u>24,659</u>	<u>24,659</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 Sterling Point
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	2,974	2,974	-
Total revenues	<u>2,974</u>	<u>2,974</u>	<u>-</u>
Expenditures			
Personnel	1,785	1,785	-
Travel	117	117	-
Contractual services	-	-	-
Other direct expenses	283	283	-
Indirect costs	789	789	-
Total expenditures	<u>2,974</u>	<u>2,974</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 Westside
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	8,163	8,163	-
Total revenues	<u>8,163</u>	<u>8,163</u>	<u>-</u>
Expenditures			
Personnel	4,735	4,735	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	883	883	-
Indirect costs	2,545	2,545	-
Total expenditures	<u>8,163</u>	<u>8,163</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 - ED Special Projects
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal awards	\$ -	\$ -	\$ -
State awards	-	-	-
Local match	7,858	7,858	-
Total revenues	<u>7,858</u>	<u>7,858</u>	<u>-</u>
Expenditures			
Personnel	5,234	5,234	-
Travel	498	498	-
Other direct expenses	689	689	-
Indirect costs	1,437	1,437	-
Total expenditures	<u>7,858</u>	<u>7,858</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Source (Uses)			
Transfer (to) from general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balances:			
Beginning of year		<u>-</u>	
End of year		\$ <u>-</u>	

MID-EAST COMMISSION
Economic Development Programs - Beaufort County CDBG
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal awards	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	18,179	8,204	9,975	18,179	-
Total revenues	<u>-</u>	<u>8,204</u>	<u>9,975</u>	<u>18,179</u>	<u>-</u>
Expenditures					
Personnel	8,525	4,853	3,672	8,525	-
Travel	2,537	455	2,082	2,537	-
Contractual services	9	-	9	9	-
Other direct expenses	2,278	602	1,676	2,278	-
Indirect costs	4,830	2,294	2,536	4,830	-
Total expenditures	<u>-</u>	<u>8,204</u>	<u>9,975</u>	<u>18,179</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, 2016

	Aurora Planning & Zoning Administration	Aulander Planning & Zoning Administration	Beaufort County	Planning & Zoning Plymouth	Pedestrian Plan Washington	Planning & Zoning Bath	Recreation Plan Murfreeboro
Revenues:							
State awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local awards	1,679	2,243	15,308	27,970	5,826	3,982	460
Total Revenues	<u>1,679</u>	<u>2,243</u>	<u>15,308</u>	<u>27,970</u>	<u>5,826</u>	<u>3,982</u>	<u>460</u>
Expenditures:							
Personnel	1,012	1,340	6,778	12,753	3,258	1,461	177
Travel	-	-	425	1,550	-	197	-
Contractual services	-	-	1,321	1,401	-	-	-
Other direct expenses	162	219	2,195	3,801	697	760	51
Equipment	-	-	-	-	-	-	-
Indirect costs	505	684	4,589	8,465	1,871	1,564	232
Total Expenditures	<u>1,679</u>	<u>2,243</u>	<u>15,308</u>	<u>27,970</u>	<u>5,826</u>	<u>3,982</u>	<u>460</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, 2016

Planning & Zoning Special Projects	Chocowinity Planning & Zoning Admin	RPO	Rural Transportation Planning	Totals		Variance Positive (Negative)
				June 30, 2016	Budget	
\$ -	\$ -	\$ 81,046	\$ 92,500	\$ 173,546	\$ 173,546	-
733	21,026	29,579	17,344	126,150	126,150	-
733	21,026	110,625	109,844	299,696	299,696	-
188	9,956	39,435	67,164	143,522	143,522	-
-	286	6,948	4,075	13,481	13,481	-
-	1,321	5,987	1,562	11,592	11,592	-
445	3,134	28,145	12,591	52,200	52,200	-
-	-	-	-	-	-	-
100	6,329	30,110	30,233	84,682	84,682	-
733	21,026	110,625	115,625	305,477	305,477	-
-	-	-	(5,781)	(5,781)	(5,781)	-
-	-	-	-	-	-	-
-	-	-	5,781	5,781	5,781	-
-	-	-	5,781	5,781	5,781	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2016

	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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	15,898	15,898	-
Processing fees	950	950	-
Other local revenue	497,081	-	(497,081)
Program income	79,464	79,464	-
Total revenues	<u>593,393</u>	<u>96,312</u>	<u>(497,081)</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	500	500	-
Other direct expenses	592,893	152,257	440,636
Indirect costs	-	-	-
Total expenditures	<u>593,393</u>	<u>152,757</u>	<u>440,636</u>
Revenues over (under) expenditures	<u>-</u>	<u>(56,445)</u>	<u>(56,445)</u>
Change in fund balance	\$ <u>-</u>	(56,445)	\$ <u>(56,445)</u>
Fund Balances:			
Beginning of year		<u>315,216</u>	
End of year		\$ <u>258,771</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest income	<u>7</u>	<u>6</u>	<u>(1)</u>
Total revenues	<u>7</u>	<u>6</u>	<u>(1)</u>
Expenditures			
Personnel	<u>-</u>	<u>-</u>	<u>-</u>
Other direct expenses	<u>7</u>	<u>6</u>	<u>1</u>
Indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7</u>	<u>6</u>	<u>1</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	-	-	-
Processing fees	-	-	-
Other local revenue	65,829	-	(65,829)
Program income	-	-	-
Total revenues	<u>65,829</u>	<u>-</u>	<u>(65,829)</u>
Expenditures			
Personnel	-	-	-
Travel	-	-	-
Contractual services	-	-	-
Other direct expenses	65,829	1,744	64,085
Indirect costs	-	-	-
Total expenditures	<u>65,829</u>	<u>1,744</u>	<u>64,085</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,744)</u>	<u>(1,744)</u>
Change in fund balance	\$ <u>-</u>	(1,744)	\$ <u>(1,744)</u>
Fund Balances:			
Beginning of year		<u>39,627</u>	
End of year		\$ <u><u>37,883</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, 2016

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 29,420	\$ -	\$ 10,645	\$ 22,630	\$ 145,308	\$ 208,003
Security deposits	2,678	-	2,100	13,037	-	17,815
Escrow	1,306	-	1,306	7,627	-	10,239
Reserve	19,839	-	19,054	64,545	-	103,438
Accounts receivable	-	13,629	-	8,546	12	22,187
Prepaid expenses	119	-	119	1,812	-	2,050
Total current assets	<u>53,362</u>	<u>13,629</u>	<u>33,224</u>	<u>118,197</u>	<u>145,320</u>	<u>363,732</u>
Capital assets:						
Building	250,105	-	357,373	1,179,759	-	1,787,237
Land	10,000	-	20,000	68,750	-	98,750
Improvements	5,764	-	3,165	-	-	8,929
Furniture	4,263	-	4,775	10,547	20,680	40,265
Accumulated Depreciation	<u>(149,800)</u>	<u>-</u>	<u>(144,534)</u>	<u>(650,993)</u>	<u>(20,680)</u>	<u>(966,007)</u>
Total capital assets, net	<u>120,332</u>	<u>-</u>	<u>240,779</u>	<u>608,063</u>	<u>-</u>	<u>969,174</u>
Total Assets	<u>173,694</u>	<u>13,629</u>	<u>274,003</u>	<u>726,260</u>	<u>145,320</u>	<u>1,332,906</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	-	-	3,000	9,893	22,226	35,119
Security deposits	2,678	-	2,100	13,037	-	17,815
Notes payable - current	8,184	-	5,798	13,258	-	27,240
Total current liabilities	<u>10,862</u>	<u>-</u>	<u>10,898</u>	<u>36,188</u>	<u>22,226</u>	<u>80,174</u>
Non-current liabilities						
Notes payable - non-current						
NC Housing	22,494	-	254,833	-	-	277,327
FMHA	204,722	-	83,006	934,467	-	1,222,195
Total non-current liabilities	<u>227,216</u>	<u>-</u>	<u>337,839</u>	<u>934,467</u>	<u>-</u>	<u>1,499,522</u>
Total Liabilities	<u>238,078</u>	<u>-</u>	<u>348,737</u>	<u>970,655</u>	<u>22,226</u>	<u>1,579,696</u>
NET POSITION						
Net Investment in Capital Assets	(115,068)	-	(102,858)	(339,662)	-	(557,588)
Unrestricted	<u>50,684</u>	<u>13,629</u>	<u>28,124</u>	<u>95,267</u>	<u>123,094</u>	<u>310,798</u>
Total Net Position	<u>\$ (64,384)</u>	<u>\$ 13,629</u>	<u>\$ (74,734)</u>	<u>\$ (244,395)</u>	<u>\$ 123,094</u>	<u>\$ (246,790)</u>

MID-EAST COMMISSION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2016

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
OPERATING REVENUES:						
Rental income	\$ 24,026	\$ -	\$ 14,318	\$ 158,592	\$ -	\$ 196,936
Operation and management	-	-	-	-	3,015	3,015
Other local revenue	1,127	57,794	684	2,071	-	61,676
Total operating revenues	25,153	57,794	15,002	160,663	3,015	261,627
OPERATING EXPENSES						
Management related	19,388	31,145	15,682	25,414	7,866	99,495
Operation of program services	24,089	26,649	32,152	64,118	-	147,008
Depreciation	6,541	-	9,277	34,245	-	50,063
Contractual services	9,973	-	8,510	22,189	-	40,672
Total operating expenditures	59,991	57,794	65,621	145,966	7,866	337,238
Operating income (loss)	(34,838)	-	(50,619)	14,697	(4,851)	(75,611)
NON-OPERATING REVENUES (EXPENSES):						
Rental assistance received	46,379	-	57,531	-	-	103,910
Interest subsidies received	11,475	-	11,234	-	-	22,709
Interest income	22	-	25	53	1,060	1,160
Contributions and local support	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-
Interest expense	(15,035)	-	(14,943)	(14,065)	-	(44,043)
Total nonoperating revenues(expenses)	42,841	-	53,847	(14,012)	1,060	83,736
Change in net position	8,003	-	3,228	685	(3,791)	8,125
Net position, beginning	(72,387)	\$ 13,629	\$ (77,962)	\$ (245,080)	\$ 126,885	\$ (254,915)
Net position, ending	\$ (64,384)	\$ 13,629	\$ (74,734)	\$ (244,395)	\$ 123,094	\$ (246,790)

MID-EAST COMMISSION
Combining Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2016

	Twin Gables	Belhaven Senior Center	Veranda	Dogwoods	Management & Operations	Total
Cash Flows From Operating Activities:						
Cash Received from Customers/others	\$ 25,153	\$ 57,794	\$ 15,002	\$ 160,663	\$ 3,015	\$ 261,627
Cash Paid for Goods, Services, & Employees	(54,048)	(60,698)	(56,303)	(109,493)	(607)	(281,149)
Net Cash Provided by (Used for) Operating Activities	(28,895)	(2,904)	(41,301)	51,170	2,408	(19,522)
Cash Flows from Noncapital Financing Activities:						
Rental assistance and interest subs	57,854	-	68,765	-	-	126,619
Contributions and local support	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	57,854	-	68,765	-	-	126,619
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	-	-	-	-	-	-
Principal Paid on Bond\Note Maturities and Capital Leases	(2,394)	-	(2,043)	(14,796)	-	(19,233)
Disposal of asset	-	-	-	-	-	-
Interest Paid on Bond\Note Maturities and Capital Leases	(15,035)	-	(14,943)	(14,065)	-	(44,043)
Capital contributions	-	-	-	-	-	-
Net Cash Provided (Used for) Capital and Related Financing Activities	(17,429)	-	(16,986)	(28,861)	-	(63,276)
Cash Flows from Investing Activities:						
Interest on investments	22	-	25	53	1,060	1,160
Net Increase (Decrease) in Cash and Cash Equivalents	11,552	(2,904)	10,503	22,362	3,468	44,981
Cash and cash equivalents, July 1	41,691	2,904	22,602	85,477	141,840	294,514
Cash and cash equivalents, June 30	<u>\$ 53,243</u>	<u>\$ -</u>	<u>\$ 33,105</u>	<u>\$ 107,839</u>	<u>\$ 145,308</u>	<u>\$ 339,495</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Activities:						
Operating Income (Loss)	\$ (34,838)	\$ -	\$ (50,619)	\$ 14,697	\$ (4,851)	\$ (75,611)
Adjustments to Reconcile Operating Income to Net Cash Provided						
Operating Activities:						
Depreciation	6,541	-	9,277	34,245	-	50,063
Changes in Assets and Liabilities:						
(Increase) Decrease						
in Accounts Receivable	-	(2,904)	-	50	1,113	(1,741)
in Prepaids	(9)	-	(9)	77	-	59
Increase (Decrease)						
in Accounts Payable & accrued liabilities	-	-	-	1,863	6,146	8,009
in Customer Deposits	(589)	-	50	238	-	(301)
Total Adjustments	5,943	(2,904)	9,318	36,473	7,259	56,089
Net Cash Provided by Operating Activities	<u>\$ (28,895)</u>	<u>\$ (2,904)</u>	<u>\$ (41,301)</u>	<u>\$ 51,170</u>	<u>\$ 2,408</u>	<u>\$ (19,522)</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, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 24,026	\$
Operation and management		-	
Other local revenue		1,127	
Total operating revenues	<u>25,153</u>	<u>25,153</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	57,854	57,854	-
Interest on Investments	<u>22</u>	<u>22</u>	<u>-</u>
Total Revenues	<u>83,029</u>	<u>83,029</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		13,820	
Repairs and maintenance		-	
Operating expenses		5,568	
Total	<u>19,388</u>	<u>19,388</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		1,350	
Operating expenses		22,739	
Total	<u>24,089</u>	<u>24,089</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		9,973	
Operating expenses		-	
Total	<u>9,973</u>	<u>9,973</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		15,035	
Debt Principal		2,394	
Total	<u>29,579</u>	<u>17,429</u>	<u>12,150</u>
Total Expenditures	<u>83,029</u>	<u>70,879</u>	<u>12,150</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>12,150</u>	<u>12,150</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, 2016

	2016		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	-	12,150	12,150
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 12,150	\$ 12,150

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 12,150
Reconciling items:	
Capital Outlay	-
Principal Payments	2,394
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	(4,147)
Change in net position	\$ 8,003

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, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		-	
Other local revenue		57,794	
Total operating revenues	<u>57,794</u>	<u>57,794</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	-	-	-
Total Revenues	<u>57,794</u>	<u>57,794</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		31,145	
Repairs and maintenance		-	
Operating expenses		-	
Total	<u>31,145</u>	<u>31,145</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		26,649	
Total	<u>26,649</u>	<u>26,649</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>57,794</u>	<u>57,794</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

MID-EAST COMMISSION
Enterprise Fund - BELHAVEN SENIOR CENTER
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Other Financing Sources and (Uses):			
Bond Proceeds	-	-	-
Transfer to other funds	-	-	-
Transfer from other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	-	-	-
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -

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

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

MID-EAST COMMISSION
Enterprise Fund - VERANDA
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 14,318	\$
Operation and management		-	
Other local revenue		684	
Total operating revenues	<u>15,002</u>	<u>15,002</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies		68,765	
Interest on Investments		25	
Total Revenues	<u>73,330</u>	<u>83,792</u>	<u>10,462</u>
Expenditures:			
Management Related			
Salaries and employee benefits		10,418	
Repairs and maintenance		-	
Operating expenses		5,264	
Total	<u>15,682</u>	<u>15,682</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		3,673	
Repairs and maintenance		3,745	
Operating expenses		24,734	
Total	<u>32,152</u>	<u>32,152</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		8,510	
Total	<u>8,510</u>	<u>8,510</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		14,943	
Debt Principal		2,043	
Total	<u>16,986</u>	<u>16,986</u>	<u>-</u>
Total Expenditures	<u>73,330</u>	<u>73,330</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>10,462</u>	<u>10,462</u>

MID-EAST COMMISSION
Enterprise Fund - VERANDA
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	2016		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	-	10,462	10,462
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 10,462	\$ 10,462

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 10,462
Reconciling items:	
Capital Outlay	-
Principal Payments	2,043
Depreciation	(9,277)
Total reconciling items	(7,234)
Change in net position	\$ 3,228

MID-EAST COMMISSION
Enterprise Fund - DOGWOODS
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ 158,592	\$
Operation and management		-	
Other local revenue		2,071	
Total operating revenues	<u>140,529</u>	<u>160,663</u>	<u>20,134</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>53</u>	<u>53</u>	<u>-</u>
Total Revenues	<u>140,582</u>	<u>160,716</u>	<u>20,134</u>
Expenditures:			
Management Related			
Salaries and employee benefits		25,414	
Repairs and maintenance		-	
Operating expenses	-	-	
Total	<u>25,414</u>	<u>25,414</u>	<u>-</u>
Operating and Program Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		64,118	
Total	<u>64,118</u>	<u>64,118</u>	<u>-</u>
Contractual Services			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		22,189	
Total	<u>22,189</u>	<u>22,189</u>	<u>-</u>
Budgetary Appropriations:			
Capital Outlay		-	
Interest Paid		14,065	
Debt Principal		14,796	
Total	<u>28,861</u>	<u>28,861</u>	<u>-</u>
Total Expenditures	<u>140,582</u>	<u>140,582</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>20,134</u>	<u>20,134</u>

MID-EAST COMMISSION
Enterprise Fund - DOGWOODS
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2016

	2016		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	-	20,134	20,134
Appropriated Fund Balance	-	-	-
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ 20,134	\$ 20,134

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ 20,134
Reconciling items:	
Capital Outlay	-
Principal Payments	14,796
Depreciation	(34,245)
Total reconciling items	(19,449)
Change in net position	\$ 685

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, 2016

	2016		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Rental income	\$	\$ -	\$
Operation and management		3,015	
Other local revenue		-	
Total operating revenues	<u>3,015</u>	<u>3,015</u>	<u>-</u>
Nonoperating Revenues			
Assistance/subsidies	-	-	-
Interest on Investments	<u>1,060</u>	<u>1,060</u>	<u>-</u>
Total Revenues	<u>4,075</u>	<u>4,075</u>	<u>-</u>
Expenditures:			
Management Related			
Salaries and employee benefits		-	
Repairs and maintenance		-	
Operating expenses		7,866	
Total	<u>7,866</u>	<u>7,866</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>7,866</u>	<u>7,866</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(3,791)</u>	<u>(3,791)</u>	<u>-</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, 2016

	2016		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	(3,791)	(3,791)	-
Appropriated Fund Balance	3,791	-	(3,791)
Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ -	\$ (3,791)	\$ (3,791)

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

Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses	\$ (3,791)
Reconciling items:	
Capital Outlay	-
Principal Payments	-
Depreciation	-
Total reconciling items	-
Change in net position	\$ (3,791)

Mid-East Commission
Schedule of Indirect Costs
For the Year Ended June 30, 2016

Salaries	\$	-
Fringe benefits		-
Professional services		-
Operating costs		-
Travel		-
Total Indirect Costs	\$	<u>-</u>

COMPLIANCE SECTION



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mid-East Commission, as of and for the year ended June 30, 2016, 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 October 31, 2016.

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
October 31, 2016



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Mid-East Commission, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Mid-East Commission's major federal programs for the year ended June 30, 2016. The Mid-East Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Mid-East Commission' compliance.

Opinion on Each Major Federal Program

In our opinion, the Mid-East Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

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

Wilmington, North Carolina

October 31, 2016



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Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Mid-East Commission, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Mid-East Commission's major state programs for the year ended June 30, 2016. The Mid-East Commission's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Mid-East Commission' compliance.

Opinion on Each Major State Program

In our opinion, the Mid-East Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

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

Wilmington, North Carolina

October 31, 2016

**MID-EAST COMMISSION
WASHINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

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

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
	Aging Cluster
93.044	Title III - Bart B Supportive Services
93.045	Title III - Part C Nutrition Services
93.053	Nutrition Services Incentive Program
17.258	
17.259	Workforce Investment Act Cluster
17.278	

Dollar threshold used to distinguish between Type A and Type B Programs	<u> </u> \$ <u> </u> 750,000
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Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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State Awards

Material weaknesses identified? Yes X No

Significant Deficiency(s)?	Yes	X	None Reported
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes **X** No

Program Name

109

**MID-EAST COMMISSION
WASHINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

**MID-EAST COMMISSION
WASHINGTON, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

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

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2016

None Reported.

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2016

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	\$ 22,709	\$ -
Rental subsidies	10.427	103,910	-
		<u>126,619</u>	<u>-</u>
Passed through State Dept. of Health and Human Services			
USDA Supplement	10.570 / 93.053	84,779	
		<u>84,779</u>	<u></u>
Total U. S. Dept. of Agriculture		<u>\$ 211,398</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			
Title III Planning and Administration-In-Home Support	93.044	44,464	2,437
In-Home Services	93.044	223,691	13,158
Ombudsman Program	93.044	60,370	3,551
Legal Services	93.044	16,484	970
Access	93.044	86,173	5,069
		<u>431,182</u>	<u>25,185</u>
Special Programs for the Aging - Title III C			
Congregate Nutrition	93.045	259,463	15,263
Home Delivered Meals	93.045	171,002	10,059
Title III Planning and Administration-Congregate Nutrition	93.045	77,000	4,220
		<u>507,465</u>	<u>29,542</u>
Total Aging Cluster		<u>938,647</u>	<u>54,727</u>
Special Programs for the Aging			
Title VII - B – Elder Abuse	93.041	4,701	277
Title VII - E – Ombudsman Program	93.042	7,394	435
Preventive Health	93.043	30,693	1,805
Family Caregiver Support	93.052	162,678	10,845
Title III Planning and Administration-Family Caregiver Support	93.052	28,956	1,587
Options Counseling	93.517		
SSBG	93.667	249,111	7,117
CRC/LCA	93.791	30,000	-
		<u>513,533</u>	<u>22,066</u>
Passed through State Dept. of Insurance			
SHIIP	93.779	3,238	
Empowering Older People -SMP	93.048	5,500	
MIPPA	93.071	15,227	
		<u>23,965</u>	<u>-</u>
Total U. S. Health and Human Services		<u>\$ 1,476,145</u>	<u>\$ 76,793</u>

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2016

<u>U.S. Dept. of Commerce</u>			
Direct Program			
Economic Development Administration-Revolving Loan Fund	11.307	445,045	
Economic Development Administration-Planning Program	11.302	63,000	
Total U. S. Dept. of Commerce		<u>\$ 508,045</u>	<u>\$ -</u>
<u>U.S. Department of Labor-Employment Training Administration</u>			
Passed through State Dept. of Commerce - Division of Workforce Solutions			
WIA/WIOA Adult	17.258	789,889	
WIA/WIOA Youth	17.259	788,923	
WIA/WIOA Dislocated Worker	17.278	440,431	
Total Workforce Investment Act Cluster		<u>\$ 2,019,243</u>	<u>\$ -</u>
<u>U.S. Department Housing and Urban Development</u>			
Passed through North Carolina Housing Finance Agency			
Comprehensive Housing Counseling	14.169	<u>\$ 3,329</u>	
<u>U.S. Dept. of Transportation</u>			
Passed through State Dept. of Transportation			
Rural Transportation Planning	20.205-8	\$ 90,518	
Total Federal Assistance		<u>\$ 4,308,678</u>	

Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2016

State Programs

Department of Administration (OSBM)

State Technical Assistance	N/A	\$ -
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Department of Health and Human Services

AAA Administration	N/A	188,712
Access	N/A	106,583
Congregate nutrition	N/A	
Home delivered meals	N/A	234,808
In-Home Services	N/A	549,622
In-Home Services-Caregiver Match	N/A	59,556
Ombudsman	N/A	25,682
Senior Center Development	N/A	56,988
Project Care 100%	N/A	

Total Department of Health and Human Services		<u>\$ 1,221,951</u>
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Total State programs		<u>\$ 1,221,951</u>
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Total State Assistance		<u>\$ 1,298,744</u>
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Mid-East Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Fiscal Year Ended June 30, 2016

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the MEC under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the MEC, it is not intended to and does not present the financial position, changes in net position, or cash flows of the MEC.

Note 2: Summary of Significant Accounting Policies

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

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

Program Title	CFDA Number	Federal Expenditures	State Expenditures
USDA Supplement	10.570	84,779	-
WIA Adult	17.258	799,290	-
WIA Youth	17.259	705,679	-
WIA Dislocated Worker	17.278	310,269	-
Preventive Health	93.043	30,693	1,805
Access Services	93.044	86,173	5,069
In-home Services	93.044	223,691	13,158
Legal Services	93.044	16,484	970
Congregate Nutrition	93.045	259,463	15,263
Home Delivered Meals	93.045	171,002	10,059
Empowering Older People	93.048	5,500	-
SSBG	93.667	249,111	7,117
CRC/LCA	93.791	30,000	188,712
Access	N/A	-	106,583
Congregate Nutrition	N/A	-	-
Home delivered meals	N/A	-	234,808
In-Home Services	N/A	-	549,622
Senior Center Development	N/A	-	56,988
Totals		<u>\$ 2,972,134</u>	<u>\$ 1,190,154</u>