

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

County of Dare, North Carolina

(inside cover)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended
June 30, 2019

Prepared by:

Department of Finance

Dare County, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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The **Introductory Section** includes a letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a list of elected and appointed officials.



COUNTY OF DARE

P.O. Box 1000, Manteo, North Carolina 27954

(252) 475-5000

November 27, 2019

The Board of Commissioners
Citizens of the County of Dare, North Carolina
Dare County, North Carolina

The North Carolina State Treasurer's Office requires all general-purpose local governments to file with their office by December 1 of each year a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed their anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Potter and Company, P.A., a firm of licensed certified public accountants, have issued an unmodified opinion on the financial statements of Dare County for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the County

Dare County is located in northeastern North Carolina along the Atlantic seaboard. The County seat at Manteo is approximately 190 miles east of Raleigh, the State capital, and 90 miles south of the Virginia Beach-Norfolk, Virginia, metropolitan area. The County was formed in 1870 and is named in honor of Virginia Dare, the first child born of English parents in America, born on Roanoke Island in 1587. The County contains much of what is known as North Carolina's Outer Banks resort and vacation areas and has approximately two-thirds of the North Carolina coastline within its borders. The county is host to the Cape Hatteras National Seashore, the Wright Brothers National Monument, the Fort Raleigh National Historic Site, the Alligator River National Wildlife Refuge, the Pea Island National Wildlife Refuge, the Monitor National Marine Sanctuary, Jockey's Ridge State Park, the Elizabeth II State Historic Site, Roanoke Island Festival Park, the North Carolina Aquarium, the North Carolina Maritime Museum, the Graveyard of the Atlantic Museum, Nags Head Woods Nature Preserve and Kitty Hawk Woods Reserve.

The county has a permanent population of approximately 36,900. The county's tourism industry results in a large seasonal population with an average daily population from June through early September estimated to reach 300,000. Six municipalities are located within the county: Duck, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head and Southern Shores. Dare County is empowered to levy a property tax on both real and personal property located within its boundaries.

The County has operated under a commissioner/manager form of government since 1974. Policy making and legislative authority are vested in the governing Board of Commissioners consisting of seven members that serve staggered four-year terms. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney, and clerk to the board. The County's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of departments.

Dare County provides an extensive range of services, including law enforcement and detention, emergency medical services, an emergency medical services helicopter, emergency management, emergency communications, garbage collection, recycling, planning, recreation and water.

The County is financially accountable for a legally separate Tourism Board, ABC Board, Dare County Airport Authority, Stumpy Point Community Center District, Hatteras Village Community Center District, Rodanthe-Waves-Salvo Community Center District and Wanchese Community Center District. Additional information on all of these separate legal entities can be found in Note 1.A in the notes to the financial statements.

The County has a significant financial relationship with the Dare County Board of Education but is not financially accountable for the Board. The County provides approximately 38% of the Board's operating budget and must issue all debt required for school facilities. However, the Board is its own primary unit of government as its board is elected and is not accountable to the County beyond the budget allocation and debt issuances previously mentioned. Additional information can be found in Notes 13.C and 18 in the notes to the financial statements.

The annual budget serves as the foundation of Dare County's financial planning and control. All agencies and departments of Dare County are required to submit requests to the manager, as the budget officer per State law, on or before the last day of February of each year. The manager then uses these requests as the starting point for developing a proposed budget which must be submitted to the Board of Commissioners by each June 1. The Board is required to hold at least one public hearing on the proposed budget and must adopt a final budget by no later than each July 1, the day after the close of the prior fiscal year. The County normally uses a biennial budget process, preparing a first year budget and a planned second year budget once every two years. This process was not used with fiscal year 2020 due to a property revaluation that will become effective 1/1/2020 for fiscal year 2021. The appropriated budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Dare County, annual budgets are adopted for the General, Special Revenue and Enterprise (except the Water Capital Projects Fund) funds. Multiyear project budgets are adopted for all Capital Project funds and, if needed, for the legally budgeted Disaster Recovery Fund (consolidated into the General Fund). Appropriations in the General, Special Revenue and Enterprise (except the Water Capital Projects Fund) funds are made at the departmental level and at the project level for all Capital Project funds. For internal accounting purposes, budgetary control is generally maintained by object class (line item account). Purchase orders that would create an overencumbrance at that level generally are not written.

The County Manager may transfer any amount between line item accounts within a department, except that recurring expenditures, such as salaries, may not be increased in total within the department. The

County Manager may transfer up to \$10,000 between departments of the same fund but must report the amendment to the Board of Commissioners at its next regularly scheduled meeting. By means of the annual budget ordinance and a policy adopted by the Board of Commissioners on November 21, 1994, the County Manager may transfer funds from the contingency appropriation. The policy requires a report to the Board of the transfer and contains no restriction on the amount or purpose of the transfer.

Local economy

The county's economy is based on travel and tourism, and related supporting service industries. The county's business sector includes approximately 3,000 hotel/motel rooms, approximately 10,000 rental homes, and approximately 375 food service establishments. Other economic activity is concentrated in real estate, construction, government, utilities, boat construction, and commercial fishing. The county has also experienced significant growth in the medical services sector. The County enjoys a large and wide tax base with only 44% and 54% of property taxpayers living within Dare County and North Carolina respectively. In addition, the County is not dependent upon a few large taxpayers, as the ten largest, excluding the federal and State governments, who are exempt from taxation, make up only 2.15 percent of the tax base.

The county's travel and tourism industry is directly tied to national and other regional and local economies, notably those of North Carolina, Virginia, and the mid-Atlantic region. The county's travel & tourism industry does not only encompass those revenues that have a direct relationship, such as sales and occupancy taxes, but also revenues related to property transactions and construction, such as the land transfer tax. The County fared comparatively well during the recession that began in December of 2007 and continued through fiscal year 2010, experiencing revenue decreases less than those seen in most of the State. Recovery from the recession was slow but exceeded that seen in other areas of the State, as illustrated by the annual percentage changes in the table below. (During fiscal year 2015 the State expanded the sales tax base effective 10/1/2014.)

Fiscal Year	Occupancy Tax	Local Sales Tax	State-wide Sales Tax
2010	(0.05)%	(2.78)%	(6.03)%
2011	6.44%	5.03%	2.72%
2012	0.59%	4.66%	3.85%
2013	1.09%	4.63%	2.85%
2014	5.29%	1.70%	5.26%
2015	2.71%	5.28%	9.93%
2016	5.01%	6.37%	5.87%
2017	8.36%	6.14%	4.63%
2018	5.21%	3.41%	5.66%
2019	3.27%	3.28%	6.22%

The County is one of six counties in North Carolina to have the ability to levy a one percent local land transfer tax. The tax is accounted for in the Capital Reserve Capital Projects Fund and is used to fund the County's capital improvements plan. Annual revenue changes are subject to volatility with annual increases as high as 50 percent and annual decreases as much as 34 percent. Recent annual changes have been increases of 4.11 percent in 2017, 7.40 percent in 2018, and 4.86 percent in 2019. Due to the county's tourism based economy, monthly unemployment rates are highly variable and seasonal. The annual average continued to decrease and was 5.28 percent for 2018. The July 2017 monthly rate of 3.6 percent was the lowest since July of 2008.

Per capita personal income within Dare County is significantly higher than for the State as a whole, staying within a range of 108 to most recently 116 percent of that of the State and increasing from \$38,386 in 2010 to \$53,415 in 2018, an 8.5 percent increase from the prior year. Estimated taxable value of property within the county is \$16.2 billion in 2019 at \$438,097 per capita.

The County's general obligation debt rating from Standard & Poor's was upgraded to AA+ in February 2016. The County has general obligation bond ratings of AA from Fitch Ratings (affirmed in May 2016), and Aa2 from Moody's Investors Service (affirmed in May 2016). The County has a AA water revenue bond rating from Standard & Poor's (affirmed in October 2016). Fitch Ratings affirmed its AA- water revenue bond rating in April 2017 and changed the Rating Outlook to positive from stable.

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund was 30.20 percent of total General Fund expenditures. Unassigned fund balance in the General Fund at year end was 27.03 percent of total General Fund expenditures, up from 23.77 percent in the prior year, which exceeds current policy guidelines adopted by the Board of Commissioners for budgetary and planning purposes (19 to 21 percent). Exceeding the policy guidelines was the result of conservative budgeting of revenues, lower appropriated fund balance levels, positive departmental expenditure performance versus budget, and a solid economy. In conjunction with the development of a capital investment and debt affordability model, discussed below, the fund balance policy will be evaluated and revised during the fiscal year 2021 budget process.

The available fund balance, comprised of unassigned of \$29,555,668 plus Stabilization per State statute of \$11,634,580 (a measure of fund balance not realized in cash as of the end of the fiscal year), was 37.68 percent of total General Fund expenditures.

Long-term financial planning

The Board of Commissioners annually adopts a five year Capital Improvements Plan (CIP). The CIP is funded by the land transfer tax which is accounted for in the Capital Reserve Capital Projects Fund and addresses all major capital improvements for governmental activities. The Dare County Water Department also annually prepares and the governing board adopts a seven year Water CIP. The Water CIP is prepared in conjunction with a five year water rate model which projects revenues, operating expenses, pay as you go capital funding, ending annual fund balances, and revenue bond coverages.

During the year the County expanded capital planning by developing a comprehensive capital investment and debt affordability model for governmental activities. The model and a new Capital Investment Fund was adopted and implemented by the Board of Commissioners effective with the CIP for fiscal years 2020 through 2024. The County also prepares five year General Fund projections presented to the Board prior to the start of each annual budget calendar.

The County maintains a ten year Beach Nourishment funding model. The model is used to assess the ability of the Beach Nourishment Fund to meet the needs of debt service for past projects, the needs for future maintenance of past projects, and to determine the fund's capacity for additional projects.

Relevant Financial policies

The Board has had a comprehensive set of financial policies in place since fiscal year 2006. The financial policies, updated in 2007, 2009, 2010, 2013 and 2014, cover the operating budget, fund balances, capital improvements and planning, debt, debt compliance, accounting, auditing and financial reporting, cash management, and investments. Particularly relevant for the current year was the fund balance policy as discussed in the prior section.

Major initiatives

The County committed \$9,573,356 to a Town of Nags Head beach nourishment project which is a maintenance project to original construction in 2012 with funds provided through the Series 2018 limited obligation bonds. The project was completed in late summer of 2019. The County also committed to debt service support payments to the town of \$600,000 per year for five years beginning in fiscal year 2020. Beach nourishment funding for the related debt service and town debt service support comes from the Beach Nourishment Fund and expenditures are recorded in the Capital Projects Fund.

The fiscal year 2019 State budget included an appropriation of \$15 million for a public private partnership for inlet dredging operations within the county. The State funds must be used by the County to provide a forgivable loan to the private partner which will design, permit, and construct a dredge vessel. Loan forgiveness will occur as inlet dredging is performed based upon the difference between private partner rates and Army Corp rates. The private partner was selected through a request for qualifications process and \$5 million was received from the State, but not yet loaned, prior to the end of fiscal year 2019.

The County Water system began an automated meter reading system, budgeting \$900,000 and committing an additional \$4,850,000 over fiscal years 2020 through 2024 in Water CIP.

The County continued its focus on Education by maintaining local per pupil funding for Dare County Schools at the highest county funding in North Carolina for the seventeenth consecutive year.

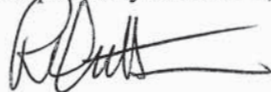
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dare County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the twenty-eighth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. That report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to express our appreciation to each member of the Finance Department who has assisted in the preparation of this report. We also thank the Board of Commissioners for their continued support for maintaining the highest standards of professionalism in the management of Dare County's finances.

Respectively submitted,



Robert L. Outten
County Manager



J. David Clawson
Deputy County Manager/Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Dare
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

DARE COUNTY, NORTH CAROLINA

Organizational Chart



DARE COUNTY, NORTH CAROLINA
List of Elected and Appointed Officials
June 30, 2019

Elected Officials

Chairman - Board of Commissioners	Robert Woodard
Vice-Chairman - Board of Commissioners	Wally Overman
Board Member	Rob Ross
Board Member	Steve House
Board Member	Jim Tobin
Board Member	Danny Couch
Board Member	Ervin Bateman
Clerk of Courts	Dean Tolson
Register of Deeds	Cheryl House
Sheriff	J. D. Doughtie

Appointed Officials

Manager	Robert Outten
Airport Director	David Daniels
Attorney	Robert Outten
Board of Elections Director	Michelle Barnes
Clerk to the Board of Commissioners	Cheryl Anby
Director of Health and Human Services	Sheila Davies
Tax Collector	Rebecca Huff

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The **Financial Section** includes the independent auditor's report, management's discussion and analysis, the basic financial statements consisting of government-wide financial statements and fund financial statements, notes to the financial data and combining and individual fund statements and schedules.



INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Dare County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dare County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dare County ABC or the Dare County Tourism Board which represent 68% of the assets, 68% of the net position and 91% of the revenues of the aggregate discretely presented component Units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dare County ABC or the Dare County Tourism Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Dare County ABC and Dare County Tourism Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dare County, North Carolina, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Beach Nourishment 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, on pages 15 to 27, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset (liability) and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the other Postemployment Healthcare Benefit's Schedule of Changes in the Net OPEB Liability and Related Ratios and the Schedule of County Contributions, and the Law Enforcement Officers' and Special Separation Allowance Schedule of Changes in Total Pension Liability and Schedule of Total Pension Liability as a Percentage of Covered Payroll, on pages 112 to 116, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dare County, North Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, statistical section 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of other auditors 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.

The introductory information and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of the Dare County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contract, and grant agreements and other matters,. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Dare County's internal control over financial reporting and compliance.

Potter & Company, P.A.

November 25, 2019
Mooresville, North Carolina

Dare County, North Carolina



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Management's Discussion and Analysis

As management of Dare County, we offer readers of Dare County's financial statements this narrative overview and analysis of the financial activities of Dare County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of Dare County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$55,826,083 (*net position*).
- The County's total net position increased by \$20,579,618, primarily due to a decrease in total debt, a decrease in the net OPEB liability, and favorable fund performance, notably the General Fund and the Internal Service funds, offset by an increase in the pension liabilities.
- As of the close of the current fiscal year, Dare County's governmental funds reported combined ending fund balances of \$89,818,585, an increase of \$12,326,113 in comparison with the prior year. The increase resulted from:
 - A General Fund increase of \$4,758,870 from favorable expenditure performance of \$6,688,543 under budget (unconsolidated), and revenue performance over budget of \$1,089,757 (unconsolidated); reduced by appropriated fund balance of \$2,330,346 (unconsolidated);
 - A planned increase of \$3,044,906 in the Beach Nourishment Fund; and
 - A decrease of \$512,902 in the Capital Projects Fund from expending proceeds of debt issued in prior fiscal years and new debt proceeds for the 2019 Nags Head beach nourishment project.
- After restrictions, commitments and assignments, approximately 33 percent of the total fund balances, or \$29,413,370, is available for spending at the government's discretion (*unassigned fund balance*) and \$29,497,854 is available for beach nourishment.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$29,555,668 or 27.03 percent of General Fund expenditures (consolidated) for the current fiscal year, exceeding the County's current policy range of 19 to 21 percent.
 - Unassigned fund balance plus fund balance restricted for stabilization by State statute (available fund balance) is \$41,190,248 or 37.68 percent of General Fund expenditures (consolidated) for the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

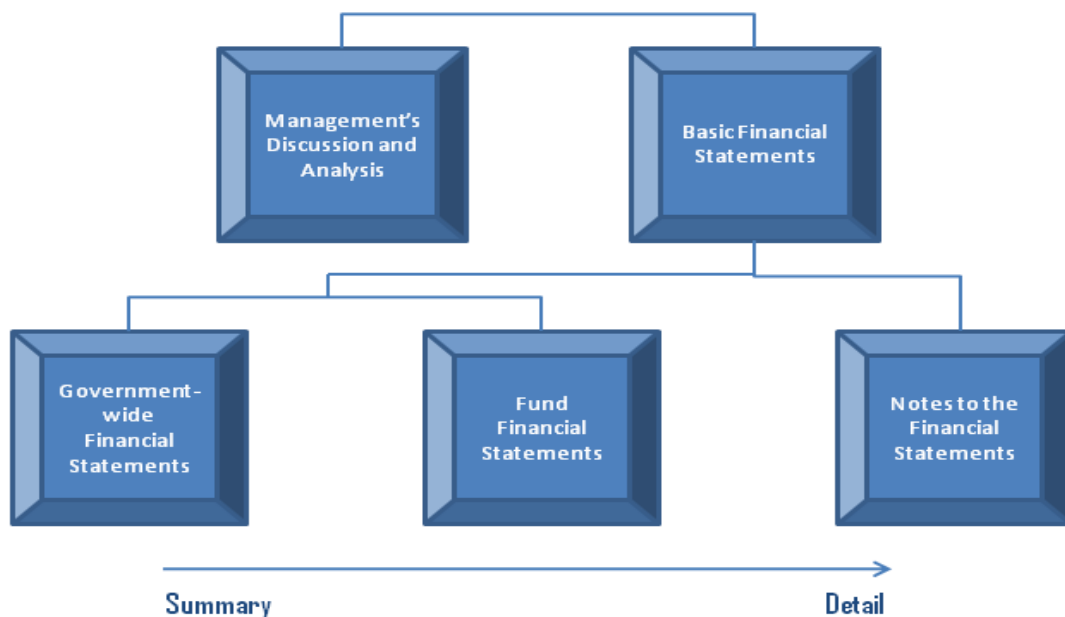
- Dare County's total debt decreased by \$8,429,632 (par value) (6.16 percent) during the current fiscal year. Principal payments for the fiscal year were \$22,048,668. New debt issuances consisted of a direct placement installment financing of \$10,295,000 and two capitalized leases totaling \$3,324,036.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

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

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

The next section of the basic financial statements is the *notes*. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by North Carolina General Statutes also can be found in this part of the statements.

Directly following the notes is the required supplementary information. This section contains funding information about the County's pensions and other post-employment benefits (OPEB).

Government-wide Financial Statements

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

The *statement of net position* presents information on all of Dare County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the County's financial condition.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Dare County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portions of their costs through user fees and charges (*business-type activities*). The governmental activities of Dare County include education, public safety, human services, environmental protection, general government, economic and physical development and culture and recreation. The business-type activities of the County include the production and sale of treated water.

The government-wide financial statements include not only Dare County itself (known as the *primary government*), but also nine legally separate entities for which the County is financially accountable. Financial information for seven of these *component units* is reported separately from the information presented for the primary government itself (the Dare County Airport Authority, the Dare County Alcoholic Beverage Control Board, the Dare County Tourism Board, the Rodanthe-Waves-Salvo Community Center District, the Wanchese Community Center District, the Stumpy Point Community Center District, and the Hatteras Village Community Center District) (pages 43-44 of the report).

The government-wide financial statements can be found on pages 30-31 of the report.

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

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

Dare County maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Beach Nourishment Fund, and the Capital Projects Fund which are considered major funds. The legally separately budgeted Disaster Recovery Fund is consolidated into the General Fund. Data from the other eight governmental funds combine into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Dare County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. The basic governmental fund financial statements can be found on pages 32-36 of this report.

Proprietary Funds – Dare County maintain two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its water production and distribution operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Dare County uses internal services funds to account for its insurance activities and for its fleet maintenance operations. Because both of these services predominately benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation, which is considered to be a major fund of the County. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 37-40 of this report.

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Fiduciary Funds – Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. Dare County has nine fiduciary funds, one of which is a pension and other employee benefit trust fund, and eight of which are custodial funds.

The basic fiduciary fund financial statements can be found on pages 41-42 of this report.

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 can be found on pages 45-109 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Dare County's progress in funding its obligation to provide pensions and OPEB to its employees. Required supplementary information can be found on pages 112-116 of this report.

Government-Wide Financial Analysis

Net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,826,083 as of June 30, 2019. The County's net position increased by \$20,579,618 for the fiscal year ended June 30, 2019.

The largest portion of net position reflects the County's net investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding issued to acquire or construct those items. Dare County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Dare County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The County has recorded \$47,681,910 of school related debt, which decreases net position, but does not record the related asset, although the County holds title to the school assets financed, the assets are leased to the school system until the termination of the debt upon which time title reverts to the school system.

An additional portion of Dare County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of (\$164,495,531) is negative due to the school debt previously discussed, due to the amount restricted for stabilization by State statute of \$20,370,330, due to the amount restricted by revenue bond covenants of \$17,102,520, due to the amount restricted for beach nourishment of \$21,394,184, and due to liabilities now being recorded on a full accrual and actuarial basis for pensions and OPEB (GASB 68, 73 and 75).

Dare County's Net Position

Figure 2



	Governmental Activities		Business-type Activities		Total	Total
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 98,862,236	\$ 84,389,260	\$ 32,500,964	\$ 31,148,559	\$ 131,363,200	\$ 115,537,819
Capital assets	169,011,998	165,655,345	66,906,212	69,045,916	235,918,210	234,701,261
Total assets	\$ 267,874,234	\$ 250,044,605	\$ 99,407,176	\$ 100,194,475	\$ 367,281,410	\$ 350,239,080
Deferred outflows of resources	\$ 24,767,720	\$ 24,419,520	\$ 5,346,633	\$ 6,047,365	\$ 30,114,353	\$ 30,466,885
Long-term liabilities outstanding	\$ 248,453,058	\$ 257,512,487	\$ 41,208,291	\$ 42,851,604	\$ 289,661,349	\$ 300,364,091
Other liabilities	27,486,445	23,832,260	5,004,084	4,953,840	32,490,529	28,786,100
Total liabilities	275,939,503	281,344,747	46,212,375	47,805,444	322,151,878	329,150,191
Deferred inflows of resources	\$ 17,275,168	\$ 14,078,145	\$ 2,142,634	\$ 2,231,165	\$ 19,417,802	\$ 16,309,310
Net position:						
Net investment in capital assets	\$ 121,152,381	\$ 109,726,856	\$ 38,989,060	\$ 41,520,916	\$ 160,141,441	\$ 151,247,772
Restricted	43,077,653	40,115,587	17,102,520	16,697,282	60,180,173	56,812,869
Unrestricted	(164,802,751)	(170,801,210)	307,220	(2,012,967)	(164,495,531)	(172,814,177)
Total net position	\$ (572,717)	\$ (20,958,767)	\$ 56,398,800	\$ 56,205,231	\$ 55,826,083	\$ 35,246,464

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

- Continued diligence in the collection of property taxes by increasing the current year collection percentage to 99.50 percent, well above the statewide average for like-sized counties of 97.87 percent (2018);
- Continued low cost of debt due to maintenance and improvement of the County's debt ratings, and debt principal retirement levels from aggressive principal amortizations.
- Continuing accumulation of funds for beach nourishment projects of \$29,497,854; and
- Management's proactive stance on monitoring spending across departments to ensure budget compliance and promote expenditure savings from budget (5.77 percent in the General Fund).

Aspects of the County's financial operations that negatively influenced the total unrestricted governmental net position were borrowing for schools, with total outstanding school debt as of June 30, 2019 of \$47,681,910, and recognition of revised liability amounts for the pensions (LGERS & LEOSSA) and for retiree healthcare (OPEB).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dare County Changes in Net Position

Figure 3



	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	<u>Total</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 12,834,110	\$ 13,553,751	\$ 13,705,624	\$ 13,167,723	\$ 26,539,734	\$ 26,721,474
Operating grants and contributions	6,387,443	5,946,253	-	-	6,387,443	5,946,253
Capital grants and contributions	5,241,398	10,366,018	-	-	5,241,398	10,366,018
General revenues:						
Property taxes	67,901,581	66,880,879	-	-	67,901,581	66,880,879
Other taxes	42,079,522	40,894,900	-	-	42,079,522	40,894,900
Investment earnings	2,355,310	1,108,457	719,505	308,302	3,074,815	1,416,759
Other	2,032,192	1,867,907	-	-	2,032,192	1,867,907
Total revenues	<u>138,831,556</u>	<u>140,618,165</u>	<u>14,425,129</u>	<u>13,476,025</u>	<u>153,256,685</u>	<u>154,094,190</u>
Expenses:						
General government	12,539,691	11,037,049	-	-	12,539,691	11,037,049
Public safety	34,342,643	31,945,928	-	-	34,342,643	31,945,928
Transportation	807,753	754,943	-	-	807,753	754,943
Economic and physical development	7,662,770	14,854,739	-	-	7,662,770	14,854,739
Human services	17,930,715	17,549,059	-	-	17,930,715	17,549,059
Cultural and recreation	5,454,249	6,358,781	-	-	5,454,249	6,358,781
Education	26,173,140	24,596,556	-	-	26,173,140	24,596,556
Interest on long-term debt	3,530,291	3,652,243	-	-	3,530,291	3,652,243
Environmental protection	10,004,255	10,557,951	-	-	10,004,255	10,557,951
Water	-	-	14,231,560	13,379,548	14,231,560	13,379,548
Total expenses	<u>118,445,507</u>	<u>121,307,249</u>	<u>14,231,560</u>	<u>13,379,548</u>	<u>132,677,067</u>	<u>134,686,797</u>
Increase (decrease) in net position	20,386,049	19,310,916	193,569	96,477	20,579,618	19,407,393
Net position, July 1	<u>(20,958,766)</u>	<u>(42,789,127)</u>	<u>56,205,231</u>	<u>55,865,195</u>	<u>35,246,465</u>	<u>98,957,469</u>
Net position, July 1 - restated		<u>(40,269,683)</u>		<u>56,108,754</u>		<u>15,839,071</u>
Net position, June 30	<u>\$ (572,717)</u>	<u>\$ (20,958,767)</u>	<u>\$ 56,398,800</u>	<u>\$ 56,205,231</u>	<u>\$ 55,826,083</u>	<u>\$ 35,246,464</u>

Governmental activities. Governmental activities increased the County's net position by \$20,386,049. Key elements of this change were:

- Net Position:
 - An increase from the activities of internal service funds of \$1,449,754;
 - An increase from the activities of the General Fund of \$4,758,870 (modified accrual basis);
 - An increase from the activities of the Beach Nourishment Fund of \$3,044,906 (modified accrual basis).
- Revenues:
 - Increased revenue collections in general from a strong economy; and
 - Increased investment income.
- Expenses:
 - The absence of significant disaster recovery expenditures;
 - Management's proactive stance and emphasis on monitoring spending across departments to ensure budget compliance and promote savings from budget; and
 - An increase in operating funding for the Dare County Board of Education (education), as the County continued to rank first in the State in local operating funding per pupil.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities: Business-type activities increased Dare County's net position by \$193,569. Key elements of this increase were:

- Continued growth in the existing customer base of 0.84 percent, now at 20,368;
- Continued reductions in per account and per capita water consumption;
- A 3.00% water rate increase effective July 1, 2018;
- A significant increase in depreciation expense from the Roanoke Island system expansion and Skyco water treatment facility conversion to nanofiltration;
- Limited increases in budgeted operating costs and efficiency gains with the start of operations of a nanofiltration treatment process; and
- Prudent management of expenses.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Dare County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Dare County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Dare County. At the end of the current fiscal year, fund balance unassigned in the General Fund was \$29,555,668 (an increase of \$4,564,550), while total fund balance increased by \$4,758,870 to \$44,836,827. If fund balance required to be shown as restricted by State statute for stabilization is included with unassigned fund balance, the amount is \$41,190,248 (available fund balance) or 37.68 percent of current year expenditures, an increase of \$5,024,547. The County's actions to increase the percentage of unassigned fund balance has succeeded, with that measure at 27.03 percent at fiscal year-end, exceeding the County's current policy range of 19 to 21 percent of General Fund expenditures.

At June 30, 2019, the governmental funds of Dare County reported a combined fund balance of \$89,818,585, a \$12,326,113 or 15.90 percent increase from last year. The primary reasons are:

- An increase in the General Fund of \$4,758,870 from favorable revenue performance, and expenditure controls and performance;
- A planned increase of \$3,044,906 in the Beach Nourishment Fund;
- A decrease of \$512,902 in the Capital Projects Fund from expending the proceeds of debt issued in the prior fiscal years and new debt proceeds for the 2019 Nags Head beach nourishment project; and
- An increase of \$4,826,027 in the Inlet Maintenance Fund from the receipt of \$5 million of a \$15 million State budget appropriation with no corresponding use of funds prior to the end of the fiscal year. The State appropriation is for a public private partnership for dredging operations.

After restrictions, commitments and assignments, approximately 33 percent of the total fund balances, or \$29,555,668, is available for spending at the government's discretion (*unassigned fund balance*). \$29,497,854 is available for beach nourishment.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$676,474.

Revenues were \$1,089,757 over budget. Without budgetary offsets (see Sales and services below), revenues were \$2,335,396 over budget.

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Ad valorem taxes were \$487,741 over budget due to a small increase in the current year collection percentage and to better than anticipated collections of prior years' taxes at \$233,266 over budget, mainly from motor vehicles.

Other taxes were \$335,463 over budget due to sales taxes being over budget by \$179,207. The County's revenue from the county-wide point of distribution sales tax (a measure of local activity) increased 3.64 percent and was budgeted at 3.00 percent. The County's revenue from the population distribution sales tax (a measure of state-wide activity) increased 7.05 percent and was budgeted at a 3.50 percent increase. Occupancy tax collections were \$161,386 over budget after an increase of 3.20 percent which was budgeted at 2.50 percent.

Unrestricted intergovernmental revenues were \$311,718 over budget due to federal payments in lieu of taxes being \$102,885 over budget from a conservative budget amount due to uncertainty with the federal budget, ABC profits being over budget by \$47,410 after a strong first quarter performance, and an unexpected and unbudgeted State Medicaid hold-harmless payment of \$145,964.

Restricted intergovernmental revenues were \$198,155 over budget. Social Services administrative revenue was over budget by \$302,909 due to increased administrative reimbursements from increased eligible administrative costs, and Social Services Medicaid transportation reimbursements were \$187,250 over budget from an unanticipated increase in demand and a change in the eligibility of staff time. Foster Care grant revenue was \$88,638 under budget due to a decreased service population. Opioid and rural health grant revenue was \$65,070 under budget from lower than anticipated program activity, partly due to timing. Transportation grant revenues were \$58,643 under budget from lower than anticipated ridership.

Permits and fees were \$145,217 over budget with Health Department environmental fees \$39,875 under budget and Register of Deeds fees \$45,600 under budget, both due to lower than anticipated inspections and recording activity. However, building permit fees were \$109,277 over budget due to a larger than expected 7.80 percent increase in revenue from increased construction activity, and revenue stamp fees were \$117,386 over budget from a 3.32 percent increase in revenue from increased property recordings and a conservative budget amount.

Sales and services revenues were \$1,120,278 under budget. Without \$1,245,639 of budgetary offsets used to show the cost of school nurses and school resources officers in the budget (with no actual revenue), sales and services were \$125,363 over budget. Health Department dental program revenue was \$101,579 under budget due to termination of the program; Detention Center revenues were \$233,113 over budget from an unexpected levels of boarding detainees from other counties; Emergency Medical Services helicopter transport revenue was \$187,486 under budget due to helicopter maintenance which the department did not reflect in the budget estimate; and the Emergency Medical Services Medicaid cost settlement was \$340,346 over budget due to a conservative budget amount and favorable audit resolution of prior years' settlements (10 percent is withheld pending audit resolution).

Interest earnings were \$796,268 over budget from Federal Reserve rate increases, a conservative budget amount relating to those anticipated but unknown rate increases and positive portfolio performance.

Other revenue was \$64,527 under budget due to \$74,477 of budgetary offsets (budget with no actuals) used to show the amount of indirect costs supplied to support the College of the Albemarle, due to lower than expected Hospice donations of \$32,966 under budget and miscellaneous revenue of \$31,917 over budget from higher than anticipated sales of surplus property.

Expenditures were \$6,688,543 under budget (5.77 percent). Without the budgetary offsets mentioned above under Sales and Services of \$1,245,639; without other budgetary offsets of \$74,477; without outstanding purchase orders at year-end of \$507,676; and without a budgetary carryover into fiscal year 2020 for unspent deferred maintenance funds for the Board of Education of \$417,358; expenditures were \$4,443,393 under budget (3.84 percent) due to the following:

- Emergency Medical Services (Public Safety) expenditures were \$1,119,467 (7.94 percent) under budget. \$977,967 of that amount related to salaries, overtime and fringes due to nine new positions not immediately filled and to employee turnover and unfilled positions. There were also \$116,124 of outstanding purchase orders at fiscal year-end.
- Health Department (Human Services) expenditures were \$968,002 (11.10 percent) under budget and \$830,690 under budget when \$137,312 of outstanding purchase orders are removed. \$193,008 of the amount was due to the termination of the dental program. \$104,630 of the amount was due to a later than expected start of the drug court

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diversion program. Remaining amounts under budget related to salaries and fringes and operating costs spread over all programs (5.99 percent);

- Social Services (Human Services) expenditures were \$860,476 under budget from salaries and fringes in administration (\$209,564) and in-home services (\$128,949) under budget from turnover and unfilled positions, and from Foster Care expenditures of \$300,102 under budget from decreased caseloads.
- Recycling (Environmental Protection) expenditures were \$212,188 under budget from decreased activity resulting from changes in the recycling secondary markets; and
- Other departments with favorable expenditure budget variances of more than \$100,000 were:
 - Detention Center of \$167,586 from salaries and fringes from turnover;
 - Sheriff of \$123,075 from cost savings consistent across most line items;
 - Facilities Maintenance of \$120,504 from salaries and fringes from turnover and from repairs and maintenance expenditures for buildings;
 - Transfer sites of \$113,003 from salaries and fringes from turnover;
 - Parks and Recreation of \$108,180 from outstanding purchase orders of \$52,726 and capital outlay under budget of \$37,853;
 - Dare County Center of \$104,874 from lower than expected group activities; and
 - Communications of \$104,412 from lower than normal maintenance and repair of equipment.

Internal Service Funds. The County's internal service funds provide services for all insurance and risk management operations and for vehicle and equipment parts and maintenance. The funds ended the year with a net position of \$1,804,543, an improvement of \$1,449,754.

The Insurance Fund, primarily supported by the General Fund and the Water Fund (proprietary), ended the fiscal year with a net position of \$1,488,242, an improvement of \$1,402,195 from the prior year. This marks the recovery from prior fund deficits which were the result of cumulative operating losses in prior fiscal years, most significantly an operating loss of \$2,122,716 in fiscal year 2013.

Proprietary Funds. Dare County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Total net position was \$56,422,511 and net position increased by \$37,059. Revenue bond debt service coverage improved to 4.61 times. The revenue bond rating from Standard and Poor's was maintained at AA after being affirmed in June 2017. Fitch Ratings affirmed its AA- revenue bond rating in April 2017 and changed the Ratings Outlook to "positive" from "stable". Other factors concerning the finances of these funds have been addressed in the discussion of Dare County's business-type activities.

Capital Assets and Debt Administration

Capital assets. Dare County's capital assets for its governmental and business – type activities as of June 30, 2019, total \$235,918,210 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment and vehicles.

Major capital asset transactions during the year include:

- Purchased replacement equipment and vehicles for the Public Works, Sheriff and Emergency Medical Services departments;
- Capitalization of beach nourishment infrastructure projects;
- The start of construction of a beach nourishment project covering portions of Nags Head (with the County capitalizing its share); and
- The start of an automated meter reading system for the Water Distribution department.

Additional information on the County's capital assets is found in note 4 of the Basic Financial Statements.

Dare County's Net Capital Assets

Figure 4



	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 26,556,776	\$ 26,351,491	\$ 4,573,941	\$ 4,573,941	\$ 31,130,717	\$ 30,925,432
Buildings	74,419,840	75,302,351	28,853,805	30,113,148	103,273,645	105,415,499
Improvements	20,094,503	24,589,787	31,119,994	33,437,372	51,214,497	58,027,159
Equipment	2,240,954	2,111,779	755,650	608,646	2,996,604	2,720,425
Machinery	13,127,881	12,784,647	237,519	245,122	13,365,400	13,029,769
Construction in progress	32,572,044	24,515,290	1,365,303	67,688	33,937,347	24,582,978
Total	<u>\$ 169,011,998</u>	<u>\$ 165,655,345</u>	<u>\$ 66,906,212</u>	<u>\$ 69,045,917</u>	<u>\$ 235,918,210</u>	<u>\$ 234,701,262</u>

Long-term Debt. As of June 30, 2019, Dare County had no bonded debt outstanding backed by the full faith and credit of the County (general obligation).

Dare County's total debt decreased by \$8,429,632 (par value) or 6.16 percent during the past fiscal year, due to principal payments of \$22,048,668 (par value) and new debt consisting of a direct placement installment financing of \$10,295,000 and two capitalized leases totaling \$3,324,036. Total debt stood at \$128,423,680 (par value) at June 30, 2019.

Dare County's general obligation bond rating was upgraded to AA+ by Standard and Poor's Global Ratings in February 2016. Dare County maintained its general obligation bond ratings of AA from Fitch Ratings (affirmed in May 2016) and Aa2 from Moody's Investors Service (affirmed in April 2018).

State law limits the amount of general obligation, installment purchase (certificates of participation and limited obligation bonds) and capitalized lease debt that a unit may have outstanding to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Dare County is \$977,576,173 as of June 30, 2019. The County had \$102,168,680 of outstanding debt subject to the limitation. Additional information regarding Dare County's long-term debt can be found in note 13 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Traditional economic factors are not necessarily applicable to Dare County due to a tourism based economy, seasonality of both activity and population that accompanies tourism, and a lack of manufacturing activities.

- The county had an annual average unemployment rate of 5.28 percent, above the State average for calendar year 2018 but down from 6.20 percent of the prior year and 6.70 percent from two years before. The County experiences significant seasonality in monthly rates with a high of 8.8 percent in January (2019) and a low of 3.6 percent in August (2018).
- The county's per capita income was \$53,415 or 116 percent of that of the State for calendar year 2018.
- Taxable retail sales for fiscal year 2019 totaled \$1.599 billion and total sales tax collections (State and local) were \$76,117,049.
- Locally collected sales taxes increased 3.28 percent while those collected statewide increased 6.22 percent.
- The local 1 percent realty transfer tax for fiscal year 2019 increased by 4.86 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Occupancy tax collections increased by 3.27 percent even with the effects of Hurricane Florence.
- For calendar year 2018, the number of building permits increased 10.46 percent and the dollar value of the building permits increased 3.49 percent with the same trend continuing through calendar year 2019 to date.
- The sales to assessment ratio as measured by the NC Department of Revenue, decreased to 83.49 percent as of July 2018 (sampled assessed tax values averaged 83.49 percent of sampled actual sales values). A county-wide property revaluation will occur for values as of January 1, 2020.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: The County maintained programs currently in place without service or program changes. After adjusting for fund structural changes, the total operating budget increased 2.16 percent with a 1.96 percent increase in the General Fund budget. The General Fund budget increased by \$2,206,796 with an unchanged property tax rate of \$0.47 per \$100 of valuation.

Significant items in the General Fund, covering 96 percent of the dollar change, include the following:

- Reductions of:
 - \$652,994 for capital outlay in 2019 that is not recurring in 2020.
 - \$637,809 for debt service payment reductions.
 - \$508,830 for Health Plan one-time specific stop-loss funding in 2019.
 - \$500,000 for the end, after 2019, of the five years of catch-up deferred maintenance funding for Dare County Schools.
 - \$463,945 for salaries and fringes due to retirements and turnover.
 - \$99,627 for various operating line items after review of historical actuals.
- Increases of:
 - \$883,739 to maintain net capital funding (capital outlay and debt service) at 2019 levels.
 - \$697,447 for local current expense for Dare County Schools per the funding formula.
 - \$482,817 for EMS including three new paramedic positions.
 - \$478,000 for a 1.2% cost of living pay adjustment for all full-time employees and paid Boards.
 - \$474,100 for Information Technology including a restart of personal computer replacements due to abandonment of desktop virtualization.
 - \$450,000 for continuation of the merit pay plan as recommended by the Salary Study implemented in 2018 and 2019.
 - \$313,119 for the Sheriff including two new deputy positions to replace those previously converted to School Resource Officers.
 - \$243,430 for the College of the Albemarle including a \$250,000 scholarship program.
 - \$194,322 for Facilities Maintenance including a new electrician position and capital outlay to continue catch-up of vehicle replacements.
 - \$181,196 for Elections for the cost of additional elections during 2020.
 - \$131,305 for Revaluation for costs of a county-wide property revaluation performed in-house that will be effective for property values as of January 1, 2020.
 - \$125,514 for Grants & Waterways including a new project manager position and \$50,000 for maintenance of public access boat ramps.
 - \$122,514 for Register of Deeds including \$116,900 to digitize paper records dating back to 1976.
 - \$107,907 for the cost of various insurance.
 - \$100,000 additional funds transferred to the Inlet Maintenance Fund for Hatteras Inlet.

Business – type Activities: Budgeted expenditures increased \$641,182 or 4.74 percent. Items included in the budget were maintenance of the level of capital outlays and increases in operating and maintenance costs.

A water rate structure study with Raftelis Financial Consulting was adopted with the FY 2015 budget. While experiencing the national trend of declining per capita water usage, the change in the rate structure enabled the system to increase the amount of fixed revenue from 10.5% to 21.5% of revenue, which is an amount sufficient to cover debt service. FY 2020 was the fifth year of the new rate structure and per the study, a rate increase of 5.0% was included in the 2020 budget.

Debt Outlook

The County adopts separate capital improvement plans (CIP) for governmental and business-type activities. The adopted governmental CIP incorporated debt issuances for:

- \$14,000,000 of debt for College of the Albemarle campus consolidation, \$5,500,000 for Health and Human Services facility improvements or consolidation, and \$4,500,000 for a new Animal Shelter facility, in fiscal year 2020 over a twenty year term;
- \$1,498,316 of debt for EMS equipment in fiscal year 2020 over a five year term;
- \$15,000,000 of debt for EMS facilities in fiscal year 2022 over a twenty year term; and
- \$20,000,000 of debt for replacement of the County public works facilities in fiscal year 2024 over a twenty year period.

The adopted business-type (water) CIP for 2020 through 2026 does not include any debt issuances.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. This report as well as annual budgets and capital improvement plans are available at <http://www.darenc.com/Departments/Finance> . Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Dare County, PO Box 1000, Manteo, NC 27954.

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The **Basic Financial Statements** include government-wide financial statements, fund financial statements and the notes to the financial statements.

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2019

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 71,130,527	\$ 8,918,382	\$ 80,048,909	\$ 19,181,567
Receivables (net of allowance for uncollectibles)	15,231,829	3,814,496	19,046,325	1,663,098
Due from component unit	533,582	-	533,582	-
Internal balances	23,711	(23,711)	-	-
Inventories	471,375	669,583	1,140,958	1,324,581
Prepays	-	-	-	103,507
Restricted assets:				
Cash and cash equivalents	-	19,121,578	19,121,578	4,985,141
Cash with fiscal agent	11,330,272	636	11,330,908	-
Net pension asset	140,940	-	140,940	-
Capital assets:				
Land and construction in progress	59,128,820	5,939,245	65,068,065	17,705,339
Other capital assets, net of depreciation	109,883,178	60,966,967	170,850,145	15,560,382
Total assets	<u>267,874,234</u>	<u>99,407,176</u>	<u>367,281,410</u>	<u>60,523,615</u>
DEFERRED OUTFLOWS OF RESOURCES	24,767,720	5,346,633	30,114,353	714,274
LIABILITIES				
Accounts payable and current liabilities	4,084,789	198,526	4,283,315	1,325,276
Accrued liabilities	1,578,016	140,710	1,718,726	39,590
Accrued interest payable	351,782	420,299	772,081	-
Due to primary government	-	-	-	533,582
Unearned revenues	1,244	812,945	814,189	9,760
Customer deposits	-	2,019,694	2,019,694	14,007
Noncurrent liabilities:				
Due within one year	21,470,614	1,411,910	22,882,524	-
Due in more than one year	248,453,058	41,208,291	289,661,349	5,550,712
Total liabilities	<u>275,939,503</u>	<u>46,212,375</u>	<u>322,151,878</u>	<u>7,472,927</u>
DEFERRED INFLOWS OF RESOURCES	17,275,168	2,142,634	19,417,802	412,557
NET POSITION				
Net investment in capital assets	121,152,381	38,989,060	160,141,441	33,265,721
Restricted for:				
Stabilization by State statute	20,370,330	-	20,370,330	6,973,695
Bond covenants	-	17,102,520	17,102,520	-
Economic and physical development	21,394,184	-	21,394,184	-
Public safety	1,158,736	-	1,158,736	863,944
Human services	151,087	-	151,087	-
General government	3,316	-	3,316	-
Unrestricted	(164,802,751)	307,220	(164,495,531)	12,249,045
Total net position	<u>\$ (572,717)</u>	<u>\$ 56,398,800</u>	<u>\$ 55,826,083</u>	<u>\$ 53,352,405</u>

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

DARE COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2019

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			Total Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 12,539,691	\$ 1,808,951	\$ 9,630	\$ -	\$ (10,721,110)	\$ -	\$ (10,721,110)	\$ -
Public safety	34,342,643	5,624,707	576,680	6,623	(28,134,633)	-	(28,134,633)	-
Economic and physical development	7,662,770	496,362	124,674	5,050,996	(1,990,738)	-	(1,990,738)	-
Human services	17,930,715	2,874,572	4,976,897	-	(10,079,246)	-	(10,079,246)	-
Cultural and recreational	5,454,249	378,699	396,909	183,779	(4,494,862)	-	(4,494,862)	-
Environmental protection	10,004,255	1,650,819	2,653	-	(8,350,783)	-	(8,350,783)	-
Education	26,173,140	-	300,000	-	(25,873,140)	-	(25,873,140)	-
Transportation	807,753	-	-	-	(807,753)	-	(807,753)	-
Interest on long-term debt	3,530,291	-	-	-	(3,530,291)	-	(3,530,291)	-
Total governmental activities	118,445,507	12,834,110	6,387,443	5,241,398	(93,982,556)	-	(93,982,556)	-
Business-type Activities:								
Water	14,231,560	13,705,624	-	-	-	(525,936)	(525,936)	-
Total business-type activities	14,231,560	13,705,624	-	-	-	(525,936)	(525,936)	-
Total primary government	\$ 132,677,067	\$ 26,539,734	\$ 6,387,443	\$ 5,241,398	(93,982,556)	(525,936)	(94,508,492)	-
Total component units	\$ 27,591,821	\$ 1,133,028	\$ 818,612	\$ 641,366				(24,998,815)
General revenues:								
Property taxes					67,901,581	-	67,901,581	583,571
Sales taxes					20,899,052	-	20,899,052	-
Occupancy taxes					15,115,405	-	15,115,405	5,107,312
Alcoholic beverage taxes					231,229	-	231,229	-
Local realty transfer taxes					4,811,021	-	4,811,021	-
Other taxes					1,022,815	-	1,022,815	2,638,097
Alcoholic beverage profit and sales					1,441,710	-	1,441,710	17,982,625
Other revenues					590,482	-	590,482	35,509
Unrestricted investment earnings					2,355,310	719,505	3,074,815	425,922
Total general revenues					114,368,605	719,505	115,088,110	26,773,036
Change in net position					20,386,049	193,569	20,579,618	1,774,221
Net position-beginning					(20,958,766)	56,205,231	35,246,465	51,578,184
Net position-ending					\$ (572,717)	\$ 56,398,800	\$ 55,826,083	\$ 53,352,405

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

DARE COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2019

	General	Beach Nourishment	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 35,880,399	\$ 21,437,928	\$ -	\$ 6,134,836	\$ 63,453,163
Cash and cash equivalents - restricted	-	-	-	5,000,022	5,000,022
Cash with fiscal agent - restricted	206,236	1,405	10,437,710	684,921	11,330,272
Receivables (net of allowance for uncollectibles)	11,834,168	2,068,365	7,036	470,039	14,379,608
Due from other funds	-	5,990,263	-	-	5,990,263
Due from other governments	179,576	151	-	16,815	196,542
Due from component unit - ABC	273,196	-	-	260,386	533,582
Inventories	14,272	-	-	-	14,272
Total assets	<u>\$ 48,387,847</u>	<u>\$ 29,498,112</u>	<u>\$ 10,444,746</u>	<u>\$ 12,567,019</u>	<u>\$ 100,897,724</u>
LIABILITIES					
Accounts payable	\$ 1,063,265	\$ -	\$ 771,639	\$ 516,554	\$ 2,351,458
Accrued liabilities	1,497,346	-	-	43,113	1,540,459
Due to other funds	-	-	5,990,263	-	5,990,263
Unearned revenues	1,244	-	-	-	1,244
Total liabilities	<u>2,561,855</u>	<u>-</u>	<u>6,761,902</u>	<u>559,667</u>	<u>9,883,424</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>989,165</u>	<u>258</u>	<u>-</u>	<u>206,292</u>	<u>1,195,715</u>
FUND BALANCES					
Nonspendable:					
Inventories	14,272	-	-	-	14,272
Restricted for:					
Stabilization by State statute	11,634,580	8,103,670	-	632,080	20,370,330
Beach nourishment	-	21,394,184	-	-	21,394,184
Emergency telephone system	-	-	-	1,098,288	1,098,288
Social services foster care	-	-	-	41,087	41,087
Capital or debt service	-	-	-	937,612	937,612
Capital	-	-	3,682,844	5,684,943	9,367,787
Register of deeds	3,316	-	-	-	3,316
Sheriff	60,448	-	-	-	60,448
Health department	110,000	-	-	-	110,000
Committed for:					
Disaster recovery	857,350	-	-	-	857,350
C & D landfill	-	-	-	1,747,247	1,747,247
Sanitation	-	-	-	1,793,042	1,793,042
Inlet maintenance	-	-	-	9,059	9,059
Assigned for:					
Subsequent year's expenditures	2,601,193	-	-	-	2,601,193
Unassigned:	29,555,668	-	-	(142,298)	29,413,370
Total fund balances	<u>44,836,827</u>	<u>29,497,854</u>	<u>3,682,844</u>	<u>11,801,060</u>	<u>89,818,585</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,387,847</u>	<u>\$ 29,498,112</u>	<u>\$ 10,444,746</u>	<u>\$ 12,567,019</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	168,859,305
Net pension asset	140,940
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	2,746,842
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	115,058
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	980,680
Internal service funds are used by management to charge the costs of insurance and fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,828,254
Pension related deferrals - LGERS and RODSPF	6,323,652
Pension related deferrals - LEOSSA	(56,758)
OPEB related deferrals	1,408,309
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(272,737,584)

Net position of governmental activities	<u>\$ (572,717)</u>
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The notes to the financial statements are an integral part of this statement.

DARE COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Beach Nourishment	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 63,573,997	\$ 111,206	\$ -	\$ 4,246,013	\$ 67,931,216
Other taxes	25,910,863	10,214,481	-	5,231,276	41,356,620
Unrestricted intergovernmental	1,399,718	-	-	-	1,399,718
Restricted intergovernmental	6,018,849	-	57,619	5,876,956	11,953,424
Permits and fees	2,576,631	-	-	9,314	2,585,945
Sales and services	8,424,390	-	-	1,569,608	9,993,998
Investment income	1,173,151	789,718	206,441	185,999	2,355,309
Other revenue	867,725	35,137	-	41,394	944,256
Total revenues	109,945,324	11,150,542	264,060	17,160,560	138,520,486
EXPENDITURES					
Current:					
General government	11,311,344	-	132,634	1,950	11,445,928
Public safety	29,289,255	-	1,176,012	295,653	30,760,920
Economic and physical development	1,191,351	1,894,498	332,705	374,941	3,793,495
Human services	16,748,543	-	35,000	5,955	16,789,498
Cultural and recreational	4,819,007	-	591	8,748	4,828,346
Environmental protection	2,417,679	-	-	5,696,466	8,114,145
Education	23,592,662	-	28,597	2,322,052	25,943,311
Airport	813,859	-	-	-	813,859
Debt service:					
Principal	13,435,633	6,855,000	-	488,034	20,778,667
Interest	3,531,561	652,870	-	17,745	4,202,176
Capital outlay:					
General government	386,547	-	1,066,734	-	1,453,281
Public safety	1,130,807	-	353,388	-	1,484,195
Economic and physical development	28,252	-	7,965,619	-	7,993,871
Human services	216,524	-	-	-	216,524
Cultural and recreational	260,021	-	-	17,500	277,521
Environmental protection	154,773	-	357,372	531,283	1,043,428
Education	-	-	53,269	-	53,269
Total expenditures	109,327,818	9,402,368	11,501,921	9,760,327	139,992,434
Excess (deficiency) of revenues over (under) expenditures	617,506	1,748,174	(11,237,861)	7,400,233	(1,471,948)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	2,833,473	1,297,596	1,055,944	1,991,864	7,178,877
Transfers to other funds	(400,000)	(864)	(1,297,596)	(5,480,417)	(7,178,877)
Installment financings issued	1,528,866	-	10,966,611	1,123,559	13,619,036
Sale of surplus property	179,025	-	-	-	179,025
Total other financing sources and (uses)	4,141,364	1,296,732	10,724,959	(2,364,994)	13,798,061
Net change in fund balances	4,758,870	3,044,906	(512,902)	5,035,239	12,326,113
Fund balances-beginning	40,077,957	26,452,948	4,195,746	6,765,821	77,492,472
Fund balances-ending	\$ 44,836,827	\$ 29,497,854	\$ 3,682,844	\$ 11,801,060	\$ 89,818,585

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

DARE COUNTY, NORTH CAROLINA
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, 2019

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

Net change in fund balances - total governmental funds	\$ 12,326,113
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.	2,868,463
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	467,866
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,832,695
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,746,842
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the of resources on the Statement of Net Position	115,058
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.	(5,264,232)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	1,293,244
Change in net position of governmental activities	<u>\$ 20,386,049</u>

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

DARE COUNTY, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 63,086,256	\$ 63,086,256	\$ 63,573,997	\$ 487,741
Other taxes	25,575,400	25,575,400	25,910,863	335,463
Unrestricted intergovernmental	1,088,000	1,088,000	1,399,718	311,718
Restricted intergovernmental	5,299,097	5,474,092	5,672,247	198,155
Permits and fees	2,431,414	2,431,414	2,576,631	145,217
Sales and services	9,526,876	9,544,668	8,424,390	(1,120,278)
Investment income	364,500	364,500	1,160,768	796,268
Other revenue	653,254	848,497	783,970	(64,527)
Total revenues	<u>108,024,797</u>	<u>108,412,827</u>	<u>109,502,584</u>	<u>1,089,757</u>
EXPENDITURES				
Current:				
General government	12,264,081	11,912,066	11,311,344	600,722
Public safety	30,189,559	30,489,739	29,097,510	1,392,229
Economic and physical development	1,261,117	1,338,580	1,191,351	147,229
Human services	18,131,611	18,368,635	16,748,543	1,620,092
Cultural and recreational	5,018,690	5,050,691	4,819,007	231,684
Environmental protection	2,874,834	2,876,145	2,417,679	458,466
Education	24,836,270	25,339,609	23,592,662	1,746,947
Airport	813,859	816,564	813,859	2,705
Debt service:				
Principal	13,222,048	13,462,887	13,435,633	27,254
Interest	3,499,225	3,521,830	3,531,561	(9,731)
Capital outlay:				
General government	301,442	426,504	386,547	39,957
Public safety	1,129,300	1,241,558	1,130,807	110,751
Economic and physical development	28,846	28,846	28,252	594
Human services	133,559	427,525	216,524	211,001
Cultural and recreational	351,131	347,196	260,021	87,175
Environmental protection	58,466	176,241	154,773	21,468
Total expenditures	<u>114,114,038</u>	<u>115,824,616</u>	<u>109,136,073</u>	<u>6,688,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,089,241)</u>	<u>(7,411,789)</u>	<u>366,511</u>	<u>7,778,300</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,570,029	2,833,473	2,833,473	-
Transfers to other funds	(400,000)	(400,000)	(400,000)	-
Installment financing issued	1,528,866	1,528,866	1,528,866	-
Sale of surplus property	60,000	85,000	179,025	94,025
Total other financing sources (uses)	<u>3,758,895</u>	<u>4,047,339</u>	<u>4,141,364</u>	<u>94,025</u>
Net change in fund balances*	(2,330,346)	(3,364,450)	4,507,875	7,872,325
Fund balance -- beginning	39,471,602	39,471,602	39,471,602	-
Fund balance -- ending	<u>\$ 37,141,256</u>	<u>\$ 36,107,152</u>	<u>43,979,477</u>	<u>\$ 7,872,325</u>

A legally budgeted Disaster Recovery Fund is consolidated into the General Fund for reporting purposes:

Restricted intergovernmental	346,602
Investment income	12,383
Other revenue	83,755
Expenditures	(191,745)
Fund balance -- beginning Disaster Recovery Fund	606,355
Fund balance -- ending consolidated General Fund	<u>\$ 44,836,827</u>

*The net change in fund balances was included in the budget as an appropriation of fund balance.

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

DARE COUNTY, NORTH CAROLINA
Beach Nourishment Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 100,000	\$ 100,000	\$ 111,206	\$ 11,206
Other taxes	9,973,328	9,973,328	10,214,481	241,153
Investment income	432,397	432,397	789,718	357,321
Other revenue	-	-	35,137	35,137
Total revenues	10,505,725	10,505,725	11,150,542	644,817
EXPENDITURES				
Current:				
Economic & physical development	2,498,503	2,535,503	1,894,498	641,005
Debt service:				
Principal	6,855,000	6,855,000	6,855,000	-
Interest	652,871	652,871	652,870	1
Total expenditures	10,006,374	10,043,374	9,402,368	641,006
Excess of revenues over expenditures	499,351	462,351	1,748,174	1,285,823
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	1,297,596	1,297,596
Transfers to other funds	(3,000,000)	(3,000,000)	(864)	2,999,136
Total other financing sources (uses)	(3,000,000)	(3,000,000)	1,296,732	4,296,732
Net change in fund balances*	(2,500,649)	(2,537,649)	3,044,906	5,582,555
Fund balance -- beginning	24,387,333	24,387,333	26,452,948	-
Fund balance -- ending	\$ 21,886,684	\$ 21,849,684	\$ 29,497,854	\$ 5,582,555

*The net change in fund balances was included in the budget as an appropriation of fund balance.

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

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities	Governmental Activities
	Major	
	Enterprise Fund- Water	Internal Service Funds
ASSETS		
Current assets:		
Cash and equivalents	\$ 8,918,382	\$ 2,677,342
Restricted cash and cash equivalents:		
Customer deposits	2,019,694	-
Revenue bond covenant accounts:		
Extension & replacement	14,162,648	-
Extension & replacement NRO membrane reserve	326,179	-
Restricted surplus	2,613,057	-
Debt service account	636	-
Total revenue bond covenant accounts	17,102,520	-
Total restricted cash and cash equivalents	19,122,214	-
Interest receivable	28,727	-
Accounts receivable (net of allowance for uncollectibles)	3,785,769	400,358
Due from other funds	-	69,885
Inventories	669,583	457,103
Total current assets	32,524,675	3,604,688
Noncurrent assets:		
Capital assets:		
Land	4,573,941	-
Buildings	56,852,043	117,042
Improvements other than buildings	52,567,268	28,050
Equipment	5,275,158	472,157
Machinery	1,140,507	922,374
Construction in progress	1,365,304	-
Less accumulated depreciation	(54,868,009)	(1,386,930)
Total capital assets (net of accumulated depreciation)	66,906,212	152,693
Total noncurrent assets	66,906,212	152,693
Total assets	99,430,887	3,757,381
DEFERRED OUTFLOWS OF RESOURCES	5,346,633	204,804

(continued)

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities	Governmental Activities
	Major	
	Enterprise Fund- Water	Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	198,526	137,067
Accrued liabilities	140,710	37,557
Accrued claims incurred but not reported:		
Health insurance	-	1,596,264
Compensated absences	81,910	18,161
Unearned revenues	34,760	-
Due to other funds	-	69,885
Accrued interest payable	420,299	-
Current liabilities payable from restricted assets:		
Customer utility deposits	2,019,694	-
Revenue bonds payable	1,330,000	-
Total current liabilities	<u>4,225,899</u>	<u>1,858,934</u>
Noncurrent liabilities:		
Unearned revenues	778,185	-
Compensated absences	221,459	49,105
Net pension liability	1,015,620	248,318
Other postemployment benefits	13,384,060	-
Revenue bonds payable (net of unamortized premium)	<u>26,587,152</u>	<u>-</u>
Total noncurrent liabilities	<u>41,986,476</u>	<u>297,423</u>
Total liabilities	<u>46,212,375</u>	<u>2,156,357</u>
DEFERRED INFLOWS OF RESOURCES	2,142,634	1,285
NET POSITION		
Net investment in capital assets	38,989,060	152,693
Restricted for bond covenants	17,102,520	-
Unrestricted	330,931	1,651,850
Total net position	<u>56,422,511</u>	<u>\$ 1,804,543</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(23,711)	
Net position of business-type activities	<u>\$ 56,398,800</u>	

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

DARE COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities		Governmental Activities
	Major	Total	Internal Service
	Water	Enterprise Funds	Funds
Operating revenues:			
Charges for sales and services:			
Water sales	\$ 11,792,646	\$ 11,792,646	\$ -
Wastewater charges	60,438	60,438	-
Connection fees	64,173	64,173	-
System development fees	421,372	421,372	-
Water assessments	346,324	346,324	-
Penalties	120,652	120,652	-
Service revenue	-	-	2,797,306
Internal funding	-	-	17,872,139
Other revenue	900,019	900,019	389,060
Total operating revenues	<u>13,705,624</u>	<u>13,705,624</u>	<u>21,058,505</u>
Operating expenses:			
Hatteras water system	1,929,480	1,929,480	-
Joseph "Mac" Midgett water plant	798,491	798,491	-
North water plant	1,640,326	1,640,326	-
Skyco water plant	1,541,088	1,541,088	-
Water distribution system	3,167,545	3,167,545	-
Stumpy Point water and sewer system	169,794	169,794	-
Insurance	-	-	16,874,193
Fleet maintenance	-	-	2,689,124
Depreciation	4,032,975	4,032,975	86,341
Total operating expenses	<u>13,279,699</u>	<u>13,279,699</u>	<u>19,649,658</u>
Operating income	<u>425,925</u>	<u>425,925</u>	<u>1,408,847</u>
Nonoperating revenues (expenses):			
Investment income	719,505	719,505	-
Sale of capital assets	15,825	15,825	-
Interest expense	(1,074,255)	(1,074,255)	-
Amortization of net original issue discount	(49,941)	(49,941)	-
Total nonoperating revenue (expenses)	<u>(388,866)</u>	<u>(388,866)</u>	<u>-</u>
Income before contributions	37,059	37,059	1,408,847
Capital contributions	<u>-</u>	<u>-</u>	<u>40,907</u>
Change in net position	37,059	37,059	1,449,754
Net position-beginning	56,385,452		354,789
Net position-ending	<u>\$ 56,422,511</u>		<u>\$ 1,804,543</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		156,510	
Change in net position of business-type activities		<u>\$ 193,569</u>	

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

DARE COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities	Governmental Activities
	Major	
	Enterprise Fund- Water	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 12,795,909	\$ 2,892,996
Receipts from interfund charges for insurance services	-	16,520,621
Receipts from interfund charges for fleet maintenance services	-	1,351,518
Other receipts	908,508	-
Payments to suppliers and service providers	(4,306,222)	(18,226,859)
Payments to employees for salaries and benefits	(4,740,367)	(1,216,392)
Net cash provided by operating activities	<u>4,657,828</u>	<u>1,321,884</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,940,133)	(65,758)
Principal paid on capital debt	(1,270,000)	-
Interest paid on capital debt	(1,088,626)	-
Proceeds from the sale of assets	<u>15,825</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(4,282,934)</u>	<u>(65,758)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>721,269</u>	<u>-</u>
Net cash provided by investing activities	<u>721,269</u>	<u>-</u>
Net increase in cash and cash equivalents	1,096,163	1,256,126
Cash and cash equivalents, July 1	<u>26,944,433</u>	<u>1,421,216</u>
Cash and cash equivalents, June 30	<u>\$ 28,040,596</u>	<u>\$ 2,677,342</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	<u>\$ 425,925</u>	<u>\$ 1,408,847</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	4,032,975	86,341
(Increase) in accounts receivable	(31,078)	(293,370)
(Increase) in inventories	(2,769)	(10,856)
(Increase) in deferred outflows of resources-pensions	(326,106)	(79,734)
Increase in net pension liability	378,897	92,640
(Decrease) in deferred inflows of resources-pensions	(12,766)	(3,122)
Increase in deposits payable	30,282	-
(Decrease) in accounts payable	(72,019)	(2,460)
Increase in accrued liabilities	18,798	6,601
Increase in accrued claims incurred but not reported:		
Health insurance	-	119,041
Increase (decrease) in compensated absences payable	26,587	(2,044)
Increase in unearned revenues	8,489	-
(Decrease) in deferred revenues	(8,900)	-
Decrease in deferred outflows of resources-other postemployment benefits	238,642	-
(Decrease) in net other postemployment benefits liability	(399,595)	-
Increase in deferred inflows of resources-other postemployment benefits	350,466	-
Total adjustments	<u>4,231,903</u>	<u>(86,963)</u>
Net cash provided by operating activities	<u>\$ 4,657,828</u>	<u>\$ 1,321,884</u>
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 40,907

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

DARE COUNTY, NORTH CAROLINA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,695,256
Cash and cash equivalents with fiscal agent - restricted	1,569,190	-
Accounts receivable (net of allowance for uncollectibles)	-	3,715,153
Due from component unit	-	125,604
Total assets	<u>1,569,190</u>	<u>6,536,013</u>
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable	-	60,675
Intergovernmental payable - other agencies	-	3,861,180
Intergovernmental payable - Dare County Board of Education	-	32,701
Due to component unit	-	2,064,430
Total liabilities	<u>-</u>	<u>6,018,986</u>
Net position		
Postemployment benefits other than pensions	1,569,190	-
Individuals, organizations, and other governments	-	517,027
Total net position	<u>\$ 1,569,190</u>	<u>\$ 517,027</u>

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

DARE COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 4,428,114	\$ -
Total contributions	<u>4,428,114</u>	<u>-</u>
Investment earnings:		
Interest	16,856	-
Net increase in the fair value of investments	66,774	-
Total investment earnings	83,630	-
Less investment expense	203	-
Net investment earnings	<u>83,427</u>	<u>-</u>
Collections for participants or beneficiaries	-	863,342
Taxes collected for other governments	-	48,599,832
Grants collected for other agencies	-	36,770
Fines and forfeitures collected for the Board of Education	-	470,107
Total additions	<u>4,511,541</u>	<u>49,970,051</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	4,366,566	542,943
Payments on behalf of beneficiaries	-	324,954
Taxes distributed to other governments	-	48,599,832
Grant payments to other agencies	-	36,770
Fines and forfeitures distributed to the Board of Education	-	470,107
Total deductions	<u>4,366,566</u>	<u>49,974,606</u>
Net increase in fiduciary net position	144,975	(4,555)
NET POSITION		
Beginning of year	1,424,215	-
Beginning of year- restated	-	521,582
End of year	<u>\$ 1,569,190</u>	<u>\$ 517,027</u>

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

DARE COUNTY, NORTH CAROLINA
Combining Statement of Net Position
All Discretely Presented Component Units
June 30, 2019

	Dare County Airport Authority	Dare County ABC Board	Dare County Tourism Board	Rodanthe, Waves, Salvo Community Center	Stumpy Point Community Center	Wanchese Community Center	Hatteras Village Community Center	Total Component Units
ASSETS								
Cash and cash equivalents	\$ 4,615,079	\$ 5,566,715	\$ 7,419,171	\$ 1,118,474	\$ 27,375	\$ 65,973	\$ 368,780	\$ 19,181,567
Receivables (net of allowance for uncollectibles)	78,970	-	1,431,429	6,774	2,454	6,179	137,292	1,663,098
Inventories	42,381	1,271,057	11,143	-	-	-	-	1,324,581
Prepays	-	47,807	-	-	-	-	55,700	103,507
Restricted assets:								
Cash and cash equivalents	-	-	4,985,141	-	-	-	-	4,985,141
Capital assets:								
Land and construction in progress	5,475,338	302,012	11,317,382	553,007	-	-	57,600	17,705,339
Other capital assets, net of depreciation	4,410,736	3,553,532	5,319,878	740,856	3,256	118,402	1,413,722	15,560,382
Total assets	<u>14,622,504</u>	<u>10,741,123</u>	<u>30,484,144</u>	<u>2,419,111</u>	<u>33,085</u>	<u>190,554</u>	<u>2,033,094</u>	<u>60,523,615</u>
DEFERRED OUTFLOWS OF RESOURCES	161,765	306,391	246,118	-	-	-	-	714,274
LIABILITIES								
Accounts payable and current liabilities	55,170	1,138,473	120,411	9,143	420	583	1,076	1,325,276
Accrued liabilities	16,238	23,352	-	-	-	-	-	39,590
Due to primary government	-	533,582	-	-	-	-	-	533,582
Unearned revenue	-	-	9,760	-	-	-	-	9,760
Customer deposits	11,682	-	-	-	-	-	2,325	14,007
Noncurrent liabilities:								
Due in more than one year	2,523,606	2,047,111	979,995	-	-	-	-	5,550,712
Total liabilities	<u>2,606,696</u>	<u>3,742,518</u>	<u>1,110,166</u>	<u>9,143</u>	<u>420</u>	<u>583</u>	<u>3,401</u>	<u>7,472,927</u>
DEFERRED INFLOWS OF RESOURCES	121,337	217,372	73,848	-	-	-	-	412,557
NET POSITION								
Net investment in capital assets	9,886,074	3,855,544	16,637,260	1,293,863	3,256	118,402	1,471,322	33,265,721
Restricted for:								
Stabilization by state statue	-	-	6,780,633	2,053	1,766	1,993	187,250	6,973,695
Law enforcement	-	863,944	-	-	-	-	-	863,944
Capital improvements	-	1,061,451	-	-	-	-	-	1,061,451
Working capital	-	527,634	-	-	-	-	-	527,634
Unrestricted	2,170,162	779,051	6,128,355	1,114,052	27,643	69,576	371,121	10,659,960
Total net position	<u>\$ 12,056,236</u>	<u>\$ 7,087,624</u>	<u>\$ 29,546,248</u>	<u>\$ 2,409,968</u>	<u>\$ 32,665</u>	<u>\$ 189,971</u>	<u>\$ 2,029,693</u>	<u>\$ 53,352,405</u>

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

DARE COUNTY, NORTH CAROLINA
Combining Statement of Activities
All Discretely Presented Component Units
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Dare County Airport Authority	Dare County ABC Board	Dare County Tourism Board	Rodanthe, Waves, Salvo Community Center	Stumpy Point Community Center	Wanchese Community Center	Hatteras Village Community Center	Total Component Units
Component units:												
Dare County Airport Authority	\$ 1,917,520	\$ 845,318	\$ 813,859	\$ 256,366	\$ (1,977)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,977)
Dare County ABC Board	17,722,277	-	-	-	-	(17,722,277)	-	-	-	-	-	(17,722,277)
Dare County Tourism Board	7,508,838	282,710	-	385,000	-	-	(6,841,128)	-	-	-	-	(6,841,128)
Rodanthe, Waves, Salvo Community Center	149,136	-	534	-	-	-	-	(148,602)	-	-	-	(148,602)
Stumpy Point Community Center	6,306	50	1,640	-	-	-	-	-	(4,616)	-	-	(4,616)
Wanchese Community Center	34,350	-	2,579	-	-	-	-	-	-	(31,771)	-	(31,771)
Hatteras Village Community Center	253,394	4,950	-	-	-	-	-	-	-	-	(248,444)	(248,444)
Total component units	<u>\$ 27,591,821</u>	<u>\$ 1,133,028</u>	<u>\$ 818,612</u>	<u>\$ 641,366</u>	<u>(1,977)</u>	<u>(17,722,277)</u>	<u>(6,841,128)</u>	<u>(148,602)</u>	<u>(4,616)</u>	<u>(31,771)</u>	<u>(248,444)</u>	<u>(24,998,815)</u>
General revenues:												
Property taxes					-	-	-	202,918	6,845	47,468	326,340	583,571
Occupancy taxes					-	-	5,107,312	-	-	-	-	5,107,312
Other taxes					-	-	2,638,097	-	-	-	-	2,638,097
Alcoholic beverage sales					-	17,982,625	-	-	-	-	-	17,982,625
Other revenues					-	34,955	-	-	-	-	554	35,509
Unrestricted investment earnings					114,495	36,209	262,161	8,717	695	-	3,645	425,922
Total general revenues					114,495	18,053,789	8,007,570	211,635	7,540	47,468	330,539	26,773,036
Change in net position					112,518	331,512	1,166,442	63,033	2,924	15,697	82,095	1,774,221
Net position-beginning					11,943,718	6,756,112	28,379,806	2,346,935	29,741	174,274	1,947,598	51,578,184
Net position-ending					<u>\$ 12,056,236</u>	<u>\$ 7,087,624</u>	<u>\$ 29,546,248</u>	<u>\$ 2,409,968</u>	<u>\$ 32,665</u>	<u>\$ 189,971</u>	<u>\$ 2,029,693</u>	<u>\$ 53,352,405</u>

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

DARE COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1. Summary of Significant Accounting Policies

The accounting policies of Dare County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member Board of Commissioners, is one of 100 counties established in North Carolina under North Carolina General Statute 153A-10 [hereinafter, references to the North Carolina General Statutes will be cited as "G.S.,"]. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and therefore data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government and each discretely presented component unit has a June 30 fiscal year end. Two component units of the County have no financial transactions or account balances; therefore, they do not appear in the basic financial statements.

Discretely Presented Component Units

Dare County Airport Authority

The Dare County Airport Authority (Airport) is a public authority under G.S. 159-7. The County Board of Commissioners appoints the Airport's governing board and may remove appointees at will. The County provides an annual appropriation to the Airport for operating expenses which, for budgetary purposes and for purposes of reporting under generally accepted accounting principles, is shown as a department within the County's General Fund. The Airport is presented as a proprietary fund.

Dare County Alcoholic Beverage Control Board

The Dare County Alcoholic Beverage Control Board (ABC Board) is a corporate body with powers outlined by G.S. 18B-701. The County Board of Commissioners appoints the ABC Board's governing board. The ABC Board is reported as a component unit as it is required by state statute to distribute its surpluses, after other required distributions, including to the County's Social Services Foster Care (Special Revenue) Fund, to the General Fund of the County which is a material financial benefit to the County. The ABC Board is presented as a proprietary fund.

Dare County Tourism Board

The Dare County Tourism Board (Tourism Board) was created by the General Assembly of North Carolina, 1991 session, Chapter 177, House Bill 225 and is a public authority as outlined by G.S. 159-7. The Tourism Board's primary revenue sources are a 1% occupancy tax and a 1% prepared food and beverage tax, both enabled by the above House Bill 225 and levied by the County Board of Commissioners. 75% of net tax proceeds may be used for administration and to promote tourism. 25% of the net tax proceeds must be used for services or programs needed due to the impact of tourism on the county and the County Board of Commissioners must approve the related projects. The County collects and remits to the Tourism Board the above occupancy and prepared food tax proceeds, which are accounted for in the Tax and ABC Pass-through (Custodial) Fund.

Stumpy Point Community Center District

The Stumpy Point Community Center District (SPCC) is a political subdivision of the State created by the General Assembly of North Carolina, 1965 session, House Bill 886, after approval by a majority of voters within the District. The County Board of Commissioners appoints the District's governing board and may remove appointees at will. The County Board of Commissioners levies a property tax within the District at the request of the District's governing board. The County collects the property tax and remits the proceeds to the District, which are accounted for in the Tax and ABC pass-through (Custodial) Fund.

Hatteras Village Community Center District

The Hatteras Village Community Center District (District) is a political subdivision of the State created by the General Assembly of North Carolina, 1981 session, House Bill 511, after approval by a majority of voters within the District. The County Board of Commissioners appoints the District's governing board and may remove appointees at will. The County Board of Commissioners levies a property tax within the District at the request of the District's governing board. The County collects the property tax and remits the proceeds to the District, which is accounted for in the Tax and ABC pass-through (Custodial) Fund.

Rodanthe-Waves-Salvo Community Center District

The Rodanthe-Waves-Salvo Community Center District (District) is a political subdivision of the State created by the General Assembly of North Carolina, 1956 session, House Bill 885, after approval by a majority of voters within the District. The County Board of Commissioners appoints the District's governing board and may remove appointees at will. The County Board of Commissioners levies a property tax within the District at the request of the District's governing board. The County collects the property tax and remits the proceeds to the District, which are accounted for in the Tax and ABC pass-through (Custodial) Fund.

Wanchese Community Center District

The Wanchese Community Center District (District) is a political subdivision of the State created by the General Assembly of North Carolina, 1961 session, House Bill 555, after approval by a majority of voters within the District. The County Board of Commissioners appoints the District's governing board and may remove appointees at will. The County Board of Commissioners levies a property tax within the District at the request of the District's governing board. The county collects the property tax and remits the proceeds to the District, which is accounted for in the Tax and ABC pass-through (Custodial) Fund.

Component units which do not appear in the combined financial statements

Dare County Industrial Facilities and Pollution Control Financing Authority

The Dare County Industrial Facilities and Pollution Control Financing Authority (Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board, all appointed by the County Board of Commissioners. The Commissioners may remove any board member of the Authority at will. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Dare County Public Facilities Corporation

The Dare County Public Facilities Corporation (Corporation) is a nonprofit corporation that exists to assist the County in the financing of the acquisition, construction and equipping of certain governmental and school facilities. The Corporation has a three member Board of Directors, all appointed by the County Board of Commissioners. The Corporation has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Corporation does not issue separate financial statements.

Complete financial statements for each of the individual component units that issue financial statements may be obtained at the administrative offices of these entities:

Dare County Airport Authority
410 Airport Road
Post Office Box 1251
Manteo, NC 27954

Dare County ABC Board
2104 Croatan Highway
Post Office Box 1979
Nags Head, NC 27959

Dare County Tourism Bureau
One Visitors Center Circle
Manteo, NC 27954

and at the County Finance Department for the Hatteras Village Community Center District, the Rodanthe-Waves-Salvo Community Center District, the Stumpy Point Community Center District, and the Wanchese Community Center District.

B. Government-wide and Fund Financial Statements and Financial Statements Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statements of activities.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The County maintains another legally budgeted fund, the Disaster Recovery Fund which is consolidated into the General Fund in accordance with GASB statement No. 54.

Beach Nourishment Fund. This Fund accounts for the revenues and expenditures for the County's beach nourishment projects and the County's participation in municipal beach nourishment projects, including the proceeds of a 2% occupancy tax restricted to that purpose, for County debt issuances for a County project, and for County participation, including debt, in municipal projects.

Capital Projects Fund. This fund accounts for monies used for the acquisition, construction and improvements of various capital equipment and facilities.

The County reports non-major governmental funds consisting of six legally budgeted special revenue funds - the Construction & Demolition Landfill Fund, the Emergency Telephone System Fund, the Social Services Foster Care Fund, the Sanitation Fund, the Inlet Maintenance Fund and the Donations Fund, and two legally budgeted capital projects funds – the Capital Reserve Capital Projects Fund and the School Capital Projects Fund.

The county reports the following major enterprise fund:

Water Fund. This fund accounts for the operation of the County's four reverse osmosis treatment plants, one nanofiltration water treatment plant, and the retail water distribution system.

The County also reports the following fund types:

Internal Service Funds. These funds account for centralized service provided to County departments and agencies. The County has two Internal Service Funds, the Insurance Fund and the Fleet Maintenance Fund.

Pension (and Other Employee Benefit) Trust Fund. The County maintains one Pension (and Other Employee Benefit) Trust Fund, the Other Post-employment Benefit Fund. Pension (and Other Employee Benefit) Trust Funds are used to report fiduciary activities for pension plans and OPEB plans that are administered through trusts that meet certain criteria. The Other Post-employment Benefit Fund accounts for the County's contributions for health care coverage provided to qualified retirees (the Healthcare Benefits Plan) and for contributions made to finance future benefits, which are held in a qualifying irrevocable trust.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in Pension (and Other Employee Benefit) Trust Funds, Investment Trust Funds, or Private-Purpose Trust Funds. The County maintains eight Custodial funds: the Tax and ABC Pass-through Fund that accounts for moneys collected and distributed for special tax districts, ABC Board designated funds, occupancy taxes, prepared food tax, property tax collections for the towns of Manteo, Kitty Hawk, Kill Devil Hills, Southern Shores and Duck, and vehicle property taxes; the Social Services Fund that accounts for funds held and administrated by the Department of Social Services as appointed trustee for certain individuals; the Grant Pass-through Fund that accounts for State grant funds passed through the County to subrecipients; the Inmate Banking Fund that accounts for funds held for and used by detainees and inmates at the Dare County Detention Center; the Fines and Forfeitures Fund that accounts for moneys collected by the Clerk of Superior Court from fines and forfeitures which are, by statute, passed-through the County and remitted to the Dare County Board of Education; the Government Access Fund that accounts for funds held for the Government Access Committee (Note 17); the General Activities Fund that accounts for donated funds that are donor specified for use within the community; and the Library Activities Fund that accounts for funds received by the Library Board to be used in accordance with donations and memorial instructions.

C. Measurement Focus and Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the Custodial funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the State and payable to the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

Budgets are adopted as required by State statute. An annual budget ordinance is adopted for the General, Special Revenue and Enterprise (excluding the Water Capital Projects Fund) funds. Financial plans are adopted for the Internal Service funds as allowed by G.S. 159-13.1. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for Capital Project funds, except for the Capital Reserve Capital Projects Funds. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions.

Expenditures may not legally exceed appropriations at the departmental level for the General, Special Revenue, and Enterprise funds, and at the project level for the Capital Project funds, except for the Capital Reserve Capital Projects Fund. All Social Services departments (General Fund) are treated as one department per the budget ordinance. All Health departments (General Fund) are treated as one department per the budget ordinance. The county manager is authorized by the budget ordinance to transfer any amount within a department and to transfer appropriations between departments within a fund up to \$10,000. However, any revisions that change total departmental appropriations must be reported by the county manager to the governing board at its next regularly scheduled meeting. Any revisions that alter total revenues or expenditures of any fund must be adopted by the governing board.

As required by G.S.159-26(d), the County maintains encumbrance accounts that are considered to be budgetary accounts. Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reported as a portion of the fund balance section of the balance sheet. These will be charged against the subsequent year's budget after re-appropriation of the amount of the encumbrances from appropriated fund balance or grant revenues, as authorized in the budget ordinance (Note 10.E).

E. Deposits and Investments

All deposits of the County, the Airport, the ABC Board and the Tourism Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Airport, the ABC Board and the Tourism Board may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, the Airport, the ABC Board and the Tourism Board may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

G.S. 159-30(c) authorizes the County, the Airport, the ABC Board and the Tourism Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). Per an investment policy adopted by the governing board, investments in obligations of the Bank for Cooperatives, obligations of the Federal Intermediate Credit Bank, obligations of the Federal Land Banks, obligations of the Farmers Home Administration, bonds or notes of any North Carolina local government or public authority that is rated below the AA category, repurchase agreements (except as allowed for debt proceeds), and collateralized mortgage obligations are not allowed, although legal under G.S. 159-30(c). G.S. 159-30.1 allowed the County to establish an irrevocable Other Post Employment Benefit (OPEB) Trust Fund managed by the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. The State Treasurer, in his discretion, may invest the proceeds in equities of certain publically held companies and long or short term fixed income investments as allowed by G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Funds (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the State Treasurer's Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

The majority of the County's, the Airport's, ABC Board's and the Tourism Board's investments are carried at fair value. Non-participating interest earnings contracts are accounted for at cost. The North Carolina Capital Management Trust is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating, and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs, other than quoted prices, included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2019 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.81 years at June 30, 2019.

The BlackRock MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2019 the fair value of the funds was \$22,562,358 per share. Fair value for this

BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

F. Cash and Cash Equivalents

The County pools monies from all funds, except the Library Activities (Custodial) Fund, the Social Services (Custodial) Fund, the Inmate Banking (Custodial) Fund, the Wanchese Community Center (Custodial) Fund and the Post-employment Benefit (Pension and Other Employee Benefit Trust) Fund, to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments that are not limited as to use are essentially demand deposits and are considered cash and cash equivalents. The Airport, the ABC Board and the Tourism Board consider demand deposits and investments purchased with an original maturity of three months or less, that are not limited as to use, to be cash and cash equivalents.

G. Restricted Assets

Certain proceeds of the County's Series 2009 Certificates of Participation (COPs), the Series 2012B, Series 2012C, Series 2012D, Series 2013, Series 2014, Series 2015, Series 2016A, Series 2016B, Series 2016C, and Series 2018 Limited Obligation Bonds (LOBs) are classified as restricted assets as their use is limited by applicable contract provisions (Note 13).

Certain proceeds of the County's 2010 installment financing contract are classified as restricted assets as their use is limited by applicable contract provision (Note 13).

Certain assets of the Capital Reserve Capital Projects fund are classified as restricted assets as their use is restricted per Session Law 1985-716.

Certain assets of the Water (Enterprise) Fund are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants of the County's Series 2009, Series 2011, and Series 2017 utilities (water) system revenue bonds (Note 13). The revenue bond extension and replacement account is used to report resources set aside for extensions, additions and capital improvements to, or the renewal and replacement of capital assets of the water system. The revenue bond surplus account is used to report resources accumulated as surplus, as defined and allowed by bond covenants. Certain assets of the Water (Enterprise) Fund are classified as restricted assets because the County and two municipal wholesale water customers, as part of capital charges required by the related contract (Note 19), have agreed to fund a reserve for membrane replacement through the wholesale water rate. The membrane replacement reserve is a portion of the revenue bond extension and replacement account. Cash held from customer security deposits is also classified as restricted assets.

Certain proceeds of the County's Series 2009, Series 2011, and Series 2017 utilities (water) system revenue bonds (Note 13), as well as certain resources set aside for their payment, are classified as restricted assets on the Water (Enterprise) Funds balance sheet as their use is limited by applicable bond covenants. The revenue bond debt service account is used to segregate resources accumulated for debt service payments.

H. Ad Valorem Taxes Receivable and Deferred Revenues

In accordance with G.S. 105-347 and G.S. 159-13(a), the County levies ad valorem taxes, except for ad valorem taxes on certain vehicles (Note 1.C), on July 1, the beginning of the fiscal year, and these taxes are due on September 1; however, no interest or penalties are assessed until the following January 6. The taxes for the fiscal year ended June 30, 2019 were based on assessed values as of January 1, 2018. The taxes were collected through the fiscal year, from August through June.

I. Allowances for Doubtful Accounts

Allowances for doubtful accounts, if material, are maintained on all types of receivables that historically experience non-collectable accounts (Note 4). The amounts are estimated by analyzing the percentage of receivables that were written off in prior years.

J. Inventories and Prepaid Items

Inventories of the County are valued at cost, which approximates market, using the average cost method. Inventories of the Airport, the ABC Board and the Tourism Board are valued at cost, which approximates market, using the first-in, and first-out method. The inventory of the County's General Fund consists of expendable supplies and is recorded as an expenditure when consumed (consumption method). The inventories of the County's Enterprise and Internal Service funds and those of the Airport, the ABC Board and the Tourism Board consist of materials and supplies held for consumption. In each case,

the cost is recorded as an expense when the inventory is consumed. 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 using the consumption method.

K. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. Minimum capitalization costs are as follows; land, \$1; buildings, \$20,000; improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$100,000; furniture and equipment, \$5,000; and vehicles and machinery, \$5,000. The cost of normal maintenance and repairs that do not add to the values of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Dare County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for insuring and maintaining the facilities, and provide that the County will convey title to the property to the Board of Education once all restrictions of the financing agreements have been met. The properties are reflected as capital assets in the financial statements of the Dare County Board of Education.

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

	<u>Useful Life</u>
Buildings	50 years
Improvements other than buildings	15 years
Furniture and appliances	10 years
Vehicles and machinery	6 years
Beach nourishment infrastructure	5 years
General equipment	5 years
Ambulances	4 years
Computer equipment	3 years

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

	<u>Useful Life</u>
Buildings	5-40 years
Furniture and office equipment	5-10 years
Vehicles	5 years
Runways and other improvements	5-20 years

For the ABC Board, depreciation is computed by the straight-line method over the estimated useful lives of the capital assets as follows:

	<u>Useful Life</u>
Buildings	10-33 years
Furniture and office equipment	10-15 years
Vehicles	5 years

Capital assets of the Tourism Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	10-40 years
Furniture and office equipment	5-10 years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows 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 that time. The County has the following items that meet this criteria: a charge on refunding, pension and OPEB related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflow of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until that time. The County has the following items that meet the criteria for this category: prepaid taxes, prepaid grants, special assessments receivable, pension and OPEB related deferrals.

M. Compensated Absences

The overtime compensation policies of the County, the Airport, and the ABC Board allow for overtime compensation to be provided in the form of compensatory time off earned at time and one half (for hours worked over 37.5 or 40 hours per week as applicable) which can be accumulated up to a total of 240 hours. Accumulated overtime compensation in excess of 240 hours is paid (certain exceptions allow for 480 hours).

For the County's government-wide and proprietary funds, the Airport, the ABC Board and the Tourism Board, an expense and the liability for overtime compensation is accrued.

The vacation policies of the County, the Airport, the ABC Board and the Tourism Board allow regular employees to earn vacation leave from the beginning of employment at the rate of one day per month (12 days per year). Regular employees with five or more years but less than 15 years of service earn vacation leave at the rate of one and one quarter days per month (15 days per year). Regular employees with 15 years of service earn vacation leave at the rate of one and two-thirds days per month (20 days per year). Vacation leave may accumulate up to 30 days. Vacation leave accumulated over 30 days at fiscal year-end is converted to sick leave.

For the County's government-wide and proprietary funds, the Airport, the ABC Board and Tourism Board, an expense and a liability for vacation pay are accrued.

The sick leave policies of the County, the Airport, the ABC Board and the Tourism Board allow employees to accumulate sick leave at the rate of one day per month and can accrue an unlimited number of days. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities has any obligation for accumulated sick leave until and unless it is actually taken, no accrual for sick leave has been made by the County or its component units.

N. 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, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

O. Net Position and Funds Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, or unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is comprised of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The Governmental fund types classify fund balances as follows:

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Inventories and prepaid items – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and of prepaid items, which are not spendable resources.

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

Restricted for Stabilization by State Statute – G.S. 159-8(a) prohibits budgeting a portion of fund balance. The restriction is calculated for all annually budgeted funds. Appropriated fund balance in any fund cannot exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those amounts stand at the close of the fiscal year next preceding the budget. The restriction is a resource upon which a restriction is imposed by law through enabling legislation. The restriction is reduced by inventories and prepaid amounts as they both are classified as nonspendable. Outstanding encumbrances are included in the restricted amount.

Restricted for Beach Nourishment – portion of fund balance that is restricted by revenue source (Session Laws 2001-439 and 2004-123) for beach nourishment.

Restricted for Emergency Telephone System – portion of fund balance that is restricted by revenue source (Session Law 2007-383) for the regional emergency communications system.

Restricted for Social Services Foster Care – portion of fund balance that is restricted by revenue source (Session Law 1995-679.1) for County foster care expenditures.

Restricted for Capital or Debt Service – portion of fund balance that is restricted by revenue source (Session Laws 1985-716 and 2001-394) for capital or debt service for capital projects.

Restricted for Capital – portion of fund balance that is restricted by external creditors and debt covenants for capital and is not shown as stabilization by state statute due to outstanding encumbrances.

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source (G.S. 161-11.3) to pay for computer equipment and imaging technology for the Register of Deeds office.

Restricted for Sheriff – portion of fund balance that is restricted by revenue source (federal forfeitures) for non-supplanting expenditures for the Sheriff's office.

Restricted for Health Department – portion of fund balance that is restricted by Title XIX for expenditures for the Health Department.

Committed Fund Balance – This classification includes fund balance that can only be used for a specific purpose as imposed by a resolution adopted by a majority vote of the County's governing board. Any changes or removal of specific purposes requires a resolution adopted by a majority action of the governing body.

Committed for Disaster Recovery – portion of fund balance that can only be used for recovery from natural disasters.

Committed for C&D Landfill – portion of fund balance that can only be used for the construction and demolition landfill.

Committed for Sanitation – portion of fund balance that can only be used for sanitation (garbage collection and disposal) operations or capital.

Committed for Inlet Maintenance – portion of fund balance that can only be used for inlet maintenance operations.

Assigned Fund Balance – This classification is fund balance that the County's governing board had budgeted.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed.

Unassigned Fund Balance – This classification is fund balance that has not been restricted, committed or assigned to a specific purpose or to other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

At times the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide financial statements, it is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. Revenue sources are used in the following order: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be made from restricted fund balance first, followed by committed fund balance, then assigned fund balance and lastly unassigned fund balance. A deviation from the policy is authorized if in the best interest of the County.

The County has a board adopted minimum fund balance policy for the General Fund. The target goal for fund balance, after restrictions, other commitments and assignments, is 19% to 21% of actual expenditures for the then completed fiscal year (Note 15). Fund balance may be purposefully drawn down below the target percentage for emergencies, nonrecurring expenditures, or major capital projects. The policy includes a budgetary procedure if the actual percentage is below the target for two consecutive fiscal years. Fund balance that exceeds the target goal range may be used for school capital, disaster recovery, the Law Enforcement Officers' Special Separation Allowance (Note 6.C), or the Post-employment Healthcare Benefits Plan (Note 7.A).

P. Defined Benefit Pension Plans

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

Q. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Post-employment Healthcare Benefit Plan (HCB Plan) (Note 7.A) and additions to or deductions from the HCB Plan's fiduciary net position have been determined on the same basis as they are reported by the HCB Plan. For this purpose, the HCB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

R. Subsequent Events

On September 6, 2019 the County experienced the effects of Hurricane Dorian, which passed over the southern end of the county, affecting the entire county. Dare County was declared FEMA eligible for all categories of public assistance on October 4, 2019. The State, as it historically has for all past declarations, will provide funding for the non-federal share (25 percent) of eligible costs. The County's estimate for all costs is \$1.92 million with all but approximately \$100,000 being eligible for reimbursement from FEMA, the State, or insurance. The Dare County Board of Education's (Notes 13.C and 18) estimate for all costs is \$3.5 million with all being eligible for reimbursement from insurance, FEMA, or the State.

S. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(90,391,302) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 244,358,898
Less accumulated depreciation	<u>(75,499,593)</u>
Net capital assets	168,859,305
Net pension asset - RODSPF	140,940
Contributions to the pension plan in the current fiscal year - LGERS	2,740,047
Contributions to the pension plan in the current fiscal year - RODSPF	6,795
Benefit payments and pension administrative costs for LEOSSA in the current fiscal year	115,058
Internal service funds are used by management to charge the cost of insurance and fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,828,254
Pension related deferrals - LGERS	6,290,010
Pension related deferrals - RODSPF	33,642
Pension related deferrals - LEOSSA	(56,758)
OPEB related deferrals	1,408,309
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financings payable	\$ (102,168,680)
Issuance premium (to be amortized against interest expense)	(3,588,471)
Deferred charges on refunding	(2,777,714)
Compensated absences	(3,987,010)
Net OPEB liability	(138,448,719)
Accrued landfill closure and post-closure costs	(8,092,662)
Net pension liability - LGERS	(11,017,860)
Total pension liability - LEOSSA	(2,304,686)
Accrued interest payable	<u>(351,782)</u>
	(272,737,584)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	<u>980,680</u>
Net adjustment	<u><u>\$ (90,391,302)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These are several elements of that total adjustment of \$8,059,936 as follows:

Description	Amount
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 recorded in the fund statements	
capitalized as assets in the Statement of Activities	\$ 12,538,099
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements.	<u>(9,669,636)</u>
	\$ 2,868,463
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	467,866
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt issued or incurred:	
Installment financing	(10,295,000)
Capitalized lease financing	(3,324,036)
Amortization of deferred charge on refunding	(783,284)
Amortization of premiums and discounts	1,419,083
Accrued interest payable	36,084
Accrued landfill closure and post-closure costs	(534,430)
Compensated absences	<u>(1,464,390)</u>
	\$ (14,945,973)
Principal payments	<u>20,778,668</u>
	5,832,695
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities	2,746,842
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	115,058
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.	
Unearned property taxes	\$ (29,635)
County's portion of collective pension expense - LGERS and RODSPF	(3,205,960)
Pension expense - LEOSSA	(68,265)
OPEB expense	<u>(1,960,372)</u>
	(5,264,232)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds.	<u>1,293,244</u>
Net adjustment	<u>\$ 8,059,936</u>

Note 2. Deposits and Investments

A. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. Per a board adopted policy the County and the Airport rely on the State Treasurer to monitor those financial institutions; the County analyzes the financial soundness of any other financial institution used by the County; and the County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured (Note 1.E). The ABC Board and the Tourism Board have no formal policy regarding custodial credit risk for deposits.

At year-end the County's deposits had a carrying value of \$12,796,279 and a bank balance of \$12,786,337. Of the bank balance, \$1,156,828 was covered by federal depository insurance; \$517,823 in non-interest bearing deposits and \$11,111,686 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2019 the County had \$2,947 cash on hand.

The Airport had no deposits at June 30 as all funds of the Airport are held by the County's investment pool as part of an agreement between the County and the Airport for accounting and investment assistance.

At year-end, the ABC Board's deposits had a carrying value of \$5,561,115 and a bank balance of \$6,219,908. Of the bank balance, \$269,814 was covered by federal depository insurance and \$5,949,994 was covered by collateral held under the Pooling Method.

At June 30, 2019 the Tourism Board's deposits had a carrying value of \$6,929,486 and a bank balance of \$7,333,761. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$6,083,761 in interest bearing deposits was covered by collateral held under the Pooling Method.

At year end, the Rodanthe-Waves-Salvo Community Center District's deposits had a carrying value of \$1,110,457 and a bank balance of \$1,110,457. Of the bank balance, \$250,000 was covered by federal depository insurance and \$860,457 in interest bearing deposits was covered by collateral held under the Pooling Method.

B. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following as of June 30, 2019:

Governmental Activities

General Fund	Unexpended capitalized lease proceeds	\$ 161,495
General Fund	Unexpended debt service funds	44,741
Beach Nourishment Fund	Unexpended debt service funds	1,405
Capital Projects Fund	Unexpended installment financing proceeds	10,437,710

Non-major Funds

Sanitation Fund	Unexpended capitalized lease proceeds	33,445
School Capital Projects Fund	Unexpended installment financing proceeds	651,476
Total Governmental Activities		<u>\$ 11,330,272</u>

Business-type Activities

Restricted per bond covenants	\$ 17,102,520
Customer deposits	2,019,694
Total Business-type Activities	<u>\$ 19,122,214</u>

C. Investments

The net increase in the fair value of investments during fiscal year 2019 was \$192,296. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year end was \$23,656. During fiscal year 2019, the County sold no investments prior to maturity.

During fiscal year 2019, investment income of \$2,765,304 was realized. When combined with the \$192,296 increase in the fair value of investments, total investment income for the year 2019 was \$2,957,600.

As of June 30, 2019, the County had the following investments and maturities. This schedule assumes that callable investments remain outstanding until maturity.

	Investment Maturities (in Years)							
Investment Type	Fair Value	<= 1/2	>1/2 to 1	>1 to 3	>3 to 5	>5 to 10	>10 to 15	>15 to 20
U.S. Government Agencies	\$ 30,451,465	\$ 27,290,143	\$ 1,149,552	\$ 1,011,040	\$ 1,000,730			
Commercial Paper	29,466,677	27,495,962	1,970,715	-				
US Treasury Notes	3,992,670	2,993,490	999,180	-				
NC Capital Management Trust Term Portfolio ¹	15,888,963	15,888,963	-	-				
NC Capital Management Trust Government Portfolio ^{1,2}	14,031,815	14,031,815	-	-				
Investment Totals	93,831,590	87,700,373	4,119,447	1,011,040	1,000,730			
For policy compliance add items shown as deposits:								
Certificates of Deposit	1,326,179	1,326,179						
Money Market Accounts	157,293	157,293						
Policy Totals	\$ 95,315,062	\$ 89,183,845	\$ 4,119,447	\$ 1,011,040	\$ 1,000,730			
Actual % of portfolio		93.57%	4.32%	1.06%	1.05%	0.00%	0.00%	0.00%
Actual cumulative % of portfolio			98.95%		100.00%	100.00%	100.00%	100.00%
Minimum cumulative % per policy			60.00%		80.00%	92.50%	97.50%	100.00%

¹ The NC Capital Management Trust Term Portfolio had a duration of 0.11 years and is therefore presented as an investment with a maturity of less than 1/2 of 1 year. The NC Capital Management Trust Government Portfolio has a weighted average maturity of less than 90 days and is therefore presented as an investment with a maturity of less than 1/2 of 1 year.

² Includes \$4,614,758 held for the Airport and \$27,375 held for Stumpy Point Community Center.

Investments of debt proceeds are not subject to the Board adopted policy for pooled investments. Investments of debt proceeds is limited, by Board adopted policy, to eligible securities under G.S. 159-30 (b) & (c). The policy limits the investment term to match the date the funds are estimated to be required.

Investments in U.S. Treasuries, Municipal Bonds, and the NC Capital Management Trust Term Portfolio and Government Portfolio use the Fair Value - Level 1 valuation measurement method. Investments in Commercial Paper and U.S. Government Agencies use the Fair Value - Level 2 valuation measurement method.

All investments are measured using the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

The levels of fair value hierarchy are as follows: Level 1 is debt securities valued using directly observable quoted prices (unadjusted) in active markets for identical assets. Level 2 is debt securities valued using a matrix pricing technique which values securities based on the securities' relationship to benchmark quoted prices.

As of June 30, 2019, the County had the following investments and maturities of debt proceeds:

	Investment Maturities (in years)
Investment type	<=1/2
North Carolina Capital Management Trust Cash Portfolio	\$ 11,051,773

Interest Rate Risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least 60 percent of the County's investment portfolio including certificates of deposit and money market accounts, to maturities of less than three years. Per County policy, investment maturities are required to be limited to at least 60 percent less than three years, at least 80 percent less than five years, at least 92.5 percent less than ten years, at least 97.5 percent less than fifteen years and 100 percent less than twenty years. Also, the County's policy requires maturities of securities to be laddered with staggered maturity dates, and that the County's objective is not incur losses through the trading of securities. During the year no securities were sold prior to maturity or call.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law and County policy limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations. As of June 30, 2019, the County's investment in the NC Capital Management Trust Government portfolio carried a credit rating of AAA by Standard & Poor's. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US Government and agencies, and in high grade money market instruments as permitted under G.S. 159-30. The County's investments in US agencies (Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were rated AA+ by Standard & Poor's and AAA by Moody's Investors Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has \$10,843,496 in the NC Capital Management Trust Cash Portfolio of invested debt proceeds that is held by the counterparty's trust department not in the County's name. The County's formal policy requires the County to utilize a third party custodial agent for book entry transactions, all of which are to be a trust department authorized to do trust work in North Carolina and has an account with the Federal Reserve. Certified securities are in the custody of the Finance Director.

Concentration of Credit Risk. The County's investment policy limits the amount that the County may invest in any one issuer, except for U.S. Treasury securities and the NC Capital Management Trust, to generally 35% of total investments. Investments which are restricted further are commercial paper, limited to no more than \$3 million in a single issuers, and bankers acceptances, limited to no more than 5% and no more than \$2 million in a single issuer. More than 5% of the County's investments (par value), as defined by policy, are in Federal Home Loan Mortgage Corporation securities (16.1%), Federal Home Loan Bank securities (9.6%) and the NC Capital Management Trust portfolios (31.4%).

Other Post-employment Benefit Fund. At June 30, 2019 the County's Healthcare Benefits Plan, accounted for as a Pension (and Other Employee Benefit) Trust Fund, had \$1,569,190 invested in the State Treasurer's Ancillary Governmental Participant Investment Program (AGPIP) pursuant to G.S. 159-30.1. The State Treasurer's AGPIP may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to G.S. 147-69.2(1-6) and (8), and G.S. 147-69.1. At year-end, the County's AGPIP was invested in: State Treasurer's Short Term Investment Fund (STIF) 19.8%; State Treasurer's Bond Index Fund (BIF) 24.73%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 55.47%.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year-end in accordance with STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs, which involves inputs, included within either Level 1 that are directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity of 1.3 years at June 30, 2019.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated only based upon inflows and outflows as well as allocations of net earnings. The BIF, which is not rated, was valued at \$1 per unit and had an average maturity of 7.81 years at June 30, 2019.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8) is a common trust fund considered commingled in nature. The Funds' fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2019 the fair value of the funds was \$22.56 per share. Fair value for the Fund is determined using Level 1 inputs, which are directly observable, quoted prices in active markets for identical assets or liabilities.

The AGPIP Investments are measured using the market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Component Units

At June 30, 2019 the ABC Board had no investments.

At June 30, 2019 the Tourism Board's investments consisted of \$2,048,684 in the NC Capital Management Trust Government Portfolio and \$3,425,742 in the NC Capital Management Trust Term Portfolio.

At June, 2019 the Airport's investment consisted of \$4,614,758 in the NC Capital Management Trust Government Portfolio and was held by the County.

D. Reconciliation of Deposits and Investments

Reconciliation of deposits and investments as shown in the basic financial statements as of June 30, 2019 is as follows:

Governmental activities:

Cash and cash equivalents	\$ 71,130,527
Cash with fiscal agent - restricted	11,330,272

Business-Type activities:

Cash and cash equivalents	8,918,382
Cash and cash equivalents - restricted	19,121,578
Cash with fiscal agent - restricted	636

Fiduciary:

OPEB Trust Fund - cash with fiscal agent -restricted	1,569,190
Custodial funds - cash and cash equivalents	2,695,256
Total cash and cash equivalents, and cash with fiscal agents	<u>\$ 114,765,841</u>

Deposits	\$ 12,796,279
Cash on hand	2,947
Investments - net of DCAA & SPCC	89,345,652
OPEB Trust Fund	1,569,190
Debt proceeds held by trustee	<u>11,051,773</u>
Total cash and investments	<u>\$ 114,765,841</u>

Note 3. Receivables

A. Allowances for Doubtful Accounts

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

B. Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, forestland, working waterfronts, and certain historical structures may be taxed by the County at percent-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value or the current year and the three preceding fiscal years, along with accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that would have become due as of June 30, 2019 if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year	Deferred				
<u>Levied</u>	<u>Value</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>	
2016	\$ 9,088,225	\$ 37,918	\$ 10,428	\$ 48,346	
2017	\$ 9,091,025	42,728	7,905	50,633	
2018	\$ 10,403,225	48,895	4,645	53,540	
2019	\$ 11,596,825	54,505	-	54,505	
		<u>\$ 184,046</u>	<u>\$ 22,978</u>	<u>\$ 207,024</u>	

C. Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental activities	\$ 2,812,467	\$ 11,002,576	\$ 2,051,781	\$ 71,008	\$ 259,790	\$ 16,197,622
Allowance for doubtful accounts	(655,793)	(310,000)	-	-	-	(965,793)
Total governmental activities	<u>\$ 2,156,674</u>	<u>\$ 10,692,576</u>	<u>\$ 2,051,781</u>	<u>\$ 71,008</u>	<u>\$ 259,790</u>	<u>\$ 15,231,829</u>
Business-type activities (Water)	\$ 3,193,178	\$ -	\$ 223,376	\$ 28,727	\$ 560,886	\$ 4,006,167
Allowance for doubtful accounts	(191,671)	-	-	-	-	(191,671)
Total business-type activities (Water)	<u>\$ 3,001,507</u>	<u>\$ -</u>	<u>\$ 223,376</u>	<u>\$ 28,727</u>	<u>\$ 560,886</u>	<u>\$ 3,814,496</u>

Due from other governments above consists of grants, other taxes, tax refunds, and amounts due from wholesale water sales.

Note 4. Capital Assets

A. Capital asset activities

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 26,351,491	\$ 205,285	\$ -	\$ 26,556,776
Construction in progress	24,515,290	12,799,516	(4,742,762)	32,572,044
Total capital assets, not being depreciated	<u>50,866,781</u>	<u>13,004,801</u>	<u>(4,742,762)</u>	<u>59,128,820</u>
Capital assets, being depreciated:				
Buildings	98,739,116	1,162,094	-	99,901,210
Improvements other than buildings	35,781,666	37,297	-	35,818,963
Equipment	20,370,414	972,501	(276,117)	21,066,798
Machinery	29,229,703	2,805,192	(2,052,165)	29,982,730
Total capital assets, being depreciated	<u>184,120,899</u>	<u>4,977,084</u>	<u>(2,328,282)</u>	<u>186,769,701</u>
Less accumulated depreciation for:				
Buildings	(23,436,765)	(2,044,605)	-	(25,481,370)
Improvements other than buildings	(11,191,879)	(4,532,581)	-	(15,724,460)
Equipment	(18,258,635)	(843,326)	276,117	(18,825,844)
Machinery	(16,445,056)	(2,335,465)	1,925,672	(16,854,849)
Total accumulated depreciation	<u>(69,332,335)</u>	<u>(9,755,977)</u>	<u>2,201,789</u>	<u>(76,886,523)</u>
Total capital assets, being depreciated, net	<u>114,788,564</u>	<u>(4,778,893)</u>	<u>(126,493)</u>	<u>109,883,178</u>
Governmental activities capital assets, net	<u>\$ 165,655,345</u>	<u>\$ 8,225,908</u>	<u>\$ (4,869,255)</u>	<u>\$ 169,011,998</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,573,941	\$ -	\$ -	\$ 4,573,941
Construction in progress	67,688	1,479,649	(182,034)	1,365,303
Total capital assets, not being depreciated	<u>4,641,629</u>	<u>1,479,649</u>	<u>(182,034)</u>	<u>5,939,244</u>
Capital assets, being depreciated:				
Buildings	56,815,317	36,726	-	56,852,043
Improvements other than buildings	52,442,260	125,008	-	52,567,268
Equipment	4,946,442	347,366	(18,650)	5,275,158
Machinery	1,170,837	86,555	(116,885)	1,140,507
Total capital assets, being depreciated	<u>115,374,856</u>	<u>595,655</u>	<u>(135,535)</u>	<u>115,834,976</u>
Less accumulated depreciation for:				
Buildings	(26,702,169)	(1,296,069)	-	(27,998,238)
Improvements other than buildings	(19,004,888)	(2,442,386)	-	(21,447,274)
Equipment	(4,337,796)	(200,362)	18,650	(4,519,508)
Machinery	(925,715)	(94,158)	116,885	(902,988)
Total accumulated depreciation	<u>(50,970,568)</u>	<u>(4,032,975)</u>	<u>135,535</u>	<u>(54,868,008)</u>
Total capital assets, being depreciated, net	<u>64,404,288</u>	<u>(3,437,320)</u>	<u>-</u>	<u>60,966,968</u>
Business-type activities capital assets, net	<u>\$ 69,045,917</u>	<u>\$ (1,957,671)</u>	<u>\$ (182,034)</u>	<u>\$ 66,906,212</u>

The governmental activities section of the preceding schedule includes \$152,693 of net capital assets of Internal Service Funds consisting of \$1,539,623 of capital assets and \$1,386,930 of accumulated depreciation.

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

Governmental activities:	
General government	\$ 813,526
Public safety	2,715,463
Economical and physical development	3,812,540
Human services	423,289
Culture and recreation	453,519
Education	234,876
Environmental protection	1,216,423
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	86,341
Total depreciation expense - governmental activities	<u>\$ 9,755,977</u>
Business-type activities:	
Water	<u>\$ 4,032,975</u>

B. Construction Commitments

The County has active construction and equipment projects as of June 30, 2019 as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Roanoke Trails	\$ 372,331	\$ 5,076
Rodanthe Beach Access and Park	\$ 808,730	\$ 75,123
Construction & Demolition Landfill Cell #5	\$ 234,462	\$ 115,096
EMS Helicopter	\$ 9,247,110	\$ 16,690
EMS Facilities	\$ 184,166	\$ 82,834
EMS Equipment	\$ 369,938	\$ 72,211
Regional Emergency Call Center and Dare County Emergency Operations Center	\$ 15,125,989	\$ 101,420
Outer Banks Scenic Byway- Interpretive and Wayshowing	\$ 90,823	\$ 197,864
Facilities Maintenance Projects	\$ 297,383	\$ 23,397
Detention Center HVAC Units	\$ 209,554	\$ 100,946
Voting Machines	\$ 137,292	\$ 96,168
Oblique Aerial Photography	\$ 113,730	\$ 56,364
Information Technology VSAN Servers	\$ 247,993	\$ 27,006
Courthouse Audio Visual Systems	\$ 127,064	\$ 22,936
Health & Human Services Facility	\$ 35,000	\$ 500,895
Animal Shelter	\$ 74,109	\$ 206,431
Manteo & Buxton Property Acquisition	\$ 730,737	\$ 594,263
Beach Nourishment - Buxton 2016	\$ 23,639,595	\$ 547,230
Beach Nourishment - Nags Head 2019	\$ 7,792,018	\$ 1,781,338
Beach Nourishment - Buxton 2021	\$ -	\$ 1,989,617
Manteo High School Improvements	\$ 448,509	\$ 141,491
Dare County Schools Capital Improvements Program	\$ 791,641	\$ 353,359
College of the Albemarle Renovations	\$ 130,449	\$ 62,051
College of the Albemarle Expansion	\$ -	\$ 110,000
Water - Hatteras Wellfield	\$ 97,635	\$ 2,152,366
Water - Automated Meter Reading System	\$ 838,225	\$ 61,775
Water - Line Improvements	\$ 308,751	\$ 542,384
Water - Effluent Headers	\$ 235,029	\$ 44,971

C. Discretely Presented Component Units

Airport

Capital asset activity for the Airport for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 5,444,538	\$ -	\$ -	\$ 5,444,538
Construction in Progress	53,832	30,800	53,832	30,800
Total capital assets not being depreciated	<u>5,498,370</u>	<u>30,800</u>	<u>53,832</u>	<u>5,475,338</u>
Capital assets being depreciated:				
Buildings and improvements	4,362,214	-	-	4,362,214
Equipment	673,707	-	-	673,707
Runway improvements	10,316,409	-	-	10,316,409
Land improvements	335,832	334,689	-	670,521
Vehicles	109,184	-	19,791	89,393
Total capital assets being depreciated	<u>15,797,346</u>	<u>334,689</u>	<u>19,791</u>	<u>16,112,244</u>
Less accumulated depreciation for:				
Buildings and improvements	2,632,840	140,664	-	2,773,504
Equipment	550,238	22,231	-	572,469
Runway improvements	7,706,343	321,893	-	8,028,236
Land improvements	225,860	34,018	-	259,878
Vehicles	77,659	9,554	19,791	67,422
Total accumulated depreciation	<u>11,192,940</u>	<u>528,360</u>	<u>19,791</u>	<u>11,701,509</u>
Total capital assets being depreciated, net	<u>4,604,406</u>	<u>(193,671)</u>	<u>-</u>	<u>4,410,735</u>
Capital assets, net	<u>\$ 10,102,776</u>	<u>\$ (162,871)</u>	<u>\$ 53,832</u>	<u>\$ 9,886,073</u>

ABC Board

Capital asset activity for the ABC Board as of June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 302,012	\$ -	\$ -	\$ 302,012
Total capital assets not being depreciated	<u>302,012</u>	<u>-</u>	<u>-</u>	<u>302,012</u>
Capital assets being depreciated:				
Buildings and improvements	4,751,145	-	-	4,751,145
Furniture/Equipment	687,325	-	-	687,325
Vehicles	151,732	-	-	151,732
Total capital assets being depreciated	<u>5,590,202</u>	<u>-</u>	<u>-</u>	<u>5,590,202</u>
Less accumulated depreciation for:				
Buildings and improvements	1,175,173	119,273	-	1,294,446
Furniture/Equipment	561,102	61,529	-	622,631
Vehicles	102,698	16,895	-	119,593
Total accumulated depreciation	<u>1,838,973</u>	<u>197,697</u>	<u>-</u>	<u>2,036,670</u>
Total capital assets being depreciated, net	<u>3,751,229</u>	<u>(197,697)</u>	<u>-</u>	<u>3,553,532</u>
Capital assets, net	<u>\$ 4,053,241</u>	<u>\$ (197,697)</u>	<u>\$ -</u>	<u>\$ 3,855,544</u>

Tourism Board

Capital asset activity for the Tourism Board for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 10,087,382	\$ 1,230,000	\$ -	\$ 11,317,382
Total capital assets not being depreciated	<u>10,087,382</u>	<u>1,230,000</u>	<u>-</u>	<u>11,317,382</u>
Capital assets being depreciated:				
Buildings	1,973,661	1,462,851	4,452	3,432,060
Event Site	3,252,420	-	-	3,252,420
Intangible assets	85,950	-	-	85,950
Computer equipment	171,546	9,178	21,424	159,300
Furniture and equipment	296,578	41,630	25,656	312,552
Total capital assets being depreciated	<u>5,780,155</u>	<u>1,513,659</u>	<u>51,532</u>	<u>7,242,282</u>
Less accumulated depreciation for:				
Buildings	783,673	54,138	4,452	833,359
Event Site	461,285	208,580	-	669,865
Intangible assets	42,745	13,890	-	56,635
Computer equipment	141,289	12,305	20,911	132,683
Furniture and equipment	242,777	12,741	25,656	229,862
Total accumulated depreciation	<u>1,671,769</u>	<u>301,654</u>	<u>51,019</u>	<u>1,922,404</u>
Total capital assets being depreciated, net	<u>4,108,386</u>	<u>1,212,005</u>	<u>513</u>	<u>5,319,878</u>
Capital assets, net	<u>\$ 14,195,768</u>	<u>\$ 2,442,005</u>	<u>\$ 513</u>	<u>\$ 16,637,260</u>

Note 5. Payables and Current Liabilities

Payables at the government-wide level at June 30, 2019, were as follows:

	Vendors	Retainage	Claims Incurred But Not Reported	Total
Governmental activities	<u>\$ 2,138,025</u>	<u>\$ 377,500</u>	<u>\$ 1,569,264</u>	<u>\$ 4,084,789</u>
Business-type activities (Water)	<u>\$ 198,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,526</u>

ABC Board

Payables and current liabilities for the ABC Board at June 30, 2019, were as follows:

	<u>Vendors</u>	<u>Taxes</u>	<u>Distributions</u>	<u>Accrued Liabilities</u>	<u>Total</u>
ABC Board	\$ <u>411,487</u>	\$ <u>601,382</u>	\$ <u>659,186</u>	\$ <u>23,352</u>	\$ <u>1,695,407</u>

Note 6. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description

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

Benefits Provided

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

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

Contributions

Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year end June 30, 2019, was 8.5% of compensation for law enforcement officers and 7.75%

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 County were \$3,054,378 for the year ended June 30, 2019.

Refunds of Contributions

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

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

At June 30, 2019, the County reported a liability of \$12,281,797 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was .51731%, which was an increase of .0133% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$3,538,375. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,894,790	\$ 63,586
Changes of assumptions	3,259,115	-
Net difference between projected and actual earnings on pension plan investments	1,685,926	-
Changes in proportion and differences between County contributions and proportionate share of contributions	235,332	-
County contributions subsequent to the measurement date	3,054,378	-
Total	<u>\$ 10,129,541</u>	<u>\$ 63,586</u>

The \$3,054,378 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year to end June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2020	\$ 3,370,224
2021	\$ 2,187,833
2022	\$ 433,545
2023	\$ 1,019,980
2024	\$ -

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement System, 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 3.05%. All rates of return and inflation are annualized.

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) and 1 percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 29,501,941	\$ 12,281,797	\$ (2,107,624)

Pension plan fiduciary net position

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

B. Local Governmental Employees' Retirement System – Component Units

The Airport, the ABC Board, and the Tourism Board are participating employers in the LGERS. The plan description, benefits provided, contribution requirements, refund of contributions, actuarial assumption, discount rate, and pension plan fiduciary net position are the same as those disclosed for the County (Note 6.A).

I. The Airport

Contributions

The Airport's contractually required contribution rate for the year ended June 30, 2019 was 7.75% of compensation. Contributions to the pension plan from the Airport were \$33,347.

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

At June 30, 2019, the Airport reported a net pension liability of \$134,092 for its proportionate share of the net pension liability, and the Airport's proportion of the total pension liability was 0.00605%, which was an increase of 0.00055% from the prior year.

For the year ended June 30, 2019, the Airport recognized pension expense of \$38,632 and deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,687	\$ 694
Changes of assumptions	35,583	-
Net difference between projected and actual earnings on pension plan investments	18,407	-
Changes in proportion and differences between Airport contributions and proportionate share of contributions	2,569	-
Airport contributions subsequent to the measurement date	33,347	-
Totals	<u>\$ 110,593</u>	<u>\$ 694</u>

The \$33,347 reported as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year to end June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2020	\$ 36,796
2021	\$ 23,887
2022	\$ 4,733
2023	\$ 11,136
2024	\$ -

Sensitivity of the Airport's proportionate share of the net pension asset to changes in the discount rate

The following presents the Airport's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Airport's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Airport's proportionate share of the net pension liability (asset)	\$ 322,100	\$ 134,092	\$ (23,011)

II. The ABC Board

Contributions

The ABC Board's contractually required contribution rates for the year ended June 30, 2019 were 8.50% of compensation for law enforcement officials and 7.86% for general employees. Contributions to the pension plan from the ABC Board were \$72,050.

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

At June 30, 2019, the ABC Board reported a total pension liability of \$355,614 for its proportionate share of the net pension liability, and the ABC Board's proportion of the total pension liability was 0.01499% which was a decrease of 0.00139% from the prior year.

For the year ended June 30, 2019, the ABC Board recognized pension expense of \$100,546 and deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,863	\$ 1,841
Changes of assumptions	94,366	-
Net difference between projected and actual earnings on pension plan investments	48,815	-
Changes in proportion and differences between ABC Board contributions and proportionate share of contributions	9,289	8,327
ABC Board contributions subsequent to the measurement date	72,050	-
Totals	<u>\$ 279,383</u>	<u>\$ 10,168</u>

The \$72,050 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year to end June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2020	\$ 96,627
2021	\$ 1,446
2022	\$ 9,624
2023	\$ 29,468
2024	\$ -

Sensitivity of the ABC Board's proportionate share of the net pension asset to changes in the discount rate

The following presents the ABC Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the ABC Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
ABC Board's proportionate share of the net pension liability (asset)	\$ 854,216	\$ 355,614	\$ (61,025)

III. The Tourism Board

Contributions

The Tourism Board's contractually required contribution rate for the year ended June 30, 2019 was 7.75% of compensation. Contributions to the pension plan from the Tourism Board were \$60,219.

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

At June 30, 2019, the Tourism Board reported a total pension liability of \$303,660 for its proportionate share of the net pension liability, and the Tourism Board's proportion of the total pension liability was 0.0128%, which was a decrease of .00017% from the prior year.

For the year ended June 30, 2019, the Tourism Board recognized pension expense of \$76,518 and deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,847	\$ 1,572
Changes of assumptions	80,580	-
Net difference between projected and actual earnings on pension plan investments	41,684	-
Changes in proportion and differences between Tourism Board contributions and proportionate share of contributions	-	15,755
Tourism Board contributions subsequent to the measurement date	60,219	-
Totals	<u>\$ 229,330</u>	<u>\$ 17,327</u>

The \$60,219 reported as deferred outflows of resources related to pensions resulting from Tourism Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year to end June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 74,198
2021	\$ 47,815
2022	\$ 6,859
2023	\$ 22,913
2024	\$ -

Sensitivity of the Tourism Board's proportionate share of the net pension asset to changes in the discount rate

The following presents the Tourism Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Tourism Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Tourism Board's proportionate share of the net pension liability (asset)	\$ 729,417	\$ 303,660	\$ (52,110)

C. Law Enforcement Officers' Special Separation Allowance

Plan Description

Dare County is required by State law to administer a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance:

At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	64
Total	<u>74</u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Funds, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employee's Retirement System for the five year period ending December 31, 2014.

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using M-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employees base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using M-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using M-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using M-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$183,253 as benefits came due during the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$2,304,686. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$68,265.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,160	\$ 50,625
Changes of assumptions	88,042	95,335
County benefit payments and plan administrative expense made subsequent to the measurement date	115,058	-
Total	<u>\$ 204,260</u>	<u>\$ 145,960</u>

\$115,058 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year to end June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ (14,093)
2021	\$ (14,093)
2022	\$ (13,118)
2023	\$ (10,225)
2024	\$ (5,229)

Sensitivity of the County's total pension liability to changes in the discount rate

The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.64) or 1 percentage-point higher (4.64 percent) than the current rate:

	<u>1% Decrease (2.64%)</u>	<u>Discount Rate (3.64%)</u>	<u>1% Increase (4.64%)</u>
Total pension liability	\$ 2,487,863	\$ 2,304,686	\$ 2,137,517

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

Total pension liability as of December 31, 2018	\$ 2,405,458
Service cost	93,803
Interest	73,117
Change in benefit terms	-
Difference between expected and actual experience	1,428
Changes of assumptions and other inputs	(85,867)
Benefit payments	(183,253)
Other	-
Total pension liability as of December 31, 2019	<u><u>\$ 2,304,686</u></u>

Changes in Assumptions and Benefit Terms

The discount rate changed from 3.16 percent at December 31, 2017 to 3.64 percent at December 31, 2018 due to a change in the municipal bond index used. Reported compensation was adjusted to reflect the assumed rate of pay as of the valuation date.

D. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County and the ABC Board are required by the State to contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County and the ABC Board. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding policy

Article 12E of G.S. Chapter 143 requires the County and the ABC Board to contribute each month an amount equal to 5% of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

For the County, contributions for the year ended June 30, 2019 were \$243,673, which consisted of \$167,447 from the County and \$76,226 from the law enforcement officers.

E. Supplemental Retirement Income Plan for Employees Other Than Law Enforcement Officers

The County has a supplemental plan for all county employees other than law enforcement officers. The County has no requirement or obligation under State statutes to contribute to the plan; however, the County has adopted the Supplemental Retirement Plan of North Carolina 401(k) for its non-law enforcement employees and employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 consisted \$484,575 from the employees.

F. Register of Deeds' Supplemental Pension Fund

Plan Description

The County contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, state-wide cost-sharing multiple-employer defined benefit plan administered by the State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the LGERS or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The RODSPF is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided

An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County under G.S. 161. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contributions provisions are established by G.S. 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,795 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$140,940 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was .85093% which was a decrease of .04907% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$31,726. At June 30, 2019, the County reported deferred outflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,242	\$ 6,433
Changes of assumptions	6,629	-
Net difference between projected and actual earnings on pension plan investments	22,465	-
Changes in proportion and differences between County contributions and proportionate share of contributions	10,793	1,054
County contributions subsequent to the measurement date	6,795	-
Totals	<u>\$ 47,924</u>	<u>\$ 7,487</u>

The \$6,795 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year to end June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year ended June 30
2020	\$ 18,658
2021	\$ 4,874
2022	\$ 6,620
2023	\$ 3,489
2024	\$ -

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

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

RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

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

Discount rate

The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate

The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (111,123)	\$ (140,940)	\$ (166,085)

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.

G. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The net pension liabilities for LGERS and RODSPF were measured as of December 31, 2017 and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

The total pension liability for LEOSSA was measured as of December 31, 2018 with an actuarial valuation date of December 31, 2017.

Following is information related to proportionate shares, pension liabilities and pension expense as of June 30, 2019 and for the year ended that same date:

	LGERS	LEOSSA	RODSPF	Totals
Proportionate share of net pension liability (asset)	\$ 12,281,797	n/a	\$ (140,940)	\$ 12,140,857
Proportion of the net pension liability (asset)	0.51731%	n/a	0.85093%	n/a
Total pension liability	n/a	\$ 2,304,686	n/a	\$ 2,304,686
Pension expense	\$ 3,538,375	\$ 68,265	\$ 31,726	\$ 3,638,366

At June 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>Totals</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,894,790	\$ 1,160	\$ 1,242	\$ 1,897,192
Changes of assumptions	3,259,115	88,042	6,629	3,353,786
Net difference between projected and actual earnings on pension plan investments	1,685,926	-	22,465	1,708,391
Changes in proportion and differences between County contributions and proportionate share of contributions	235,332	-	10,793	246,125
County contributions subsequent to the measurement date	3,054,378	-	6,795	3,061,173
County benefit payments and administration costs subsequent to the measurement date	-	115,058	-	115,058
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 63,586	\$ 50,625	\$ 6,433	\$ 120,644
Changes of assumptions	-	95,335	-	95,335
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	1,054	1,054

H. Deferred Compensation Plan

The County and the Airport offer employees a deferred compensation plan (plan) created in accordance with Internal Revenue Code Section 457. The plan, available to all County and Airport 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.

The County and the Airport have complied with changes in laws which govern the deferred compensation plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts, which had been deferred by the plan participants, were required to be reported as assets of the County or component unit. Effective for the fiscal year ended June 30, 1999 and in accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the plan is not included as an Custodial fund. The balance held in trust for County and Airport participants as of June 30, 2019 was \$901,269.

Note 7. Other Post-Employment Benefits – Health Benefits

A. The County

General Information about the OPEB Plan

Plan Description. Under prior County Board resolutions and those of September 8, 2008 and June 20, 2011, the County elected to provide post-employment healthcare benefits plan through the Post-employment Healthcare Benefits Plan (HCB Plan), a single-employer defined benefit plan that covers employees retired under the LGERS. The County administers the HCB Plan through an irrevocable trust agreement dated June 20, 2011. A Board resolution of the same date appointed the County Manager, the Finance Director, and the Human Resources Director as trustees and granted the trustees the authority necessary to perform all duties and obligations related to the trust. Management of the HCB Plan is vested in the trust trustees. The County does not issue separate HCB Plan financial statements, and all required statements and disclosures have been included within this report with the HCB Plan and irrevocable trust accounted for as a Pension Trust Fund. The significant accounting policies of the HCB Plan are disclosed in Note 1.Q.

Benefits provided. The HCB Plan provides healthcare benefits for eligible retirees. Eligible retirees less than 65 years of age and who are not Medicare eligible, receive benefits under the County's healthcare plan. Once eligible retirees become Medicare eligible, generally at age 65, the County provides benefits through Medicare Supplemental and Medicare Part D policies. The County Board may amend benefit provisions of the entire healthcare plan.

Employees Covered by Benefit Terms. At June 30, 2019, the HCB Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	489
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	<u>691</u>
	1,180

Contributions. The County Board established the contribution requirements of plan members hired as of certain dates and may amend those requirements for newly hired employees as of the current or a future date.

Past County Boards elected to partially pay the future cost of coverage for the benefits dependent upon the plan member's length of service with the County. Plan members (and spouses) hired before July 1, 1999 are not required to make contributions. For all employees hired on or after July 1, 1999 but before June 19, 2007, plan members pay nothing for employee only coverage, and 15% of the estimated premium cost for employee/child or family coverage. For all employees hired on or after June 19, 2007 the County provides, for pre-65 plan members, employee only coverage at 90% of the cost for plan members with 20 years of employment with the County, at 95% of the cost for a plan members with 25 years of employment with the county, and at 100% of the cost for plan members with 30 years of employment with the County. For post-65 plan members, the County provides employee only coverage through a Medicare Supplemental policy and a Medicare Part D policy at the same percentage rates above. Surviving spouses pay 15% of the employee only estimated premium. Disabled plan members hired on or after June 19, 2007 who have less than 20 years of service upon disablement pay the same contribution as a plan members with 20 years of service.

The County contributes based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually during the budget process, currently 0.175% of salaries subject to the LGERS. There are no contractual terms requiring a specific funding level. The County has historically funded more than the amount needed under the pay-as-you-go funding mechanism. For the current year, the County contributed \$4,366,566 of pay-as-you-go funding and an additional \$61,548 for a total of \$4,428,114.

Investments. The County Board established and may amend the HCB Plan's policy for allocation of invested assets. That policy seeks to reduce risk through diversification of the portfolio across asset classes. Cash equivalents, except for liquidity purposes, are not used and assets allocations are maintained over long-term time spans as managed by the trustees. Investments are valued at fair value (Note 1.E) (Note 2.C).

Long-term expected rates of return are not provided by the AGPIP. See the following Actuarial Assumptions. The following was the target asset allocation policy and the actual asset allocation for each AGPIP investment as of June 30, 2019:

	<u>Target Allocation</u>	<u>Actual Allocation</u>
Equity Index Fund	55%	55.47%
Bond Index Fund	25%	24.73%
STIF Fund	20%	19.80%

Net OPEB Liability

The County's annual net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation of January 1, 2018.

Actuarial assumptions. The total OPEB liability in the January 1, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary increases	4.00 %
Investment rate of return	7.00 %, net of HCB Plan investment expense
Healthcare cost trend rates	7.50% for 2019 to an ultimate rate of 4.50% for 2039 and later years

Mortality rates were based on the Healthy Lives RP-2014 combined Healthy Mortality Table for males and females, as appropriate, backed off to 2006 and projected generationally with Scale MP-2018

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Long-term Expected Rate of Return. An expected real rate of return was not provided for the asset profile. The average annual rate of return for the portfolio from inception through June 30, 2019 is 8.41%. The money-weighted rate of return for the year ended June 30, 2019 was 5.62%. The actual return was adjusted to 7.0% based upon the county's expectation of a long-term rate of return using portfolio performance adjusted by an inflation assumption per a LGERS survey.

Discount rate. The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the County will continue at the same level and therefore, the HCB plan's assets are expected to be exhausted in future years. For the period for which the assets and contributions are enough to cover the projected outflows, the cash flows were discounted at the expected rate of return of 7.0%. Once the assets are projected to be depleted, cash flows were discounted on municipal bond rates taken from Bond Buyer 20-Bond GO index as of the measurement dates. The blended discount rates used as of June 30, 2019 and 2018 were 3.50% and 2.98%.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Postion (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2018	\$ 157,790,124	\$ 1,424,215	\$ 156,365,909
Changes for the year:			
Service cost	4,942,736	-	4,942,736
Interest	4,784,377	-	4,784,377
Difference between expected and actual experience	-	-	-
Contributions - employer	-	4,428,114	(4,428,114)
Net investment income	-	83,427	(83,427)
Benefit payments	(4,366,566)	(4,366,566)	-
Changes in assumptions	(9,748,703)	-	(9,748,703)
Balances as of June 30, 2019	<u>\$ 153,401,968</u>	<u>\$ 1,569,190</u>	<u>\$ 151,832,778</u>

Changes of Assumptions

Since the last valuation the following assumptions were changed: the discount rate was updated from 2.98% to 3.50%; the health care trend rate was updated from 7.50% in calendar year 2018 trending down to 4.50% in calendar year 2038 and beyond to 7.5% in calendar year 2019 trending down to 4.50% in calendar year 2039 and beyond; annual medical per capita costs were updated to reflect recent experience; and the impact of the ACA excise tax was estimated and updated.

Sensitivity of the net OPEB liability to changes in the discount rate and Healthcare Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50%) or 1 percentage-point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$ 178,779,483	\$ 151,832,778	\$ 130,533,217

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing to 3.50%) or 1-percentage-point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.50% decreasing to 3.50%)	Healthcare Cost Trend Rate (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
Net OPEB liability	\$ 127,526,450	\$ 151,832,778	\$ 182,998,103

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

For the year ended June 30, 2019 the County recognized OPEB expense of \$6,577,999. At June 30, 2019 the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 223,872	\$ 2,518,991
Changes of assumptions	13,403,072	15,661,024
Net differences between projected and actual earnings on OPEB investments	22,147	17,105
	<u>\$ 13,649,091</u>	<u>\$ 18,197,120</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2020	\$ (3,047,265)
2021	\$ (3,047,265)
2022	\$ 2,900,884
2023	\$ 2,150,447
2024	\$ 2,297,037

B. The Airport

General Information about the Plan

Plan Description. According to an Airport resolution, the Airport provides post-retirement health care benefits to retirees of the Airport. The Airport has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The Airport provides benefits to retirees who participate in the LGERS, have at least five years of creditable service with the Airport and were hired prior to June 19, 2007. For all employees hired on or after June 19, 2008, the Airport provides benefits to retirees who participate in the System and have 20 years of creditable service.

Employees Covered by the Benefit Terms. At June 30, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	<u>7</u>
	11

Contributions. The Airport contributes on a pay-as-you-go basis, contributing \$44,379 for the current year.

Total OPEB Liability

The Airport's total OPEB liability of \$2,333,247 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50 percent
Salary increases	3.25 percent, average, including inflation
Discount rate, prior to measurement date	2.98 percent
Discount rate, at measurement date	3.50 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent

The discount rate was based on the Bond Buyer General Obligation 20 year Municipal Bond Index as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 2,406,495
Service cost	49,411
Interest	72,524
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(150,804)
Benefit payments	(44,379)
Net change	(73,248)
Balance at June 30, 2019	<u>\$ 2,333,247</u>

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 2.98% to 3.50%.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rates

The following presents the total OPEB liability, as well as what the Airport's total OPEB liability would be if it were calculated using a discount rate that as 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 2,693,817	\$ 2,333,247	\$ 2,040,875

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

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 1,982,693	\$ 2,333,247	\$ 2,772,404

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

For the year ended June 30, 2019, the Airport recognized OPEB expense of \$117,417. At June 30, 2019, the Airport reported deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	120,643
Benefit payments made subsequent to the measurement date	51,712	-
	<u>\$ 51,712</u>	<u>\$ 120,643</u>

\$51,712 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2020	\$ (30,161)
2021	\$ (30,161)
2022	\$ (30,161)
2023	\$ (30,160)
2024	\$ -

C. The ABC Board

General Information about the Plan

Plan Description. According to an ABC Board resolution, the Board provides post-retirement health care benefits to retirees of the Board. The Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statements 75.

Benefits Provided. The Board provides benefits to retirees who participate in the LGERS, have at least five years of creditable service with the Board and were hired prior to April 18, 2001. For all employees hired on or after April 18, 2001, the Board provides benefits to retirees who participate in the System and have 20 years of creditable service. When a retiree becomes eligible for Medicare, the Board pays the full premium cost of supplementary health care policy if the retiree was hired prior to September 1, 2012. Employees hired after September 1, 2012, are not eligible for Medicare supplements.

Employees Covered by the Benefit Terms. At June 30, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	12
	<u>16</u>

Contributions. The Board contributes on a pay-as-you-go basis, contributing \$31,374 for the current year.

Total OPEB Liability

The Board's total OPEB liability of \$1,673,078 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5-7.75 percent, average, including inflation
Discount rate, prior to measurement date	3.01 percent
Discount rate, at measurement date	3.56 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023
Medicare	5.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2020

The discount rate was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 1,683,505
Service cost	56,941
Interest	59,379
Changes of benefit terms	-
Differences between expected and actual experience	(2,071)
Changes in assumptions or other inputs	(93,302)
Benefit payments	(31,374)
Net change	<u>(10,427)</u>
Balance at June 30, 2019	<u>\$ 1,673,078</u>

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Sensitivity of the total OPEB liability to changes in the discount rate and Healthcare Trend Rates.

The following presents the total OPEB liability, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point-higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 1,980,204	\$ 1,673,078	\$ 1,430,358

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

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 1,392,177	\$ 1,673,078	\$ 2,038,694

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

For the year ended June 30, 2019, the Board recognized OPEB expense of \$79,079. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,060
Changes of assumptions	-	201,134
Benefit payments made subsequent to the measurement date	25,264	-
	<u>\$ 25,264</u>	<u>\$ 206,194</u>

\$25,264 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2020	\$ (37,241)
2021	\$ (37,241)
2022	\$ (37,241)
2023	\$ (37,241)
2024	\$ (37,241)
Thereafter	\$ (19,898)

D. The Tourism Board

General Information about the Plan

Plan Description. According to a Tourism Board resolution, the Board provides post-retirement health care benefits to retirees of the Board. The Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The Board provides benefits to retirees who participate in the LGERS, have at least five years of creditable service with the Board and were hired prior to June 30, 2008. For all employees hired on or after June 30, 2008, the Board provides benefits to retirees who participate in the System and have 20 years of creditable service. When a retiree becomes eligible for Medicare, the Board pays up to \$400 per month for the cost of supplementary health care policy if the retiree was hired prior to July 1, 2016. Employees hired after July 1, 2016, are not eligible for Medicare supplements.

Employees Covered by the Benefit Terms. At June 30, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	11
	<hr/>
	15

Contributions. The Board contributes on a pay-as-you-go basis, contributing \$12,178 for the current year.

Total OPEB Liability

The Board's total OPEB liability of \$616,673 was measured as of June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5-7.75 percent, average, including inflation
Discount rate, prior to measurement date	3.56 percent
Discount rate, at measurement date	3.89 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023
Medicare	5.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2020

The discount rate was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 616,673
Service cost	32,058
Interest	21,657
Changes of benefit terms	-
Differences between expected and actual experience	(2,727)
Changes in assumptions or other inputs	(23,949)
Benefit payments	(16,788)
Net change	10,251
Balance at June 30, 2019	<u>\$ 626,924</u>

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rates.

The following presents the total OPEB liability, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	\$ 703,533	\$ 626,924	\$ 561,367

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

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 588,734	\$ 626,924	\$ 670,970

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

For the year ended June 30, 2019, the Board recognized OPEB expense of \$46,126. At June 30, 2019, the Board reported deferred outflows of resources and deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,822
Changes of assumptions	-	49,699
Benefit payments made subsequent to the measurement date	16,788	-
	<u>\$ 16,788</u>	<u>\$ 56,521</u>

\$16,788 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year to end June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2020	\$ (10,829)
2021	\$ (10,829)
2022	\$ (10,829)
2023	\$ (10,829)
2024	\$ (9,863)
Thereafter	\$ (3,342)

Note 8. Other Employment Benefits – Death Benefits

The County, the Airport, the ABC, and the Tourism Board have elected to provide death benefits through the Death Benefit Plan for members of the LGERS, 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 LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the LGERS at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months of salary in a row during the 24 months prior to his or her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County, the Airport, the ABC, and the Tourism Board have no liability beyond the payment of monthly contributions.

Contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Note 9. Closure and Post Closure Care Costs – Landfill Facilities

The County closed its East Lake landfill facility (facility) on October 8, 1993, at which time its waste stream went to a private, regional municipal solid waste landfill through the Albemarle Regional Solid Waste Authority. As the facility was operating on October 9, 1991, the County was required to meet closure requirements contained in the US Environmental Protection Agency (EPA) rule “Solid Waste Disposal Facility Criteria” (EPA rule). As the facility stopped accepting waste prior to October 9, 1993, the County was not required to meet thirty-year post closure and financial assurance requirements established by the EPA rule. A wastewater treatment plant was required at the facility since its first acceptance of solid waste. The County completed modifications to the wastewater treatment plant and the installation of a leachate collection system to feed the treatment plant. The improvements were made pursuant to a consent order entered into by the County and the State while the landfill was operating. As part of the closure process, the County made application to be allowed to discontinue operation of the wastewater treatment plant. That application was approved with the State’s approval of the County’s Site Assessment Work Plan. The plant remained out of operation during a monitoring period of five years. Based upon results of the monitoring, the County has been allowed by the State to mothball the wastewater treatment plant while groundwater monitoring is continued to be required.

The County operates a construction and demolition waste landfill facility (Facility). The Facility is not subject to the EPA Rule but all construction and demolition landfill facilities in the State that were operating as 1/1/2007 were retroactively made subject to financial assurance requirements by the General Assembly (Financial Assurance Requirements for Construction and Demolition Landfill Facilities and Units – 15A NCAC 13B.0546). This rule also now requires the County to place a final cover on the Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County must recognize a portion of the closure and post-closure care costs as an expense each fiscal year based on Facility capacity used as of each fiscal year end. The \$8,092,662 reported as Facility closure and post-closure care liability as of June 30, 2019 represents a cumulative amount reported to date based upon the use of 69.39% of the estimated capacity of cells #1 through #5. The County will recognize the remaining estimated cost of closure and post closure care of \$3,569,915 as the remaining capacity is filled, estimated to occur in 2029. Amounts are based on costs in current dollars and are calculated as required by the State. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations. Actual costs are expected to be lower as the County plans to self perform a significant portion of the work.

The County has met the requirements of a local government financial test that is one option under State law (15A NCAC 13B.0546) that determines if a unit is financially able to meet closure and post closure care requirements. Due to the retroactive application by the State of financial assurance requirements upon the Facility, the County did not establish a reserve to accumulate resources for the payment of closure and post closure care cost but us now building fund balance in the C&D Landfill (Special Revenue) Fund. The balance at June 30, 2019 was \$1,833,209. The County has on deposit \$97,471 in an interest bearing account, assigned to the NC State Department of Environmental Quality, per that department’s requirements.

Note 10. Commitments and Contingencies

A. Commitments

The County and the Airport have elected to pay direct costs of unemployment benefits in lieu of employment security taxes on salaries. Any resulting payments are recognized as expense in the year following the discharge of any employees that file for benefit payments.

As of June 30, 2019 the County has the following grant funded or other projects that are not capitalized as fixed assets:

Project	Spent-to-Date	Remaining Commitment
Soil & Water System Debris Removal	\$ 44,000	\$ 183,869
Manteo Channel Dredging	\$ 6,996	\$ 1,912,004
Downtown Manteo Redevelopment	\$ -	\$ 178,244
Hazard Mitigation Home Elevation	\$ -	\$ -
Grant Program	\$ 1,934,816	\$ 340,644

B. Contingent Liabilities

At June 30, 2019, the County was a defendant to various lawsuits and claims. It is the opinion of management and the county attorney that the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

C. Operating Leases

The County is committed under various operating leases for office space, telephone equipment, copiers, network servers, and personal computers. For the year ended June 30, 2019, total expense expenditures were \$165,275.

The following is a schedule of future minimum lease payments under lease:

<u>Year</u>	
2020	\$ 35,684
2021	37,463
2022	39,331
2023	41,293
2024	43,352
Thereafter	<u>46,648</u>
Totals	<u>\$ 243,771</u>

D. Federal and State Assisted Programs

The County and the Airport have received proceeds from several 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 of the County and of the Airport believes that any required refunds would be immaterial or covered by insurance. No provision has been made in the accompanying financial statements for the refund of grant moneys.

E. Outstanding Encumbrances

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbered amounts at June 30, 2019 were \$487,763 in the General Fund, \$743,115 in the Capital Projects Fund, and \$284,851 in the Water Fund and \$69,204 collectively in all Special Revenue Funds. Outstanding encumbrances in the Governmental Fund are shown within the Stabilization by State Statute amounts of fund balance (Note 15).

Note 11. Risk Management

The County and the Airport are exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and the Airport participate in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County and the Airport obtain property coverage equal to replacement cost values of owned property subject to a limit of \$212.8 million for any one occurrence; general, auto, professional, and employment practices liability coverage of \$6 million per occurrence; auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; cyber liability coverage of \$5 million per occurrence; and workers' compensation coverage up to the statutory limits. The pools are audited annually by independent certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$6 million limit for liability coverage and \$1,750,000 of each loss in excess of a \$250,000 per occurrence retention for property, and auto physical damage. For workers compensation there is a per occurrence retention of \$750,000.

The County carries building and contents flood insurance for all facilities located within a Special Flood Hazard Area (SFHA) through the National Flood Insurance Program (NFIP). A SFHA is the base 100 year flood plain mapped on a Flood Insurance Rate Map (FIRM) by the Federal Emergency Management Agency (FEMA) and are shown by zones that begin with the letter "A" or "V". For facilities within SFHA, the County carries building flood insurance for the facility's appraised value up to the

NFIP coverage limit of \$500,000 per structure. For facilities within a SFHA, the County carries contents flood insurance for the value of each facility's contents considered to be at risk, up to the NFIP coverage limit of

\$500,000 per structure. The County carries NFIP flood insurance for sixty-three buildings, five water production wells and two water pump stations at a total coverage level of \$19,300,000. The County carries NFIP flood insurance for the contents of facilities at a total coverage level of \$10,905,000.

The North Carolina Association of County Commissioners Property and Liability Insurance Pool (Pool) provides flood insurance in excess of NFIP coverage for buildings and contents within a SFHA in the amount of \$2,000,000 annually in the aggregate with deductibles of \$25,000 for each structure. The Pool also provides flood insurance for structures and contents outside of a SFHA in the amount of \$10,000,000 annually in the aggregate with deductibles of \$25,000 for each structure.

The County and the municipalities within participate in the FEMA Community Rating System (CRS). The CRS credits flood hazard mitigation activities undertaken by participating communities by offering discounts of flood insurance rate premiums. The County as well as all property owners within, currently qualifies for a 15% rate reduction from CRS activities.

For facilities within a SFHA, the County does not carry excess flood insurance (available commercially) for coverage over NFIP limits for facilities that are eligible for FEMA Public Assistance (PA) in a declared disaster other than that provided by the Pool. All County facilities are currently eligible for FEMA PA for losses in excess of NFIP coverage, which is available in full one-time per facility. It is the County's judgment that flood damages in excess of NFIP coverage would very likely be caused by an event that would be a FEMA declared disaster for PA.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The County is required by State law to carry public official bonds employees. The County has a bond of \$100,000 for the Tax Collector, \$50,000 for the Finance Director, \$50,000 for the Register of Deeds, \$25,000 for the Assistant Finance Director, \$25,000 for the Sheriff and \$50,000 for the Airport Authority Finance Officer. Other positions that have access to \$100 or more are bonded for \$5,000 each.

The County provides health insurance benefits with a self-insurance plan administered by Medcost Benefit Services. Specific stop-loss insurance is maintained at \$200,000 per participant per year with an unlimited lifetime maximum. The Airport, for their employees, are participants in the County plan. At June 30, 2019, the County has accrued a provision and reported a liability for incurred but not reported claims of \$1,569,264 for the health self-insurance plan. The amount was estimated by a benefits consulting firm using historical cost data.

Changes in the balances of the liability for claims incurred but not reported during the past three fiscal years are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Estimate of unpaid claims incurred, but not reported, beginning of fiscal year	\$ 1,477,223	\$ 1,441,367	\$ 1,387,087
Incurred but not reported	<u>92,041</u>	<u>35,856</u>	<u>54,280</u>
Estimate of unpaid claims incurred, but not reported, end of fiscal year	<u>\$ 1,569,264</u>	<u>\$ 1,477,223</u>	<u>\$ 1,441,367</u>

All risk management activities and programs are accounted for in an Internal Service fund, the Insurance Fund.

Note 12. Deferred Outflows and Inflows of Resources

On the Statement of Net Position, deferred outflows of resources at June 30, 2019 consist of:

	Governmental Activities	Business-type Activities
Deferred charge on refunding of debt	\$ 2,777,714	\$ 2,772,524
Water assessments receivable	-	533,300
Pensions - differences between expected and actual experience - RODSPF	1,242	-
Pensions - changes of assumptions - RODSPF	6,629	-
Pensions - net difference between projected and actual earnings on investments - RODSPF	22,465	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	10,793	-
Pensions - County contributions subsequent to measurement date - RODSPF	6,795	-
Pensions - differences between expected and actual experience - LGERS	1,738,104	156,686
Pensions - changes of assumptions - LGERS	2,989,609	269,506
Pensions - net difference between projected and actual earnings on investments - LGERS	1,546,512	139,414
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - LGERS	215,871	19,460
Pensions - County contributions subsequent to measurement date - LGERS	2,801,802	252,576
Pensions - differences between expected and actual experience - LEOSSA	1,160	-
Pensions - changes of assumptions - LEOSSA	88,042	-
Pensions - benefit payments and administrative costs costs subsequent to measurement date - LEOSSA	115,058	-
OPEB - net difference between expected and actual experience	204,138	19,734
OPEB - changes of assumptions	12,221,591	1,181,481
OPEB - net difference between projected and actual earnings on OPEB plan investments	20,195	1,952
	<u>\$ 24,767,720</u>	<u>\$ 5,346,633</u>

On the Statement of Net Position, deferred inflows of resources at June 30, 2019 consist of:

	Governmental Activities	Business-type Activities
Medicaid revenue subject to final audit	\$ 285,136	\$ -
Donations received but not yet earned	67,077	-
Prepaid taxes	118,142	-
Water assessments	-	533,300
Pensions - net differences between expected and actual experience - RODSPF	6,433	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	1,054	-
Pensions - net differences between expected and actual experience - LGERS	58,322	5,258
Pensions - net differences between expected and actual experience - LEOSSA	50,625	-
Pensions - changes of assumptions - LEOSSA	95,335	-
OPEB - net differences between expected and actual experience	2,296,942	222,049
OPEB - changes of assumptions	14,280,505	1,380,519
OPEB - net differences between projected and actual earnings on OPEB plan investments	15,597	1,508
	<u>\$ 17,275,168</u>	<u>\$ 2,142,634</u>

On the Governmental funds Balance Sheet, deferred inflows of resources of \$1,195,715 at June 30, 2019 consist of:

	Unavailable Revenue	Unearned Revenue
Taxes receivable, net (General)	\$ 585,886	\$ -
Prepaid taxes (General)	-	118,143
Medicaid cost settlement subject to final audit (General)	-	285,136
Taxes receivable, net (Beach Nourishment)	258	-
Taxes receivable, net (Special Revenue)	139,215	-
Donations not yet earned (Special Revenue)	-	67,077
	<u>\$ 725,359</u>	<u>\$ 470,356</u>

Note 13. Long-Term Debt

A. Revenue Bonds

In September 2009, the County issued \$13,190,000 (par value) of utilities (water) system refunding revenue bonds, Series 2009, at a net interest cost of 3.55%, with net proceeds of \$13,777,360, to currently refund installments for years 2010 through 2024 for the Series 1998A utilities (water) system revenue bonds and installments for years 2010 through 2024 for the Series 1998B utilities (water) system revenue bonds. Interest on the bonds is payable semiannually on June 1 and December 1. Principal is payable annually on December 1 in the following amounts (see Series 2017 below) (along with the corresponding coupon interest rate): 2020, \$700,000 (5.00%).

In February 2011, the County issued \$24,200,000 (par value) of utilities (water) system revenue bonds, Series 2011, at a net interest cost of 4.96%, with net proceeds of \$24,487,127, for water lines, a ground storage tank, an elevated tank, and production

plant improvements necessary to extend water service to all of Roanoke Island (previously only served within the Town of Manteo). Interest on the bonds is payable semiannually on August 1 and February 1.

Principal is payable annually on February 1 in the following amounts (see Series 2017 below) (along with the corresponding coupon interest rate): 2020, \$570,000 (5.00%) and 2021, \$595,000 (4.25%).

In June 2017, the County issued \$24,845,000 (par value) of utilities (water) system refunding revenue bonds, Series 2017, at a net interest cost of 3.02%, with net proceeds of \$27,140,014 to advance refund installments for years 2020 through 2023 for the Series 2009 utilities (water) system refunding revenue bonds and installments for years 2022 through 2041 for the Series 2011 utilities (water) system revenue bonds. Interest on the bonds is payable semiannually on August 1 and February 1. Principal is payable annually on February 1 in the following amounts (along with the corresponding coupon interest rate): 2020; \$60,000 (2.00%); 2021, \$755,000 (3.00%); 2022, \$1,400,000 (4.00%); 2023, \$1,460,000 (5.00%); 2024, \$1,525,000 (5.00%); 2025, \$785,000 (5.00%); 2026, \$825,000 (5.00%); 2027, \$870,000 (5.00%); 2028, \$910,000 (5.00%); 2029, \$955,000 (5.00%); 2030, \$1,005,000 (5.00%); 2031, \$1,055,000 (4.00%); 2032, \$1,095,000 (4.00%); 2033, \$1,140,000 (4.00%); 2034, \$1,180,000 (3.00%); 2035, \$1,220,000 (3.00%); 2036, \$1,255,000 (3.125%); 2037, \$1,300,000 (3.125%); 2038, \$1,335,000 (3.125%); 2039, \$1,375,000 (3.125%); 2040, \$1,420,000 (3.125%); and 2041, \$1,465,000 (3.125%). The defeased Series 2009 bonds have a call date of December 1, 2019 and the defeased Series 2011 bonds have a call date of February 1, 2021.

Revenue bonds outstanding, net of unamortized original issue premium of \$1,662,152, and unamortized deferred amount on refunding per GASB Statement No. 23 of \$2,772,524, at June 30, 2019 were \$25,144,628. The total par amount of revenue bonds outstanding at June 30, 2019 was \$26,255,000.

The revenue bonds are reported on the Water (Enterprise) Fund financial statements because the principal and interest on the bonds are payable from the net revenues of the water system. The revenue bond orders pledge the net revenues of the system, including assessments collected, to repayment of the Series 2009, 2011 and 2017 revenue bonds. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues, other than those of the water system. The taxing power of the County is not pledged for the payment of principal and interest on the revenue bonds, and no owner of a bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property.

The Revenue Bond Order permits the issuance of one or more additional series of bonds on parity as to pledge of net revenues with outstanding bonds to (1) provide funds for construction of additional facilities; and (2) provide funds for refunding any bonds. The issuance of an additional series of bonds is subject to the satisfaction of certain conditions provided for in the Revenue Bond Order (additional bonds test).

The Revenue Bond order provided for the establishment of a special fund (account), designated the Revenue fund (account), into which the County is required to deposit all Water System revenues (revenues as defined by the Revenue Bond Order). Moneys on deposit in this fund are applied at such times and in accordance with priorities established by the Revenue Bond Order. Moneys in the Revenue fund are required to be transferred to the following funds, established pursuant to the Revenue Bond Order, in the following order of priority: the Operating and Maintenance fund, the Debt Service fund, the Extension and Replacement fund, the Rebate fund, and the Surplus fund.

Pursuant to the Revenue bond Order, the County has covenanted to fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Water system, and reviser or cause to be revised the same, as necessary, as will produce revenues together with 20% of the balance in the Surplus Fund at the end of the preceding fiscal year at least equal in such fiscal year to the total of (i) the current expenses budgeted for such fiscal year, as may be amended from time to time, plus (ii) 120% of (1.20 times) the principal and interest requirements to become due during the fiscal year plus (iii) 100% of (1.00 times) the principal and interest due in such fiscal year on the County's general obligation indebtedness issued in connection with Water System which may be outstanding from time to time plus (iv) 100% of (1.00 times) the principal and interest due in such fiscal year on subordinate indebtedness plus (v) 100% of (1.00 times) the amount required to reimburse the provider of a qualified reserve fund substitute for any amounts owing hereunder.

The County met the above requirements for the year ended June 30, 2019 as follows:

Revenues as defined per Revenue Bond Order:	
Operating revenues	\$ 13,359,300
Collections of assessments & other income	362,149
Interest income, excluding capital projects	<u>719,505</u>
	\$ 14,440,954
Current Expenses as defined per Revenue Bond Order:	
Operating expenses	\$ 13,279,699
Non-operating expenses	1,074,255
Add back interest expense & amortization	(1,074,255)
Add back depreciation	(4,032,975)
Add 20% of Surplus Fund	<u>(5,667,442)</u>
Total adjustment	<u>3,579,282</u>
Net Revenues, as defined per Revenue Bond Order	<u>\$ 10,861,672</u>
Debt service on Series 2009 and Series 2011 Revenue Bonds	\$ 2,358,625
Debt service coverage	4.61
Required debt service coverage	1.20

Current expense adjustments are allowed for OPEB and GASB Statement No. 75 per the Series 2011 Revenue Series Indenture. Current expense adjustments will be allowed in fiscal year 2021 for pensions and for GASB Statement No. 68 per the Series 2017 revenue bond Series Indenture.

Revenue bond debt service requirements to maturity are as follows (Business-type Activities):

Year Ending June 30	Principal	Interest
2020	\$ 1,330,000	\$ 1,026,176
2021	1,350,000	978,976
2022	1,400,000	931,038
2023	1,460,000	875,038
2024	1,525,000	802,038
2025-2029	4,345,000	3,215,690
2030-2034	5,475,000	2,081,790
2035-2039	6,485,000	1,069,414
2040-2041	<u>2,885,000</u>	<u>135,939</u>
	<u>\$ 26,255,000</u>	<u>\$ 11,116,099</u>

In June 2017, the County issued \$24,845,000 of utilities (water) system revenue bonds and retired certain maturities of the Series 2009 and 2011 utilities (water) system revenue bonds. The advance refunding reduced debt service payments by \$3,510,169 and resulted in an economic gain of \$2,629,575. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$3,125,712) and is amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2019 was \$2,772,524.

B. Capitalized Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. All lease agreements are direct borrowings and direct placements secured with collateral of the financed vehicles and equipment.

In March 2016, the County entered into a lease agreement with a financial institution for \$1,361,569 payable quarterly over 36 months at 1.235%. This agreement financed a variety of vehicles, including vehicles for the Sheriff Department, ambulances for Emergency Medical Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund). Payments were completed during the fiscal year ended June 30, 2019.

In February 2017, the County entered into a lease agreement with a financial institution for \$1,398,792 payable quarterly over 36 months at 1.593%. This agreement financed a variety of vehicles, including vehicles for the Sheriff Department, ambulances for Emergency Medical Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund).

In March 2017, the County entered into a lease agreement with a financial institution for \$288,400 payable quarterly over 48 months at 1.684%. This agreement financed trucks for the Recycling and Transfer Departments (General Fund).

In March 2017, the County entered into a lease agreement with a financial institution for \$940,614 payable quarterly over 59 months at 1.781%. This agreement financed heating and air conditioning equipment for the County Courthouse (General Fund).

In March 2018, the County entered into a lease agreement with a financial institution for \$1,977,531 payable quarterly over 36 months at 2.48%. This agreement financed a variety of vehicles, including vehicles for the Sheriff Department, ambulances and response vehicles for Emergency Medical Services, vehicles for Health and Human Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund).

In September 2018, the County entered into a lease agreement with a financial institution for \$1,266,611 payable quarterly over 48 months at 2.65%. This agreement financed emergency communication radios for the Sheriff, Communications, Emergency Management, and Emergency Medical Services Departments, and equipment and a truck for the Public Works Department (General Fund).

In March 2019, the County entered into a lease agreement with a financial institution for \$2,057,425 payable quarterly over 36 months at 2.521%. This agreement financed a variety of vehicles, including vehicles for the Sheriff Department, ambulances for Emergency Medical Services (General Fund), and sanitation trucks for the Sanitation Department (Sanitation Fund).

The assets acquired through capital leases, all for Governmental activities, are as follows:

	2019	2018
Equipment	\$ 2,288,444	\$ 2,069,239
Transportation Equipment	7,002,498	6,306,823
	<u>\$ 9,290,942</u>	<u>\$ 8,376,062</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019, are as follows (Governmental Activities) (Direct Borrowings and Direct Placements):

<u>Year Ending June 30</u>	
2020	\$ 2,385,954
2021	1,836,542
2022	980,404
2023	83,713
2024	-
Total minimum lease payments	5,286,613
Less: amount representing interest	(170,971)
Present value of minimum lease payments	<u>\$ 5,115,642</u>

C. Installment Financing and Purchase Contracts, and Limited Obligation Bonds

In December 2009, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of certificates of participation (G.S. 160A-20), the County of Dare, NC Certificates of Participation Series 2009, for \$3,245,000 over 10 years at a true interest cost of 3.48% and retired the outstanding balance of the Series 1998B Certificates of Participation on November 10, 2009. The Series 1998B Certificates provided financing for Health and Social Services facilities and were secured by a deed of trust granted on both buildings. The current refunding reduced total debt service payments by \$786,049 and resulted in an economic gain of \$190,708 (General Fund). Payments were completed during the fiscal year ended June 30, 2019.

In February 2012, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$36,495,000 over 11 years at a true interest cost of 1.79%. This agreement was issued as taxable Series 2012A Limited Obligation Bonds of \$2,850,000 and tax exempt Series 2012B Limited Obligation Bonds of \$33,645,000. This agreement defeased the outstanding balances of the Series 2001 and Series 2002 Certificates of Participation on February 16, 2012. The portion of the agreement related to the Series 2001 Certificates was a current refunding. The 2001 Certificates provided financing for the Dare County Justice Center, airport hangars and new construction of Hatteras Elementary School. The portion of the agreement related to the Series 2002 Certificates was an advance refunding with a call date of December 1, 2012. The 2002 Certificates provided financing for new construction of First Flight High School and Manteo Elementary School, and addition to First Flight Middle School, and construction of a solid waste transfer station. The refunding reduced total debt service by \$4,270,043 and resulted in an economic gain of \$4,198,454. The reduction in debt service was structured such that \$3,575,000 was used on February 16, 2012 to terminate a basis swap and swaption related to the Series 2001 and 2002 Certificates (General Fund). This agreement was issued as Supplemental Indenture #1 to the 2002 Indenture and is secured by the same deed of trust granted on Manteo Elementary School and First Flight High School. (See Financing Structure for School Facilities).

In October 2012, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$9,225,000 over 12 years at a true interest cost of 2.35%. This agreement, the County of Dare, NC Limited Obligation Bonds Series 2012C, provided financing for replacement of Emergency Medical Services cardiac monitoring and defibrillator units (6 year term) and for replacement of the County's Emergency Medical Services helicopter (12 year item) (General Fund). This agreement was issued under a 2012 Indenture in conjunction with the Series 2012D Limited Obligation Bonds and is secured by the same deed of trust. (See the following paragraph).

In October 2012, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$34,465,000 over 17 years at a true interest cost of 2.74%. This agreement, the County of Dare, NC Limited Obligations Bonds Series 2012D, currently refunded the 2008 Installment Financing Contract and advanced refunded the Series 2004 Certificates of Participation with a call date of June 1, 2014. The 2008 Installment Financing Contract provided financing for a new community college building, a senior center and the purchase of land. The 2004 Certificates of Participation provided financing for new construction and renovations at Manteo High School, Hatteras Secondary School, Manteo Elementary School and Kitty Hawk Elementary School. The reduction in debt service was structured such that \$3,160,000 was used on October 2, 2012 to terminate the basis swap and swaption related to the Series 2004 certificates (General Fund). This agreement was issued under a new 2012 Indenture in conjunction with the Series 2012C Limited Obligation Bonds and is secured by a deed of trust granted on Manteo Middle School, Nags Head Elementary School and the community college campus. (See Financing Structure for School Facilities).

In April 2013, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$29,285,000 over 12 years at a true interest cost of 2.32%. This agreement, the County of Dare NC Limited Obligation Bonds Series 2013, defeased in the 2016 through 2025 outstanding balances of the Series 2005 Certificates of Participation, and was an advance refunding with a call date of June 1, 2015. The refunding reduced total debt service by \$2,067,383 and resulted in an economic gain of \$1,807,358 (General Fund). The June 1, 2013, 2014 and 2015 maturities of the 2005 Certificates were not refunded. This agreement was issued as Supplemental Indenture #1 to the 2005 Indenture and is secured by the same deed of trust granted on Hatteras Secondary School, Kitty Hawk Elementary School and Manteo High School. (See Financing Structure for School Facilities).

In June 2016, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$11,545,000 over 20 years at a true interest cost of 2.29%. This agreement, the County of Dare, NC Limited Obligations Bonds Series 2016A, advanced refunded \$5,695,000 of the County's Series 2007 Certificates of Participation (the 2018 through the 2023 maturities and \$235,000 of the 2024 maturities with a call date of June 1, 2018) and provided financing for new construction of a regional emergency communications and emergency operations center (Capital Projects Fund). The refunding reduced total debt service by \$377,523 and resulted in an economic gain of \$344,261 (General Fund). This agreement was issued under a new 2016A Indenture and is secured by a deed of trust granted on the Dare Tyrrell Hyde Regional Emergency Communications and Dare Emergency Operations Center.

Direct Borrowings and Direct Placements

In July 2010, the County entered into a financing contract with a financial institution (G.S. 160A-20) for \$7,695,055, over 10 years at an interest rate 3.94%. This agreement was issued as a taxable Recovery Zone Economic Development Bond under the American Recovery and Reinvestment Act with the County to receive rebates from the U.S. Treasury of 45% of interest payments resulting in an effective interest rate of 2.1725%. This agreement provided financing for a new emergency communications radio system and was secured by a UCC financing statement filed upon the radio system. In February 2015, this agreement was modified with the original financial institution, \$48,085 of principal was added (costs of issuance) and the installment purchase contract was converted from a taxable Recovery Zone Economic Development Bond to a tax-exempt agreement with the interest rate reduced to 1.72% for the remaining term (General Fund).

In July 2014, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$3,073,000 over 15 years at a true interest cost of 3.35%. This agreement, the County of Dare NC Limited Obligation Bonds Series 2014, provided financing for new construction at Manteo Elementary School (General Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #2 to the 2002 Indenture and is secured by the same deed of trust granted on Manteo Elementary School and First Flight High School. (See Financing Structure for School Facilities).

In July 2015, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$3,700,000 over 12 years at a true interest cost of 2.66%. This agreement, the County of Dare, NC Limited Obligation Bonds series 2015, advanced refunded \$3,400,000 of the County's Series 2007 Certificates of Participation (\$675,000 of the 2024 maturity and all of the 2025, 2026, and 2027, maturities with a call date of June 1, 2018). The refunding reduced total debt service by \$223,002 and resulted in an economic gain of \$179,023 (General Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #1 to the 2007 Indenture and is secured by the same deed of trust granted on the County Administration Building and the Hatteras Satellite Office.

In June 2016, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$10,045,000 over 7 years at a true interest cost of 1.63%. This agreement, the County of Dare, NC Limited Obligations Bonds Series 2016C, provided financing for a portion of the County's share of a beach nourishment project constructed in the spring through fall of 2018 in the towns of Duck, Kitty Hawk, Southern Shores, and Kill Devil Hills (Capital Projects Fund and Beach Nourishment Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #1 to the 2016A Indenture and is secured by the same deed of trust granted on the Dare Tyrrell Hyde Regional Emergency Communications and Dare Emergency Operations Center.

In January 2017, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$25,045,000 over 7 years at a true interest cost of 1.82%. This agreement, the County of Dare, NC Limited Obligations Bonds Series 2016B, provided financing for a heating and air conditioning chiller unit at Cape Hatteras Secondary School and for beach nourishment constructed in the summer of 2017 through winter of 2018 at the village of Buxton (School Capital Projects Fund, Capital Projects Fund and Beach Nourishment Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #2 to the 2005 Indenture and is secured by the same deed of trust granted on Hatteras Secondary School, Kitty Hawk Elementary School and Manteo High School. (See Financing Structure for School Facilities).

In July 2018, the County entered into an installment purchase contract with the Dare County Public Facilities Corporation for an issue of limited obligation bonds (G.S. 160A-20) for \$10,295,000 over 5 years at a true interest cost of 2.67%. This agreement, the County of Dare, NC, NC Limited Obligation Bonds Series 2018, provided financing for roofing and other improvements at Manteo High School and for the County's share of a beach nourishment project constructed in the summer of 2019 in the town of Nags Head (School Capital Projects Fund, Capital Projects Fund and Beach Nourishment Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #3 to the 2005 Indenture and is secured by the same deed of trust granted on Hatteras Secondary School, Kitty Hawk Elementary School and Manteo High School. (See Financing Structure for School Facilities).

Financing Structure of Installment Financings for School Facilities

Per G.S. 160A-20 the County has financed the construction and renovation of various schools for use by the Dare County Board of Education through installment financings. The installment financings were issued pursuant to deeds of trust that require that legal title to property subject to the deeds of trust remains with the County as long as the related debt is outstanding. The County has entered into leases and an agency agreement that transfers the rights and responsibilities of ownership, including maintenance and insurance, to the Dare County Board of Education. Lease terms are the same as that of the related installment financing. From the economic substance of the transactions, the related capital assets are recorded by the Dare County Board of Education and not by the County.

Annual debt service requirements for Installment Financing and Purchase Contracts, as of June 30, 2019 are as follows (Governmental Activities):

Year Ending June 30	Bonds		Bonds and Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 9,995,000	\$ 2,777,592	\$ 8,097,519	\$ 771,041
2021	9,965,000	2,380,039	8,097,519	613,348
2022	8,720,000	1,895,790	7,325,000	456,613
2023	8,705,000	1,528,291	7,315,000	299,988
2024	6,210,000	1,100,441	895,000	137,516
2025-2029	15,625,000	2,263,053	3,699,000	278,831
2030-2034	1,575,000	244,950	204,000	6,834
2035-2036	625,000	28,050	-	-
	<u>\$ 61,420,000</u>	<u>\$ 12,218,206</u>	<u>\$ 35,633,038</u>	<u>\$ 2,564,171</u>

D. Long-Term Debt Obligation Activity

The following is a summary of changes in the County's general long-term obligations for the year ending June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Current Portion of Balance
Government activities:					
Installment financing contracts	\$ 71,970,000	\$ -	\$ 10,550,000	\$ 61,420,000	\$ 9,995,000
Deferred amounts:					
For issuance premiums	5,007,554	-	1,419,083	3,588,471	-
Installment financing contracts from direct borrowings and direct placements	33,435,558	10,295,000	8,097,520	35,633,038	8,097,519
Capitalized leases from direct borrowings and direct placements	3,922,754	3,324,036	2,131,148	5,115,642	2,283,441
Compensated absences	2,591,930	3,961,234	2,498,888	4,054,276	1,094,654
Total pension liability (LEOSSA)	2,405,458	82,481	183,253	2,304,686	-
Net pension liability (LGRS)	7,063,112	4,203,066	-	11,266,178	-
Net OPEB liability	142,582,254	8,869,668	13,003,203	138,448,719	-
C&D landfill closure and post-closure costs	7,558,232	534,430	-	8,092,662	-
Total governmental activities	<u>\$ 276,536,852</u>	<u>\$ 31,269,915</u>	<u>\$ 37,883,095</u>	<u>\$ 269,923,672</u>	<u>\$ 21,470,614</u>
Business-type activities:					
Revenue bonds	\$ 27,525,000	\$ -	\$ 1,270,000	\$ 26,255,000	\$ 1,330,000
Deferred amounts:					
For issuance premiums	1,974,175	-	312,023	1,662,152	-
Compensated absences	276,783	131,381	104,794	303,370	81,910
Net pension liability (LGRS)	636,723	378,897	-	1,015,620	-
Net OPEB liability	13,783,655	857,445	1,257,041	13,384,059	-
Total business-type activities	<u>\$ 44,196,336</u>	<u>\$ 1,367,723</u>	<u>\$ 2,943,858</u>	<u>\$ 42,620,201</u>	<u>\$ 1,411,910</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as a part of the above totals for governmental activities, including, at year end, \$67,266 of internal service funds compensated absences and \$248,318 of net pension liability (LGRS). Also, for the governmental activities, claims and judgements and compensated absences are generally liquidated by the General Fund.

The General Fund has been used in prior years to liquidate the LEOSSA obligation. The General Fund, the C&D Landfill Fund and the Sanitation Fund have been used in prior years to liquidate the OPEB liability (governmental activities). The General Fund and the C&D Landfill Fund have been used in prior years to liquidate the C&D Landfill closure and post-closure liability.

At June 30, 2019, the RODSPF had a net pension asset.

At June 30, 2019, the County had no bonds authorized but unissued and had a legal debt margin of \$977,576,173.

E. Airport

The following is a summary of the changes in general long-term debt for the Airport for the year ended June 30, 2019:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Government activities:					
Compensated absences	\$ 53,579	\$ 2,688	\$ -	\$ 56,267	\$ -
Total OPEB liability	2,406,495	-	73,248	2,333,247	-
Net pension liability (LGERS)	84,066	50,026	-	134,092	-
Total long-term liabilities	<u>\$ 2,544,140</u>	<u>\$ 52,714</u>	<u>\$ 73,248</u>	<u>\$ 2,523,606</u>	<u>\$ -</u>

F. ABC Board

The following is a summary of the changes in general long-term debt for the ABC Board for the year ended June 30, 2019:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Government activities:					
Total OPEB liability	\$ 1,683,505	\$ -	\$ 10,427	\$ 1,673,078	\$ -
Net pension liability (LGERS)	225,035	130,579	-	355,614	-
Total long-term liabilities	<u>\$ 1,908,540</u>	<u>\$ 130,579</u>	<u>\$ 10,427</u>	<u>\$ 2,028,692</u>	<u>\$ -</u>

G. Tourism Board

The following is a summary of the changes in general long-term debt for the Tourism Board for the year ended June 30, 2019:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Government activities:					
Compensated absences	\$ 52,567	\$ -	\$ 3,156	\$ 49,411	\$ -
Net pension liability (LGERS)	198,146	105,514	-	303,660	-
Total OPEB liability	616,673	53,715	43,464	626,924	-
Total long-term liabilities	<u>\$ 867,386</u>	<u>\$ 159,229</u>	<u>\$ 46,620</u>	<u>\$ 979,995</u>	<u>\$ -</u>

H. Net Investment in Capital Assets and Debt Related to Capital Activities – Governmental Activities

The following is a schedule of the calculation of Net Investment in Capital Asset for Governmental Activities as of June 30, 2019:

Net capital assets (Note 4.A)		\$ 169,011,998
Outstanding debt (Note 13.D)		
Installment financing contracts	\$ 61,420,000	
Deferred amounts for issuance premiums on installment financing contracts	3,588,471	
Installment financing contracts from direct borrowings and direct placements	35,633,038	
Capitalized leases	<u>5,115,642</u>	
		\$ 105,757,151
Less outstanding debt issued for education to which the County does not hold title to the pledged property (Note 13.C)		
Series 2012B Limited Obligation Bonds	\$ 8,015,352	
Series 2012D Limited Obligation Bonds	16,104,950	
Series 2013 Limited Obligation Bonds	16,995,000	
Series 2014 Limited Obligation Bonds	2,553,000	
Series 2016B Limited Obligation Bonds	395,000	
Series 2018 Limited Obligation Bonds	475,000	
Deferred amounts for issuance premiums related to the above debt issuances	<u>2,452,046</u>	
		46,990,348
Less unexpended debt proceeds from debt issued for County capital purposes		<u>10,907,186</u>
Total capital debt		<u>47,859,617</u>
Net investment in capital assets		<u>\$ 121,152,381</u>

I. Net Investment in Capital Assets and Debt related to Capital Activities- Business-Type Activities- Water Fund

The following is a schedule of the calculation of Net Investment in Capital Assets as of June 30, 2019 for Business-type Activities:

Net capital assets (Note 4.A)		\$ 66,906,212
Outstanding debt (Note 13.D)		
Revenue bonds	\$ 26,255,000	
Deferred amounts for issuance premiums	1,662,152	
Less unexpended debt proceeds	<u>-</u>	
Total capital debt		<u>27,917,152</u>
Net investment in capital assets		<u>\$ 38,989,060</u>

Note 14. Interfund Transactions**A. Interfund Receivables and Payables**

The following is a schedule of interfund receivables and payables as of June 30, 2019:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
Proprietary Fund Types		
Non-major		
<u>Fleet Maintenance Fund</u> (Internal Service) to Insurance Fund	\$ -	\$ 69,885
<u>Insurance Fund</u> (Internal Service) from Fleet Maintenance Fund	69,885	-
	<u>\$ 69,885</u>	<u>\$ 69,885</u>

B. Component Unit Receivables and Payables

The following is a schedule of component unit receivables and payables as of June 30, 2019:

	<u>Receivable</u>	<u>Payable</u>
Tax and ABC Pass-through Fund:		
from ABC Board – discretely presented	\$ 125,604	\$ -
Social Services Foster Home Fund:		
from ABC Board – discretely presented	260,386	-
General Fund:		
from ABC Board – discretely presented	273,196	-
Tax and ABC Pass-through Fund:		
to Tourism Board – discretely presented	-	1,419,772
ABC Board – discretely presented:		
to Tax and ABC Pass-through Fund	-	125,604
to Social Services Foster Home Fund	-	260,386
to General Fund	-	273,196
Tourism Board – discretely presented:		
from Tax and ABC Pass-through Fund	1,419,772	-
	<u>\$ 2,078,958</u>	<u>\$ 2,078,958</u>

C. Interfund Transfers

The following is a schedule of interfund transfers for the year ended June 30, 2019:

	<u>Transfer</u>	
	<u>From</u>	<u>To</u>
Governmental Fund Types		
Major		
<u>General Fund</u>		
from Social Services Foster Care Fund	\$ 750,000	\$ -
from Capital Reserve Capital Projects Fund	2,083,473	-
to School Capital Projects Fund	-	300,000
to Inlet Maintenance Fund		100,000
<u>Beach Nourishment Fund</u>		
to Inlet Maintenance Fund	-	864
<u>Capital Projects Fund</u>		
from Capital Reserve Capital Projects Fund	1,055,944	-
Non-major		
<u>Capital Reserve Capital Projects Fund</u>		
to General Fund	-	2,083,473
to Capital Projects Fund	-	1,055,944
to School Capital Projects Fund	-	1,591,000
<u>Social Services Foster Care Fund</u>		
to General Fund	-	750,000
<u>Inlet Maintenance Fund</u>		
from General Fund	100,000	-
from Beach Nourishment Fund	864	-
<u>School Capital Projects Fund</u>		
from General Fund	300,000	-
from Capital Reserve Capital Projects Fund	1,591,000	-
Total Governmental Funds	<u>\$ 5,881,281</u>	<u>\$ 5,881,281</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move funds per the adopted Capital Improvements Plan, and to move funds per the Beach Nourishment and Inlet Maintenance plans and budgets.

Note 15. Fund Balance

The following is a schedule of the calculation of fund balance available for appropriation in General Fund as of June 30, 2019:

Total fund balance	\$ 44,836,827
Less:	
Inventories	14,272
Stabilization by State statute	11,634,580
Register of Deeds	3,316
Sheriff	60,448
Health Department	110,000
Disaster recovery	857,350
Appropriated fund balance in fiscal year 2019 budget	2,601,193
Fund Balance policy (21% of expenditures)	<u>22,958,842</u>
Available for appropriation	<u>\$ 6,596,826</u>

The following is a schedule of the calculation of fund balance available for appropriation in the General Fund, excluding the consolidation of the legally budgeted Disaster Recovery Fund, as of June 30, 2019, which is the intent of the fund balance policy.

Total fund balance	\$ 43,979,477
Less:	
Inventories	14,272
Stabilization by State statute	11,634,580
Register of Deeds	3,316
Sheriff	60,448
Health Department	110,000
Appropriated fund balance in fiscal year 2019 budget	2,330,346
Fund Balance policy (21% of expenditures)	<u>22,918,575</u>
Available for appropriation	<u>\$ 6,907,940</u>

Note 16. Joint Ventures

Trillium Health Resources

The County participates in a joint venture to operate the Trillium Health Resources (Trillium) with twenty-four other counties. Dare County appoints two board members to the seventeen Central Regional Advisory Board of Trillium. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County expended \$71,040 to Trillium to supplement its activities. Complete financial statements for Trillium may be obtained from Trillium's office at 1708 E. Arlington Blvd., Greenville, NC 27858-5872.

Albemarle Regional Solid Waste Authority

The County participates in a joint venture to operate the Albemarle Regional Solid Waste Authority (Authority) with seven other counties, each of which appoints one voting and one nonvoting member of the Authority's governing board. The Authority was created to serve the solid waste disposal needs of the member counties and has subsequently contracted with a private regional landfill for waste disposal. The County has an ongoing financial responsibility for the Authority because it is legally obligated under an intergovernmental agreement for a portion of the Authority's administrative expenses, determined on an annual tonnage basis among members. The County contributed \$161,909 to the Authority during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at Albemarle Regional Solid Waste Authority, Post Office Box 189, Elizabeth City, NC 27907.

College of the Albemarle

The County, in conjunction with the State of North Carolina, Pasquotank County, and the Elizabeth City-Pasquotank County Board of Education, participates in a joint venture to operate the Dare County campus of the College of the Albemarle (College). The College's fourteen member Board of Trustees is appointed as follows: the Governor of North Carolina (4), The Pasquotank County Board of Commissioners (4), the Elizabeth City-Pasquotank County Board of Education (4) and the Dare County Board of Commissioners (2). The College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the College's Dare County campus and also provides some financial support for the College's operations. The County has an ongoing financial responsibility for the College because of a statutory responsibility to provide funding for the year ended June 30, 2019, expenditures were \$472,141. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the College may be obtained from the College's administrative offices at College of the Albemarle, Post Office Box 2327, Elizabeth City, NC 27906.

East Albemarle Regional Library

The County also participates in a joint venture to operate the East Albemarle Regional Library (Library) with four other counties. The Library's nine member Board of Trustees is appointed by the area county Boards of Commissioners as follows: Dare (3), Currituck (3), and Camden and Pasquotank (3). Each county is responsible for the cost of its own facilities, the maintenance and operation of those facilities and the majority of the related personnel cost. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. The County's annual appropriation is shown as a department in the General Fund and for the year ended June 30, 2019 expenditures were \$1,021,394. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Library may be obtained from the Library's administrative offices at East Albemarle Regional Library, 205 E. Main Street, Elizabeth City, NC 27909.

Note 17. Jointly Governed Organization

Albemarle Commission

The County, in conjunction with nine other counties and fourteen municipalities, established the Albemarle Commission (Commission) to coordinate funding received from various federal and state agencies. Each participating county appoints four members and each participating municipality appoints two members of the Commission's governing board. The County paid membership fees of \$25,471 to the Commission during the fiscal year ended June 30, 2019.

Government Access Committee

The County, in conjunction with the Towns of Kill Devil Hills, Manteo and Nags Head, established the Government Access Committee to coordinate the use of funding for a government access channel on the local cable television system, as part of a franchise agreement reached in 2001 for cable television service with Charter Communications, which is accounted for in the Government Access (Custodial) Fund. The County paid membership fees of \$1,000 during the fiscal year ended June 30, 2019.

Note 18. Other Relationship

Dare County Board of Education

The governing body of the Dare County Board of Education (Board) is elected by the citizens of the county. It has been determined by the State that the Board is not fiscally dependent on the County and is therefore a primary unit of government. Since North Carolina school systems have no authority to issue long term debt, capital assets of the Board are financed by general obligation bonds and installment purchase contracts issued by the County with the school systems recording all assets (Note 13.C). The County also has budgetary approval over its annual allocation to the Board. However, this allocation represents approximately 38% of the Board's total general operating budget, and the Board is not accountable to the County for its fiscal matters beyond this allocation. Further, the County does not significantly influence the operations of the Board and has no authority to designate its management.

Note 19. Municipal Water Purchase Contracts

On October 18, 1996, the County entered into a forty year water supply agreement with the towns of Kill Devil Hills and Nags Head. The agreement replaced and superseded prior contracts between the parties. Current and future allocations of production capacity remain the same as in the combination of prior contracts. The formula used to determine the wholesale water rate is based upon actual costs and actual distributed gallons from the preceding fiscal year with the new calculated rate going into effect each January 1. The rate formula includes provisions for a reverse osmosis membrane reserve and for capital recovery.

On January 1, 2012, the County entered into a fifteen year agreement with the town of Manteo. The agreement replaced and superseded a prior contract. The Formula used to determine the whole sale rate is the same as is used for the contract discussed in the preceding paragraph for the towns of Kill Devil Hills and Nags Head with the new calculated rate going into effect each July 1.

Note 20. Continuing Disclosure Obligation

The County is required, as a result of the issuance of the County of Dare, North Carolina Limited Obligation Bonds Series 2012B, 2012C, 2012D, 2013, 2014, 2015, 2016A, 2016B, and 2016C, the County of Dare, North Carolina Utilities System Revenue Bonds Series 2009, Series 2011, and Series 2017, to annually make certain disclosures to nationally recognized municipal securities information repositories. These disclosures are accomplished through the use of the comprehensive annual financial report, specifically, the Notes to the Financial Statements, including the following paragraph, Management's Discussion and Analysis, and the Statistical Section. A crosswalk to the comprehensive annual financial report is provided as a part of the disclosure filing.

A. Operating and Capital Budget Procedures

The annual budget serves as the foundation of Dare County's financial planning and control. All agencies and departments of Dare County are required to submit requests to the manager as the budget officer per State law, on or before the last day of February of each year. The manager then uses these requests as the starting point for developing a proposed budget which must be submitted to the Board of Commissioners by each June 1. The Board is required to hold at least one public hearing on the proposed budget and must adopt a final budget by no later than each June 30, the close of the fiscal year. The appropriated budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Dare County, annual budgets are adopted for the General, Special Revenue and Enterprise (except the Water Capital Projects Fund) funds. Multiyear project budgets are adopted for all Capital Project funds. Appropriations in the General Special Revenue and Enterprise (except the water Capital Projects Fund) funds are made at the departmental level and at the project level for all Capital Project funds. For internal accounting purposes, budgetary control is generally maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level generally are not written.

Note 21. Change in Accounting Principle and Restatement of Beginning Net Position

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period* for the fiscal year ended June 30, 2018. The implementation of this statement had no effect on net position.

The County implemented GASB Statement No. 84, *Fiduciary Activities* for the fiscal year ended June 30, 2019. The implementation of this statement increases beginning net position of custodial funds by \$521,582.

The County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* for the fiscal year ended June 30, 2019. The implementation of this statement had no effect on net position.

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The **Required Supplementary Information** contains additional information required by generally accepted accounting principles.

DARE COUNTY, NORTH CAROLINA
Local Governmental Employees' Retirement System
Required Supplementary Information

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

Fiscal Year	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	County's Covered - Employee Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.52%	\$6,248,711	\$30,225,088	20.67%	94.35%
2015	(0.51%)	(\$2,969,632)	\$31,173,290	(9.53%)	102.64%
2016	0.52%	\$2,991,305	\$31,186,322	9.59%	98.09%
2017	0.52%	\$10,854,181	\$32,168,822	33.74%	91.47%
2018	0.50%	\$7,699,840	\$32,765,356	23.50%	94.18%
2019	0.52%	\$12,281,797	\$35,052,202	35.04%	91.63%

Schedule of County Contributions

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
2014	\$2,219,117	\$2,219,117	\$ -	\$31,173,290	7.12%
2015	\$2,224,597	\$2,224,597	\$ -	\$31,186,322	7.13%
2016	\$2,221,472	\$2,221,472	\$ -	\$32,168,822	6.91%
2017	\$2,395,389	\$2,395,389	\$ -	\$32,765,356	7.31%
2018	\$2,621,945	\$2,621,945	\$ -	\$35,052,202	7.48%
2019	\$3,054,378	\$3,054,378	\$ -	\$37,815,297	8.08%

These schedules are presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

DARE COUNTY, NORTH CAROLINA
Register of Deeds' Supplemental Pension Fund
Required Supplementary Information

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

Fiscal Year	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	County's Covered - Employee Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	(0.96%)	(\$205,097)	\$64,717	316.91%	190.50%
2015	(0.94%)	(\$212,945)	\$66,908	318.27%	193.88%
2016	(0.91%)	(\$211,284)	\$67,916	311.10%	197.29%
2017	(0.95%)	(\$177,215)	\$67,916	260.93%	160.17%
2018	(0.90%)	(\$152,773)	\$69,810	218.84%	153.77%
2019	(0.85%)	(\$140,940)	\$70,550	199.77%	153.31%

Schedule of County Contributions

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
2014	\$7,671	\$7,671	\$ -	\$66,908	11.46%
2015	\$7,197	\$7,197	\$ -	\$67,916	10.60%
2016	\$7,774	\$7,774	\$ -	\$67,916	11.45%
2017	\$7,777	\$7,777	\$ -	\$69,810	11.14%
2018	\$7,282	\$7,282	\$ -	\$70,550	10.32%
2019	\$6,795	\$6,795	\$ -	\$59,997	11.33%

These schedules are presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

DARE COUNTY, NORTH CAROLINA
Post Employment Healthcare Benefit Plan
Required Supplementary Information

Schedule of Changes in the Net OPEB Liability and Related Ratios

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 4,491,358	\$ 3,876,642	\$ 4,942,736
Interest	4,213,329	4,865,606	4,784,377
Changes of benefit terms	-	-	-
Differences between expected and actual experience	451,536	(3,512,677)	-
Changes of assumptions	(16,840,511)	18,690,280	(9,748,703)
Benefit payments	(4,401,077)	(4,081,013)	(4,366,566)
Net change in total OPEB liability	(12,085,365)	19,838,838	(4,388,156)
Total OPEB liability - beginning	150,036,651	137,951,286	157,790,124
Total OPEB liability - ending	<u>\$ 137,951,286</u>	<u>\$ 157,790,124</u>	<u>\$ 153,401,968</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,457,542	\$ 4,142,367	\$ 4,428,114
Net investment income	122,069	79,627	83,427
Benefit payments	(4,401,077)	(4,081,013)	(4,366,566)
Net change in plan fiduciary net position	178,534	140,981	144,975
Plan fiduciary net position - beginning	1,104,700	1,283,234	1,424,215
Plan fiduciary net position - ending	<u>\$ 1,283,234</u>	<u>\$ 1,424,215</u>	<u>\$ 1,569,190</u>
County's net OPEB liability - ending	<u>\$ 136,668,052</u>	<u>\$ 156,365,909</u>	<u>\$ 151,832,778</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.93%	0.90%	1.03%
Covered employee payroll	\$ 33,102,916	\$ 34,905,057	\$ 37,736,906
County's net OPEB liability as a percentage of covered payroll	412.86%	447.97%	402.35%

Notes to Schedule:

Changes in assumptions:

2016: A discount rate of 2.85% was used, changed from 7.00%; the Actuarial Cost Method was changed from Projected Unit Credit to Entry Age Normal Level Percentage of Pay; the RP-2014 Mortality Tables were updated to add generational projection with Scale MP-2016; the participation rate was updated from 100% to 85% for active employees hired after June 19, 2007; disability, withdrawal and retirement rates were updated to match those of the December 31, 2015 Actuarial Valuation Report for the LGERS; and annual medical costs per capita were updated to reflect recent experience. For 2017, a discount rate of 3.58% was used, changed from 2.85%, and the estimate of the impact of the ACA excise tax was updated.

2017: The discount rate was updated from 3.58% to 2.98%; the salary increase rate was updated from 5.0% to 4.0% per year; the marriage assumptions were updated from 50% for all participants to 50% for all participants hired prior to June 1, 2007 and 5% for participants hired on or after June 1, 2007; the lapse rate was updated from 0% to 1%; the healthcare trend rate was updated from 7.5% in calendar year 2016 trending down to 4.5% in calendar year 2036 and beyond to 7.5% in calendar year 2018 trending down to 4.5% in calendar year 2038 and beyond; the mortality table scale was updated from MP-2016 to MP-2018; annual medical per capita costs were updated to reflect recent experience; and the impact of the ACA excise tax was estimated and updated.

2018: The discount rate was updated from 2.98% to 3.50%, and the healthcare trend rate was updated for year changes using the same percentages as the prior year.

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

This schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

DARE COUNTY, NORTH CAROLINA
Post Employment Healthcare Benefit Plan
Required Supplementary Information

Schedule of County Contributions and Investment Returns

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Actual employer contribution	4,457,542	4,142,367	4,428,114
Contribution deficiency (excess)	<u>\$ (56,465)</u>	<u>\$ (61,354)</u>	<u>\$ (61,548)</u>
Covered employee payroll	\$ 33,102,916	\$ 34,905,057	\$ 37,736,906
Contributions as a percentage of covered payroll	13.47%	11.87%	11.73%
Annual money-weighted rate of return, net of investment expense	10.53%	5.93%	5.62%

Notes to Schedule:

Valuation date: As of January 1, six months prior to the end of the year for which the eligibility is reported.

Methods and assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Years until assumed eligible retirement
Asset valuation method	Fair value of assets
Inflation	2.50 percent
Healthcare cost trend rates	7.50 percent initial, decreasing to ultimate rate of 4.50 percent (2038)
Salary increases	4.00 percent
Investment rate of return	7.0 percent, net of OPEB plan investment expense, including inflation
Changes in assumptions	2016: A discount rate of 2.85% was used, changed from 7.00%; the Actuarial Cost Method was changed from Projected Unit Credit to Entry Age Normal Level Percentage of Pay; the RP 2014 Mortality Tables were updated to add generational projection with Scale MP-2016; the participation rate was updated from 100% to 85% for active employees hired after June 19, 2007; disability, withdrawal and retirement rates were updated to match those of the December 31, 2015 Actuarial Valuation Report for the LGERS; and annual medical costs per capita were updated to reflect recent experience. For 2017, a discount rate of 3.58% was used, changed from 2.85%, and the estimate of the impact of the ACA excise tax was updated.
Changes in assumptions	2017: The discount rate was updated from 3.58% to 2.98%; the salary increase rate was updated from 5.0% to 4.0% per year; the marriage assumptions were updated from 50% for all participants to 50% for all participants hired prior to June 1, 2007 and 5% for participants hired on or after June 1, 2007; the lapse rate was updated from 0% to 1%; the healthcare trend rate was updated from 7.5% in calendar year 2016 trending down to 4.5% in calendar year 2036 and beyond to 7.5% in calendar year 2018 trending down to 4.5% in calendar year 2038 and beyond; the mortality table scale was updated from MP-2016 to MP-2018; annual medical per capita costs were updated to reflect recent experience; and the impact of the ACA excise tax was estimated and updated.
Changes in assumptions	2018: The discount rate was updated from 2.98% to 3.50%, and the healthcare trend rate was updated for year changes using the same percentages as the prior year.

This schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

DARE COUNTY, NORTH CAROLINA
Required Supplementary Information
Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in Total Pension Liability

	2017	2018	2019
Beginning balance	\$ 2,390,611	\$ 2,347,298	\$ 2,405,458
Service Cost	87,974	80,972	93,803
Interest on the total pension liability	82,460	87,348	73,117
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(79,307)	1,428
Changes of assumptions	(52,131)	137,924	(85,867)
Benefit payments	(161,616)	(168,777)	(183,253)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 2,347,298</u>	<u>\$ 2,405,458</u>	<u>\$ 2,304,686</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2017	2018	2019
Total pension liability	\$ 2,347,298	\$ 2,405,458	\$ 2,304,686
Covered payroll	\$ 3,323,502	\$ 3,476,306	\$ 3,611,822
Total pension liability as a percentage of covered payroll	70.63%	69.20%	63.81%

Notes to Schedules:

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

This schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

The **General Fund** is the County's primary operating fund and is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The **General Fund** is a major fund.

The **Disaster Recovery Fund** accounts for revenues and disbursements for the recovery from natural disasters. The **Disaster Recovery Fund** is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated into the **General Fund**.

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance	2018
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ 62,418,806	\$ 62,643,448	\$ 224,642	\$ 61,741,002
Prior years taxes	549,450	772,816	223,366	830,216
Penalties, interest and advertising	118,000	157,733	39,733	164,153
Total	<u>63,086,256</u>	<u>63,573,997</u>	<u>487,741</u>	<u>62,735,371</u>
Other taxes:				
Local option sales taxes	20,719,800	20,899,007	179,207	20,056,532
Occupancy tax	4,739,600	4,900,969	161,369	4,745,880
Video programming distribution	116,000	110,887	(5,113)	113,696
Total	<u>25,575,400</u>	<u>25,910,863</u>	<u>335,463</u>	<u>24,916,108</u>
Unrestricted intergovernmental:				
State medicaid hold harmless	-	145,964	145,964	-
Beer and wine tax	80,000	77,848	(2,152)	77,045
Payments in lieu of taxes	175,000	277,885	102,885	248,648
ABC mixed beverage tax	41,000	43,448	2,448	41,352
ABC law enforcement	12,000	12,000	-	12,000
ABC rehabilitation	93,000	97,933	4,933	93,031
ABC profits	615,000	662,410	47,410	634,563
Game and wildlife fees	13,000	14,405	1,405	13,595
Scrap tire tax distribution	45,000	51,091	6,091	48,600
Solid waste disposal tax	14,000	16,734	2,734	14,736
Total	<u>1,088,000</u>	<u>1,399,718</u>	<u>311,718</u>	<u>1,183,570</u>
Restricted intergovernmental:				
State and federal grants	5,271,066	5,501,167	230,101	5,141,793
Equitable sharing of federally forfeited property	23,776	16,286	(7,490)	8,334
ABC bottle tax	44,000	44,327	327	44,586
Controlled substance tax	16,750	16,662	(88)	20,406
Court facility fees	115,500	91,512	(23,988)	103,480
Electronics management program reimbursement	3,000	2,293	(707)	-
Total	<u>5,474,092</u>	<u>5,672,247</u>	<u>198,155</u>	<u>5,318,599</u>
Permits and fees:				
Environmental fees	440,400	403,760	(36,640)	457,140
Tax collections fees	537,014	531,256	(5,758)	539,435
Register of deeds fees	1,047,500	1,122,280	74,780	1,121,027
Sheriff fees	13,500	22,973	9,473	23,746
Building permits	375,000	484,277	109,277	449,232
Planning and development fees	18,000	12,085	(5,915)	21,964
Total	<u>2,431,414</u>	<u>2,576,631</u>	<u>145,217</u>	<u>2,612,544</u>

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sales and services:				
Social services revenues	155,664	162,545	6,881	182,400
Health fees	3,032,981	2,223,780	(809,201)	2,847,688
Election fees	-	-	-	23,520
Tax mapping fees	100	140	40	137
Sheriff fees	723,673	109,870	(613,803)	110,633
Jail fees	358,600	592,595	233,995	527,598
Emergency medical services fees	4,761,250	4,899,268	138,018	5,039,501
Recreation fees	231,000	244,922	13,922	238,506
Dare County Center revenues	132,300	34,866	(97,434)	63,074
Thomas A. Baum Senior Center revenues	28,100	14,068	(14,032)	22,993
Transportation revenues	66,000	70,439	4,439	51,587
Recycling revenues	55,000	71,897	16,897	74,251
Total	<u>9,544,668</u>	<u>8,424,390</u>	<u>(1,120,278)</u>	<u>9,181,888</u>
Investment income:				
Interest	-	1,086,347	-	594,685
Net increase (decrease) in the fair value of investments	-	74,421	-	(82,420)
Total	<u>364,500</u>	<u>1,160,768</u>	<u>796,268</u>	<u>512,265</u>
Other revenue:				
Grants, donations and contributions	498,163	454,976	(43,187)	197,167
Miscellaneous	350,334	328,994	(21,340)	295,751
Total	<u>848,497</u>	<u>783,970</u>	<u>(64,527)</u>	<u>492,918</u>
Total revenues	<u>108,412,827</u>	<u>109,502,584</u>	<u>1,089,757</u>	<u>106,953,263</u>
EXPENDITURES				
General government:				
Governing body:				
Salaries and employee benefits	-	226,403	-	194,485
Other operating expenditures	-	33,193	-	32,114
Administration	-	(56,048)	-	(57,683)
Total	<u>219,578</u>	<u>203,548</u>	<u>16,030</u>	<u>168,916</u>
County manager:				
Salaries and employee benefits	-	394,378	-	389,532
Other operating expenditures	-	26,190	-	24,489
Administration	-	(46,316)	-	(47,132)
Total	<u>378,639</u>	<u>374,252</u>	<u>4,387</u>	<u>366,889</u>
Public relations:				
Salaries and employee benefits	-	195,427	-	185,133
Other operating expenditures	-	44,034	-	39,951
Administration	-	(33,430)	-	(33,883)
Government Access Committee	-	55,054	-	54,515
Total	<u>273,636</u>	<u>261,085</u>	<u>12,551</u>	<u>245,716</u>

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		2018
	Final Budget	Actual	Variance Positive (Negative) Actual
Elections:			
Salaries and employee benefits	-	172,477	- 156,359
Other operating expenditures	-	147,889	- 103,089
Total	400,462	320,366	80,096 259,448
Finance:			
Salaries and employee benefits	-	877,543	- 836,639
Other operating expenditures	-	96,020	- 102,146
Administration	-	(165,302)	- (154,880)
Total	886,530	808,261	78,269 783,905
Human resources:			
Salaries and employee benefits	-	362,450	- 348,032
Other operating expenditures	-	91,921	- 101,779
Administration	-	(64,015)	- (60,503)
Total	417,243	390,356	26,887 389,308
Information technology:			
Salaries and employee benefits	-	897,456	- 769,906
Other operating expenditures	-	534,606	- 527,102
Administration	-	(156,559)	- (142,961)
Total	1,314,414	1,275,503	38,911 1,154,047
Tax mapping:			
Salaries and employee benefits	-	299,512	- 287,628
Other operating expenditures	-	19,592	- 19,827
Capital outlay	-	6,908	- -
Total	332,503	326,012	6,491 307,455
Revaluation:			
Salaries and employee benefits	-	1,031,452	- 972,336
Other operating expenditures	-	150,323	- 170,381
Capital outlay	-	25,982	- 14,888
Total	1,235,837	1,207,757	28,080 1,157,605
Business personal tax:			
Salaries and employee benefits	-	232,598	- 228,789
Other operating expenditures	-	61,372	- 57,318
Total	302,001	293,970	8,031 286,107
Tax collections and listings:			
Salaries and employee benefits	-	298,965	- 316,277
Other operating expenditures	-	186,555	- 210,433
Total	532,220	485,520	46,700 526,710

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Realty transfer tax:				
Salaries and employee benefits	-	77,815	-	73,016
Other operating expenditures	-	6	-	228
Total	78,394	77,821	573	73,244
Occupancy tax:				
Salaries and employee benefits	-	37,265	-	32,785
Other operating expenditures	-	3,922	-	5,438
Total	41,664	41,187	477	38,223
Prepared foods tax:				
Salaries and employee benefits	-	45,038	-	40,860
Other operating expenditures	-	2,803	-	2,697
Total	48,830	47,841	989	43,557
Register of deeds:				
Salaries and employee benefits	-	457,695	-	436,187
Other operating expenditures	-	63,487	-	66,703
Total	543,440	521,182	22,258	502,890
Facilities maintenance:				
Salaries and employee benefits	-	879,370	-	827,167
Other operating expenditures	-	347,691	-	334,245
Administration	-	(84,851)	-	(85,801)
Capital outlay	-	218,705	-	82,289
Total	1,481,479	1,360,915	120,564	1,157,900
Grounds maintenance:				
Salaries and employee benefits	-	747,775	-	289,401
Other operating expenditures	-	123,946	-	56,849
Capital outlay	-	74,471	-	15,815
Total	980,239	946,192	34,047	362,065
General services:				
Salaries and employee benefits	-	306,740	-	302,152
Other operating expenditures	-	309,126	-	314,411
Administration	-	(17,291)	-	(16,295)
Capital outlay	-	60,481	-	85,701
Total	687,695	659,056	28,639	685,969
Non-departmental:				
Salaries and employee benefits-longevity	-	398,441	-	366,182
Salaries and employee benefits-retiree health	-	819,750	-	753,500
Salaries and employee benefits-health plan stop loss	-	508,830	-	-

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Other operating expenditures	-	696,418	-	563,505
Administration	-	(326,372)	-	(283,945)
Total	2,183,766	2,097,067	86,699	1,399,242
Total general government	12,338,570	11,697,891	640,679	9,909,196
Public safety:				
Sheriff:				
Salaries and employee benefits	-	5,817,960	-	5,763,043
Other operating expenditures	-	1,114,469	-	1,071,800
Capital outlay	-	381,293	-	363,907
Total	7,436,797	7,313,722	123,075	7,198,750
Detention Center:				
Salaries and employee benefits	-	3,044,283	-	3,009,065
Other operating expenditures	-	1,173,552	-	1,148,112
Capital outlay	-	-	-	31,864
Total	4,385,421	4,217,835	167,586	4,189,041
Communications:				
Salaries and employee benefits	-	1,761,544	-	1,796,677
Other operating expenditures	-	803,663	-	776,071
Total	2,669,619	2,565,207	104,412	2,572,748
Courts:				
Salaries and employee benefits	-	100,076	-	102,396
Other operating expenditures	-	452,670	-	419,526
Total	556,546	552,746	3,800	521,922
Emergency medical services:				
Salaries and employee benefits	-	10,664,984	-	9,070,575
Other operating expenditures	-	1,558,192	-	1,526,449
Capital outlay	-	749,514	-	669,794
Total	14,092,157	12,972,690	1,119,467	11,266,818
Emergency medical helicopter:				
Salaries and employee benefits	-	1,036,301	-	1,016,740
Other operating expenditures	-	477,756	-	513,449
Total	1,530,497	1,514,057	16,440	1,530,189
Emergency management:				
Salaries and employee benefits	-	310,148	-	308,826
Other operating expenditures	-	206,361	-	219,490
Assistance to local fire department	-	-	-	13,050
Capital outlay	-	-	-	16,157
Total	612,373	516,509	95,864	557,523

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Emergency operations center:				
Other operating expenditures	226,417	181,516	44,901	173,727
Animal shelter:				
Other operating expenditures	-	9,742	-	13,689
Outer Banks SPCA	-	384,293	-	384,293
Total	397,470	394,035	3,435	397,982
Total public safety	31,907,297	30,228,317	1,678,980	28,408,700
Economic and physical development:				
Planning:				
Salaries and employee benefits	-	779,176	-	757,358
Other operating expenditures	-	131,167	-	161,892
Capital outlay	-	28,252	-	25,737
Total	1,020,434	938,595	81,839	944,987
Grants and waterways:				
Salaries and employee benefits	-	22,093	-	88,434
Other operating expenditures	-	3,036	-	11,652
Total	79,114	25,129	53,985	100,086
Cooperative extension service:				
Personnel	-	159,758	-	145,458
Other operating expenditures	-	39,563	-	35,116
Total	205,098	199,321	5,777	180,574
Soil and water conservation:				
Salaries and employee benefits	-	50,394	-	-
Other operating expenditures	-	6,164	-	-
Total	62,780	56,558	6,222	-
Total economic and physical development	1,367,426	1,219,603	147,823	1,225,647
Human services:				
Health:				
Administration:				
Salaries and employee benefits	-	375,164	-	340,244
Other operating expenditures	-	380,635	-	354,062
Capital outlay	-	67,640	-	-
Total	-	823,439	-	694,306
Adult health:				
Salaries and employee benefits	-	225,277	-	237,509
Other operating expenditures	-	127,808	-	107,843
Capital outlay	-	2,707	-	-
Total	-	355,792	-	345,352

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Communicable disease:				
Salaries and employee benefits	-	266,694	-	303,985
Other operating expenditures	-	12,063	-	12,883
Total	-	278,757	-	316,868
Public health emergency preparedness:				
Salaries and employee benefits	-	39,331	-	29,249
Other operating expenditures	-	2,635	-	4,359
Total	-	41,966	-	33,608
CPR:				
Salaries and employee benefits	-	11,890	-	7,154
Other operating expenditures	-	1,492	-	1,969
Total	-	13,382	-	9,123
Environmental health:				
Salaries and employee benefits	-	359,126	-	345,650
Other operating expenditures	-	31,740	-	30,658
Capital outlay	-	22,303	-	-
Total	-	413,169	-	376,308
Food and lodging inspections:				
Salaries and employee benefits	-	303,912	-	305,065
Other operating expenditures	-	25,516	-	17,437
Capital outlay	-	-	-	13,710
Total	-	329,428	-	336,212
Private well program:				
Salaries and employee benefits	-	161	-	915
Other operating expenditures	-	335	-	48
Total	-	496	-	963
Maternal health:				
Salaries and employee benefits	-	324,387	-	353,309
Other operating expenditures	-	35,388	-	41,731
Capital outlay	-	3,048	-	-
Total	-	362,823	-	395,040
Pregnancy care management:				
Salaries and employee benefits	-	82,526	-	80,304
Other operating expenditures	-	1,778	-	1,765
Total	-	84,304	-	82,069

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Community Care Plan of Eastern Carolina:				
Salaries and employee benefits	-	82,508	-	89,802
Other operating expenditures	-	2,442	-	2,915
Total	-	84,950	-	92,717
Mammograms/ultrasounds:				
Salaries and employee benefits	-	2	-	1,342
Other operating expenditures	-	23,202	-	28,726
Capital outlay	-	2,000	-	-
Total	-	25,204	-	30,068
Community health:				
Salaries and employee benefits	-	42,612	-	-
Other operating expenditures	-	93,010	-	-
Total	-	135,622	-	-
Family planning:				
Salaries and employee benefits	-	385,219	-	415,165
Other operating expenditures	-	56,266	-	89,523
Total	-	441,485	-	504,688
Peer Power:				
Salaries and employee benefits	-	135,263	-	158,380
Other operating expenditures	-	3,923	-	5,021
Total	-	139,186	-	163,401
Care coordination for children:				
Salaries and employee benefits	-	76,633	-	84,796
Other operating expenditures	-	2,782	-	2,297
Total	-	79,415	-	87,093
Child health:				
Salaries and employee benefits	-	142,440	-	128,056
Other operating expenditures	-	18,252	-	19,546
Total	-	160,692	-	147,602
Health check:				
Salaries and employee benefits	-	42,583	-	46,031
Other operating expenditures	-	1,336	-	1,765
Total	-	43,919	-	47,796
School health:				
Salaries and employee benefits	-	757,335	-	738,985
Other operating expenditures	-	4,750	-	4,606
Total	-	762,085	-	743,591

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Mobile dental unit:				
Salaries and employee benefits	-	12,200	-	38,819
Other operating expenditures	-	612	-	965
Total	-	12,812	-	39,784
Telepsychiatry consultation services:				
Other operating expenditures	-	27,002	-	12,822
Women, infants, and children client services:				
Salaries and employee benefits	-	131,266	-	129,667
Other operating expenditures	-	7,504	-	2,462
Total	-	138,770	-	132,129
Women, infants, and children nutrition education:				
Salaries and employee benefits	-	42,593	-	44,180
Other operating expenditures	-	259	-	626
Total	-	42,852	-	44,806
Women, infants, and children general administration:				
Salaries and employee benefits	-	18,274	-	23,728
Other operating expenditures	-	325	-	3
Total	-	18,599	-	23,731
Women, infants, and children breastfeeding promotion:				
Salaries and employee benefits	-	25,626	-	22,286
Other operating expenditures	-	1,303	-	333
Total	-	26,929	-	22,619
Smart Start baby link:				
Salaries and employee benefits	-	97,250	-	93,517
Other operating expenditures	-	3,979	-	3,729
Total	-	101,229	-	97,246
Breast and cervical cancer program:				
Salaries and employee benefits	-	45,306	-	60,061
Other operating expenditures	-	20,583	-	28,708
Total	-	65,889	-	88,769
Healthy communities:				
Salaries and employee benefits	-	48,244	-	86,778
Other operating expenditures	-	9,673	-	14,176
Total	-	57,917	-	100,954

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Diabetes:				
Salaries and employee benefits	-	120,415	-	99,810
Other operating expenditures	-	1,626	-	2,806
Total	-	122,041	-	102,616
Home health:				
Salaries and employee benefits	-	1,098,004	-	1,138,176
Other operating expenditures	-	215,497	-	190,853
Total	-	1,313,501	-	1,329,029
Hospice:				
Salaries and employee benefits	-	467,607	-	449,695
Other operating expenditures	-	189,893	-	180,910
Capital outlay	-	-	-	8,904
Total	-	657,500	-	639,509
Hospice donations:				
Salaries and employee benefits	-	51,681	-	55,963
Other operating expenditures	-	2,120	-	4,291
Total	-	53,801	-	60,254
Partnerships to improve community health:				
Salaries and employee benefits	-	-	-	23
Other operating expenditures	-	5,550	-	5,231
Total	-	5,550	-	5,254
Substance abuse program:				
Salaries and employee benefits	-	158,991	-	156,917
Other operating expenditures	-	11,166	-	20,350
Trillium Health Resources	-	340,000	-	340,000
Total	-	510,157	-	517,267
Drug court diversion program:				
NC Administrative Office of the Courts	-	20,370	-	-
Trillium projects:				
Salaries and employee benefits	-	44,225	-	-
Other operating expenditures	-	40,666	-	-
Total	-	84,891	-	-
Opioid crisis:				
Salaries and employee benefits	-	48,071	-	-
Other operating expenditures	-	33,305	-	-
Total	-	81,376	-	-
Total health	8,885,302	7,917,300	968,002	7,623,594

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Social services:				
Administration:				
Salaries and employee benefits	-	5,555,094	-	5,078,619
Other operating expenditures	-	616,342	-	632,876
Capital outlay	-	118,826	-	157,956
Total	-	6,290,262	-	5,869,451
Family services:				
Other operating expenditures	-	412,396	-	421,413
Economic independence:				
Other operating expenditures	-	264,243	-	231,763
Child welfare:				
Other operating expenditures	-	439,501	-	483,341
Aged, blind, and disabled:				
Other operating expenditures	-	44,627	-	47,314
Employment:				
Other operating expenditures	-	564	-	1,138
Child support services:				
Other operating expenditures	-	254,543	-	252,145
In-home services:				
Salaries and employee benefits	-	912,491	-	983,719
Other operating expenditures	-	49,108	-	59,356
Total	-	961,599	-	1,043,075
Total social services	9,528,211	8,667,735	860,476	8,349,640
Health and human services central administration:				
Salaries and employee benefits	-	150,649	-	470,902
Other operating expenditures	-	113,783	-	197,438
Capital outlay	-	-	-	13,010
Total central administration	265,671	264,432	1,239	681,350
Mental health:				
Other operating expenditures	-	10,958	-	11,808
Trillium Health Resources	-	71,040	-	71,040
Total mental health	82,040	81,998	42	82,848

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Veterans service:				
Salaries and employee benefits	-	31,379	-	21,947
Other operating expenditures	-	766	-	1,534
Veterans Advisory Committee	-	1,457	-	965
Total veterans service	34,935	33,602	1,333	24,446
Total human services	18,796,159	16,965,067	1,831,092	16,761,878
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	-	1,401,931	-	1,814,356
Other operating expenditures	-	710,772	-	930,914
Capital outlay	-	64,183	-	57,744
Total	2,285,066	2,176,886	108,180	2,803,014
Libraries:				
Salaries and employee benefits	-	851,685	-	827,398
Other operating expenditures	-	169,709	-	155,642
Total	1,047,804	1,021,394	26,410	983,040
Dare County Center:				
Salaries and employee benefits	-	335,853	-	321,210
Other operating expenditures	-	151,092	-	203,646
Total	591,819	486,945	104,874	524,856
Thomas A. Baum Senior Center:				
Salaries and employee benefits	-	375,360	-	359,451
Other operating expenditures	-	58,651	-	76,481
Capital outlay	-	5,821	-	-
Total	483,505	439,832	43,673	435,932
Transportation:				
Salaries and employee benefits	-	386,250	-	394,302
Other operating expenditures	-	155,365	-	158,298
Capital outlay	-	190,017	-	-
Total	765,293	731,632	33,661	552,600
Youth services:				
Salaries and employee benefits	-	148,386	-	139,310
Other operating expenditures	-	73,953	-	76,909
Total	224,400	222,339	2,061	216,219
Total cultural and recreational	5,397,887	5,079,028	318,859	5,515,661

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Environmental protection:				
Recycling:				
Salaries and employee benefits	-	500,833	-	541,550
Other operating expenditures	-	290,892	-	307,344
Capital outlay	-	44,826	-	53,661
Total	<u>1,048,739</u>	<u>836,551</u>	<u>212,188</u>	<u>902,555</u>
Solid waste management:				
Salaries and employee benefits	-	332,121	-	413,545
Other operating expenditures	-	79,384	-	25,394
Total	<u>509,820</u>	<u>411,505</u>	<u>98,315</u>	<u>438,939</u>
Landfill dirt pit:				
Salaries and employee benefits	-	57,671	-	58,887
Other operating expenditures	-	43,676	-	27,175
Capital outlay	-	43,628	-	-
Total	<u>160,192</u>	<u>144,975</u>	<u>15,217</u>	<u>86,062</u>
Transfer sites:				
Salaries and employee benefits	-	381,817	-	344,353
Other operating expenditures	-	275,567	-	326,433
Capital outlay	-	5,800	-	-
Total	<u>776,187</u>	<u>663,184</u>	<u>113,003</u>	<u>670,786</u>
Wastewater treatment plants:				
Other operating expenditures	-	45,928	-	34,083
Capital outlay	-	28,249	-	-
Total	<u>77,735</u>	<u>74,177</u>	<u>3,558</u>	<u>34,083</u>
Mosquito control:				
Salaries and employee benefits	-	172,548	-	157,990
Other operating expenditures	-	237,242	-	226,589
Capital outlay	-	32,270	-	23,450
Total	<u>479,712</u>	<u>442,060</u>	<u>37,652</u>	<u>408,029</u>
Total environmental protection	<u>3,052,385</u>	<u>2,572,452</u>	<u>479,933</u>	<u>2,540,454</u>
Education:				
Dare County Board of Education:				
Other operating expenditures	-	1,538	-	1,553
Local current expense	-	22,533,002	-	21,769,791
Deferred maintenance	-	585,981	-	531,228
Total	<u>24,783,680</u>	<u>23,120,521</u>	<u>1,663,159</u>	<u>22,302,572</u>

(continued)

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
College of the Albemarle:				
Other operating expenditures	-	44,563	-	43,105
Local current expense	-	427,578	-	423,578
Total	555,929	472,141	83,788	466,683
Total education	25,339,609	23,592,662	1,746,947	22,769,255
Transportation:				
Dare County Airport Authority:				
Contribution to regional airport	816,564	813,859	2,705	763,061
Total transportation	816,564	813,859	2,705	763,061
Debt service:				
Principal retirement	-	13,435,633	-	13,194,064
Interest and other charges	-	3,531,561	-	3,901,148
Total debt service	16,984,717	16,967,194	17,523	17,095,212
Total expenditures	116,000,614	109,136,073	6,864,541	104,989,064
Revenues over (under) expenditures	(7,587,787)	366,511	7,954,298	1,964,199
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special revenue funds	750,000	750,000	-	750,000
Capital projects funds	2,083,473	2,083,473	-	1,958,859
Transfer from component unit (Airport)	-	-	-	132,152
Transfers to other funds:				
School capital project fund	(300,000)	(300,000)	-	(250,000)
Special revenue funds	(100,000)	(100,000)	-	(236,082)
Capital projects funds	-	-	-	-
Installment financing proceeds	1,528,866	1,528,866	-	1,459,336
Sale of surplus property	85,000	179,025	94,025	125,856
Appropriated fund balance	3,540,448	-	(3,540,448)	-
Total other financing sources (uses)	7,587,787	4,141,364	(3,446,423)	3,940,121
Net change in fund balance	\$ -	4,507,875	\$ 4,507,875	5,904,320
Fund balance-beginning		39,471,602		33,567,282
Fund balance-ending		<u>\$ 43,979,477</u>		<u>\$ 39,471,602</u>

DARE COUNTY, NORTH CAROLINA
Disaster Recovery Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
State and federal aid	\$ 142,090	\$ 346,602	\$ 204,512	\$ 133,205
Investment income:				
Interest	-	11,578	-	725
Net increase (decrease) in the fair value of investments	-	805	-	(103)
Total investment income	1,500	12,383	10,883	622
Other revenue:				
Insurance recoveries	-	37,817	37,817	22,516
Miscellaneous	-	45,938	45,938	-
Total other revenue	-	83,755	83,755	22,516
Total revenues	143,590	442,740	299,150	156,343
EXPENDITURES				
Public safety:				
Hurricane Matthew	5,525	5,513	(12)	79,381
Rainwater pumping	46,685	46,683	(2)	-
Hurricane Florence	92,350	92,346	(4)	-
Tropical storm Michael	38,055	38,043	(12)	-
Emergency operations	65,000	-	(65,000)	74,099
Other operating expenditures	9,161	9,160	(1)	8,724
Total economic development	256,776	191,745	(65,031)	162,204
Total expenditures	256,776	191,745	(65,031)	162,204
Revenues over (under) expenditures	(113,186)	250,995	364,181	(5,861)
OTHER FINANCING SOURCES				
Appropriated fund balance	113,186	-	(113,186)	-
Total other financing sources	113,186	-	(113,186)	-
Revenues and other financing sources over (under) expenditures	\$ -	250,995	\$ 250,995	(5,861)
Fund balance-beginning		606,355		612,216
Fund balance-ending		\$ 857,350		\$ 606,355

Other Major Governmental Funds

The **Beach Nourishment Fund** accounts for the revenues and expenditures for the County's beach nourishment project, including the proceeds of a 2% occupancy tax restricted to that purpose.

The **Capital Projects Fund** accounts for funds used for the acquisition, construction or improvement of various capital equipment and facilities.

DARE COUNTY, NORTH CAROLINA
Beach Nourishment Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ -	\$ 107,175	\$ -	\$ 105,165
Prior years taxes	-	3,577	-	265
Penalties and interest	-	454	-	135
Total ad valorem taxes	<u>100,000</u>	<u>111,206</u>	<u>11,206</u>	<u>105,565</u>
Other taxes:				
Sales taxes	-	45	-	-
Occupancy taxes	-	10,214,436	-	9,890,970
Total other taxes	<u>9,973,328</u>	<u>10,214,481</u>	<u>241,153</u>	<u>9,890,970</u>
Investment income:				
Interest	-	738,474	-	376,564
Net increase (decrease) in the fair value of investments	-	51,244	-	(53,169)
Total investment income	<u>432,397</u>	<u>789,718</u>	<u>357,321</u>	<u>323,395</u>
Other revenue:				
Miscellaneous	-	35,137	35,137	-
Total revenues	<u>10,505,725</u>	<u>11,150,542</u>	<u>644,817</u>	<u>10,319,930</u>
EXPENDITURES				
Economic and physical development:				
Payments to municipalities	-	1,818,948	-	1,730,897
Other operating expenditures	-	75,550	-	10,288
Total economic and physical development	<u>2,535,503</u>	<u>1,894,498</u>	<u>641,005</u>	<u>1,741,185</u>
Debt service:				
Principal retirement	-	6,855,000	-	4,915,000
Interest and other charges	-	652,870	-	498,087
Total debt service	<u>7,507,871</u>	<u>7,507,870</u>	<u>1</u>	<u>5,413,087</u>
Total expenditures	<u>10,043,374</u>	<u>9,402,368</u>	<u>641,006</u>	<u>7,154,272</u>
Revenues over expenditures	<u>462,351</u>	<u>1,748,174</u>	<u>1,285,823</u>	<u>3,165,658</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Capital projects fund	-	1,297,596	1,297,596	-
Transfers to other funds:				
Inlet maintenance fund	(3,000,000)	(864)	2,999,136	(1,100,043)
Appropriated fund balance	2,537,649	-	(2,537,649)	-
Total other financing sources (uses)	<u>(462,351)</u>	<u>1,296,732</u>	<u>1,759,083</u>	<u>(1,100,043)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>3,044,906</u>	<u>\$ 3,044,906</u>	<u>2,065,615</u>
Fund balance-beginning		26,452,948		24,387,333
Fund balance-ending		<u>\$ 29,497,854</u>		<u>\$ 26,452,948</u>

DARE COUNTY, NORTH CAROLINA
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Roanoke trails project:					
Restricted intergovernmental	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Other revenues	127,407	127,407	-	127,407	-
Total	<u>377,407</u>	<u>377,407</u>	<u>-</u>	<u>377,407</u>	<u>-</u>
Soil and water conservation district stream debris removal:					
Restricted intergovernmental	227,869	-	44,000	44,000	(183,869)
Manteo channel dredging project:					
Restricted intergovernmental	1,919,000	-	6,996	6,996	(1,912,004)
Regional emergency communications center and emergency operations center:					
Restricted intergovernmental	7,002,795	7,002,795	-	7,002,795	-
Rodanthe beach access:					
Restricted intergovernmental	130,000	102,101	-	102,101	(27,899)
Other revenues	350,000	350,000	-	350,000	-
Total	<u>480,000</u>	<u>452,101</u>	<u>-</u>	<u>452,101</u>	<u>(27,899)</u>
Outer banks scenic byway pathways:					
Other revenues	23,687	23,687	-	23,687	-
Outer banks scenic byway interpretive:					
Restricted intergovernmental	212,000	70,014	-	70,014	(141,986)
Other revenues	53,000	26,500	-	26,500	(26,500)
Total	<u>265,000</u>	<u>96,514</u>	<u>-</u>	<u>96,514</u>	<u>(168,486)</u>
Salvo cemetery improvements:					
Restricted intergovernmental	162,000	104,562	6,623	111,185	(50,815)
Beach nourishment town projects:					
Other revenues	23,027,601	22,964,173	-	22,964,173	(63,428)
Hazard mitigation grant program phase I:					
Restricted intergovernmental	2,550,860	2,037,970	-	2,037,970	(512,890)
Investment income:					
Interest	3,126	299,125	206,441	505,566	502,440
Total revenues	<u>36,039,345</u>	<u>33,358,334</u>	<u>264,060</u>	<u>33,622,394</u>	<u>(2,416,951)</u>
EXPENDITURES					
Capital outlay:					
General government:					
Computer aided mass appraisal system:					
Software and equipment	390,000	338,411	-	338,411	51,589
Rodanthe beach access:					
Land improvements	883,853	808,731	-	808,731	75,122
Buildings and grounds projects 2015:					
Maintenance and improvements	43,370	28,321	15,049	43,370	-
Buildings and grounds projects 2016:					
Maintenance and improvements	116,500	109,332	7,168	116,500	-
Buildings and grounds projects:					
Maintenance and improvements	320,781	181,336	116,047	297,383	23,398
Election voting machines:					
Equipment	233,460	125,683	11,609	137,292	96,168
Oblique aerial photography:					
Professional services	170,094	42,965	70,765	113,730	56,364
Information technology Vsan servers:					
Equipment	275,000	-	247,993	247,993	27,007
Downtown manteo redevelopment:					
Demolition and improvements	178,244	-	-	-	178,244
Manteo property:					
Acquisition	712,500	-	712,337	712,337	163
Maintenance and improvements	287,500	-	18,400	18,400	269,100
Total	<u>1,000,000</u>	<u>-</u>	<u>730,737</u>	<u>730,737</u>	<u>269,263</u>
Buxton property:					
Acquisition	325,000	-	-	-	325,000
Total general government	<u>3,936,302</u>	<u>1,634,779</u>	<u>1,199,368</u>	<u>2,834,147</u>	<u>1,102,155</u>

(continued)

DARE COUNTY, NORTH CAROLINA
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Public safety:					
Regional emergency communications center and emergency operations center:					
Architect	686,293	704,197	-	704,197	(17,904)
Facility costs	14,378,975	14,112,708	155,026	14,267,734	111,241
Financing costs	162,141	154,058	-	154,058	8,083
Total	15,227,409	14,970,963	155,026	15,125,989	101,420
Emergency medical services helicopter:					
Equipment	9,263,800	9,245,610	1,500	9,247,110	16,690
Financing costs	86,633	86,633	-	86,633	-
Total	9,350,433	9,332,243	1,500	9,333,743	16,690
Emergency medical services cardiac monitoring system:					
Equipment	1,099,973	1,099,973	-	1,099,973	-
Financing costs	10,902	10,902	-	10,902	-
Total	1,110,875	1,110,875	-	1,110,875	-
Emergency medical services power stretchers:					
Equipment	57,184	53,795	-	53,795	3,389
Detention center HVAC units:					
Equipment	310,500	119,716	89,838	209,554	100,946
Emergency medical services portable radios:					
Equipment	226,298	98,725	116,562	215,287	11,011
Emergency medical services regulatory compliance equipment:					
Equipment	134,850	129,422	-	129,422	5,428
Emergency medical services suction infusion pumps:					
Equipment	108,000	52,228	-	52,228	55,772
Justice center HVAC unit:					
Equipment	935,614	935,614	-	935,614	-
Financing costs	5,000	4,800	200	5,000	-
Total	940,614	940,414	200	940,614	-
Salvo community cemetery:					
Land improvements	162,000	104,562	5,089	109,651	52,349
Emergency medical services facilities:					
Maintenance and improvements	267,000	122,547	61,619	184,166	82,834
Law enforcement and emergency management portable radios:					
Equipment	900,593	-	898,393	898,393	2,200
Justice center audio-visual systems:					
Equipment	150,000	-	127,064	127,064	22,936
Animal shelter building:					
Architect	280,540	-	74,109	74,109	206,431
Hazard mitigation grant program phase I:					
Home elevation	2,550,860	1,940,722	-	1,940,722	610,138
Total public safety	31,777,156	28,976,212	1,529,400	30,505,612	1,271,544
Economic and physical development:					
Dredging local costs:					
Dredging and public access	120,000	3,769	22,475	26,244	93,756
Soil and water conservation district stream debris removal:					
Maintenance	227,869	-	44,000	44,000	183,869
Manteo channel dredging project:					
Dredging and public access	1,919,000	-	6,996	6,996	1,912,004
Duck beach nourishment:					
Design and construction	14,227,701	13,501,049	29,729	13,530,778	696,923
Kill devil hills beach nourishment:					
Design and construction	9,039,168	8,823,279	104,400	8,927,679	111,489

(continued)

DARE COUNTY, NORTH CAROLINA
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Kitty hawk beach nourishment:					
Design and construction	19,237,310	18,753,509	3,711	18,757,220	480,090
Southern shores beach nourishment:					
Construction	894,195	889,048	-	889,048	5,147
Beach nourishment town projects:					
Financing costs	121,324	108,755	-	108,755	12,569
Buxton beach nourishment:					
Construction	24,186,825	23,465,993	173,601	23,639,594	547,231
Financing costs	168,175	154,094	8,000	162,094	6,081
Total	<u>24,355,000</u>	<u>23,620,087</u>	<u>181,601</u>	<u>23,801,688</u>	<u>553,312</u>
Nags head beach nourishment:					
Construction	9,573,356	-	7,792,018	7,792,018	1,781,338
Financing costs	126,644	1,250	113,394	114,644	12,000
Total	<u>9,700,000</u>	<u>1,250</u>	<u>7,905,412</u>	<u>7,906,662</u>	<u>1,793,338</u>
Buxton beach nourishment 2021:					
Design	1,989,617	-	-	-	1,989,617
Total economic and physical development	<u>81,831,184</u>	<u>65,700,746</u>	<u>8,298,324</u>	<u>73,999,070</u>	<u>7,832,114</u>
Human services:					
Health and human services facilities:					
Design	535,895	-	35,000	35,000	500,895
Total human services	<u>535,895</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>500,895</u>
Cultural and recreational:					
Roanoke trails project:					
Construction	377,407	371,554	776	372,330	5,077
Playground equipment:					
Equipment	23,010	24,895	(1,885)	23,010	-
Outer banks scenic byway pathways:					
Maintenance and improvements	23,687	1,603	1,700	3,303	20,384
Outer banks scenic byway interpretive:					
Kiosks and exhibits	265,000	87,519	-	87,519	177,481
Recreation park roof:					
Maintenance and improvements	57,163	57,163	-	57,163	-
Total cultural and recreational	<u>746,267</u>	<u>542,734</u>	<u>591</u>	<u>543,325</u>	<u>202,942</u>
Environmental protection:					
C&D landfill cell #5:					
Construction	349,557	179,161	55,300	234,461	115,096
Public works trucks:					
Equipment	288,400	286,378	-	286,378	2,022
Public works skid mounted boom units:					
Equipment	78,500	-	74,622	74,622	3,878
Public works truck and skid mounted boom unit:					
Equipment	241,250	-	227,450	227,450	13,800
Total environmental protection	<u>957,707</u>	<u>465,539</u>	<u>357,372</u>	<u>822,911</u>	<u>134,796</u>
Education:					
College of the albemarle renovations:					
Maintenance and improvements	192,500	48,582	81,866	130,448	62,052
College of the albemarle building:					
Architect	110,000	-	-	-	110,000
Total education	<u>302,500</u>	<u>48,582</u>	<u>81,866</u>	<u>130,448</u>	<u>172,052</u>
Total expenditures	<u>120,087,011</u>	<u>97,368,592</u>	<u>11,501,921</u>	<u>108,870,513</u>	<u>11,216,498</u>
Revenues under expenditures	<u>(84,047,666)</u>	<u>(64,010,258)</u>	<u>(11,237,861)</u>	<u>(75,248,119)</u>	<u>(13,633,449)</u>

(continued)

DARE COUNTY, NORTH CAROLINA
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)					
Dredging local costs:					
Transfer from general fund	120,000	120,000	-	120,000	-
Regional emergency communications center and emergency operations center:					
Installment financing proceeds	6,295,000	6,295,000	-	6,295,000	-
Premium on installment financing	543,186	543,186	-	543,186	-
Transfer from E911 special revenue fund	526,076	526,076	-	526,076	-
Transfer from capital reserve capital projects fund	860,352	860,352	-	860,352	-
Total	8,224,614	8,224,614	-	8,224,614	-
Computer aided mass appraisal system:					
Transfer from capital reserve capital projects fund	390,000	390,000	-	390,000	-
Playground equipment:					
Transfer from capital reserve capital projects fund	23,010	24,895	(1,885)	23,010	-
Rodanthe beach access:					
Installment financing proceeds	403,853	403,853	-	403,853	-
C&D landfill cell #5:					
Transfer from capital reserve capital projects fund	349,557	349,557	-	349,557	-
Emergency medical services helicopter:					
Installment financing proceeds	8,166,485	8,166,485	-	8,166,485	-
Premium on installment financing	227,796	227,795	-	227,795	(1)
Sale of capital assets	657,707	457,143	-	457,143	(200,564)
Transfer from capital reserve capital projects fund	292,793	147,597	145,196	292,793	-
Total	9,344,781	8,999,020	145,196	9,144,216	(200,565)
Emergency medical services cardiac monitoring system:					
Installment financing proceeds	1,080,000	1,080,000	-	1,080,000	-
Premium on installment financing	33,401	33,401	-	33,401	-
Total	1,113,401	1,113,401	-	1,113,401	-
Buildings and grounds projects 2015:					
Transfer from general fund	12,300	12,300	-	12,300	-
Transfer from capital reserve capital projects fund	31,070	31,070	-	31,070	-
Total	43,370	43,370	-	43,370	-
Emergency medical services power stretchers:					
Transfer from capital reserve capital projects fund	57,184	57,184	-	57,184	-
Convert vehicles to propane:					
Transfer from capital reserve capital projects fund	-	125,000	(125,000)	-	-
Buildings and grounds projects 2016:					
Transfer from capital reserve capital projects fund	116,500	116,500	-	116,500	-
Detention center HVAC units:					
Transfer from capital reserve capital projects fund	310,500	230,000	80,500	310,500	-
Public works trucks:					
Installment financing proceeds	288,400	288,400	-	288,400	-
Buildings and grounds projects:					
Transfer from capital reserve capital projects fund	320,781	194,831	125,950	320,781	-
Recreation park roof:					
Transfer from capital reserve capital projects fund	57,163	75,474	(18,311)	57,163	-
Emergency medical services portable radios:					
Transfer from capital reserve capital projects fund	101,530	101,530	-	101,530	-
Emergency medical services regulatory compliance equipment:					
Transfer from capital reserve capital projects fund	134,850	134,850	-	134,850	-
Emergency medical services suction infusion pumps:					
Transfer from capital reserve capital projects fund	108,000	108,000	-	108,000	-
Justice center HVAC unit:					
Installment financing proceeds	940,614	940,614	-	940,614	-
College of the albamare renovations:					
Transfer from capital reserve capital projects fund	192,500	96,250	96,250	192,500	-
Election voting machines:					
Transfer from capital reserve capital projects fund	233,460	233,460	-	233,460	-
Oblique aerial photography:					
Transfer from capital reserve capital projects fund	170,094	170,094	-	170,094	-

(continued)

DARE COUNTY, NORTH CAROLINA
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Beach nourishment town projects:					
Installment financing proceeds	10,045,000	10,045,000	-	10,045,000	-
Transfer from beach nourishment special revenue fund	10,447,097	10,447,097	-	10,447,097	-
Transfer to beach nourishment special revenue fund	-	-	(1,297,596)	(1,297,596)	(1,297,596)
Total	<u>20,492,097</u>	<u>20,492,097</u>	<u>(1,297,596)</u>	<u>19,194,501</u>	<u>(1,297,596)</u>
Buxton beach nourishment:					
Installment financing proceeds	24,355,000	24,355,000	-	24,355,000	-
Nags head beach nourishment:					
Installment financing proceeds	9,700,000	-	9,700,000	9,700,000	-
Buxton beach nourishment 2021:					
Installment financing proceeds	1,989,617	-	-	-	(1,989,617)
Public works skid mounted boom units:					
Transfer from capital reserve capital projects fund	78,500	78,500	-	78,500	-
Emergency medical services facilities:					
Transfer from capital reserve capital projects fund	267,000	167,000	100,000	267,000	-
College of the albemarle building:					
Installment financing proceeds	110,000	-	-	-	(110,000)
Health and human services facilities:					
Installment financing proceeds	485,895	-	-	-	(485,895)
Animal shelter building:					
Installment financing proceeds	280,540	-	-	-	(280,540)
Manteo property:					
Installment financing proceeds	1,000,000	-	-	-	(1,000,000)
Buxton property:					
Installment financing proceeds	325,000	-	-	-	(325,000)
Capital improvement plan equipment 2019:					
Installment financing proceeds	1,266,611	-	1,266,611	1,266,611	-
Information technology Vsan servers:					
Transfer from capital reserve capital projects fund	275,000	-	275,000	275,000	-
Justice center audio-visual systems:					
Transfer from capital reserve capital projects fund	150,000	-	150,000	150,000	-
Health and human services facilities:					
Transfer from capital reserve capital projects fund	50,000	-	50,000	50,000	-
Downtown manteo redevelopment					
Transfer from capital reserve capital projects fund	178,244	-	178,244	178,244	-
Total other financing sources (uses)	<u>84,047,666</u>	<u>67,633,494</u>	<u>10,724,959</u>	<u>78,358,453</u>	<u>(5,689,213)</u>
Revenues and other financing sources over (under)					
expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,623,236</u>	<u>(512,902)</u>	<u>\$ 3,110,334</u>	<u>\$ 3,110,334</u>
Fund balance-beginning			4,195,746		
Fund balance-ending			<u>\$ 3,682,844</u>		

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Nonmajor Governmental Funds

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

Construction & Demolition Landfill Fund – accounts for revenues from tipping fees and the cost of operation of a construction and demolition landfill in the County.

Emergency Telephone System Fund – accounts for revenues and disbursements for the establishment and operation of an enhanced 911 system as authorized by the Public Safety Telephone Act of 1989.

Social Services Foster Care Fund – accounts for revenues and disbursements for foster care administered by the Dare County Department of Social Services.

Sanitation Fund – accounts for revenues from the sanitation levy and the cost of solid waste collection within the sanitation special districts in the County.

Inlet Maintenance Fund – accounts for revenues and disbursements for the maintenance of two waterway inlets within the County.

Donations Fund – accounts for funds received to be expended in accordance with specific donation and memorial instructions.

Capital Projects Funds are used to account for revenues and expenditures related to large projects that will take more than one fiscal year to complete or are not part of the unit's recurring operations and expenditures.

Capital Reserve Capital Projects Fund – accounts for the accumulation of funds from the land transfer tax that funds the County's capital improvements plan.

School Capital Projects Fund – accounts for funds used for the acquisition, construction and improvement of capital equipment and facilities for the Dare County School System.

DARE COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue			
	C & D Landfill	Emergency Telephone System	Social Services Foster Care	Sanitation
ASSETS				
Cash and cash equivalents	\$ 1,780,786	\$ 1,098,884	\$ 41,087	\$ 2,029,070
Cash and cash equivalents-restricted	-	-	-	-
Cash with fiscal agent-restricted	-	-	-	33,445
Receivables (net of allowance for uncollectibles)	85,962	36,147	42	281,825
Due from other governments	-	-	-	16,815
Due from component unit	-	-	260,386	-
Total assets	<u>\$ 1,866,748</u>	<u>\$ 1,135,031</u>	<u>\$ 301,515</u>	<u>\$ 2,361,155</u>
LIABILITIES				
Accounts payable	\$ 20,958	\$ 596	\$ -	\$ 205,496
Accrued liabilities	12,581	-	-	30,532
Total liabilities	<u>33,539</u>	<u>596</u>	<u>-</u>	<u>236,028</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
Taxes receivable	-	-	-	139,215
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,215</u>
FUND BALANCES				
Restricted for:				
Stabilization by State statute	85,962	36,147	260,428	159,425
Emergency telephone system	-	1,098,288	-	-
Social services	-	-	41,087	-
Capital or debt service	-	-	-	-
Capital	-	-	-	33,445
Committed for:				
C & D landfill	1,747,247	-	-	-
Sanitation	-	-	-	1,793,042
Inlet maintenance	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,833,209</u>	<u>1,134,435</u>	<u>301,515</u>	<u>1,985,912</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,866,748</u>	<u>\$ 1,135,031</u>	<u>\$ 301,515</u>	<u>\$ 2,361,155</u>

Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
Inlet Maintenance	Donations	Capital Reserve Capital Projects	School Capital Projects	
\$ 33,114	\$ 69,860	\$ 937,612	\$ 144,423	\$ 6,134,836
5,000,022	-	-	-	5,000,022
-	-	-	651,476	684,921
65,102	-	961	-	470,039
-	-	-	-	16,815
-	-	-	-	260,386
<u>\$ 5,098,238</u>	<u>\$ 69,860</u>	<u>\$ 938,573</u>	<u>\$ 795,899</u>	<u>\$ 12,567,019</u>
\$ -	\$ 2,783	\$ -	\$ 286,721	\$ 516,554
-	-	-	-	43,113
<u>-</u>	<u>2,783</u>	<u>-</u>	<u>286,721</u>	<u>559,667</u>
-	67,077	-	-	67,077
-	-	-	-	139,215
<u>-</u>	<u>67,077</u>	<u>-</u>	<u>-</u>	<u>206,292</u>
89,157	-	961	-	632,080
-	-	-	-	1,098,288
-	-	-	-	41,087
-	-	937,612	-	937,612
5,000,022	-	-	651,476	5,684,943
-	-	-	-	1,747,247
-	-	-	-	1,793,042
9,059	-	-	-	9,059
-	-	-	(142,298)	(142,298)
<u>5,098,238</u>	<u>-</u>	<u>938,573</u>	<u>509,178</u>	<u>11,801,060</u>
<u>\$ 5,098,238</u>	<u>\$ 69,860</u>	<u>\$ 938,573</u>	<u>\$ 795,899</u>	<u>\$ 12,567,019</u>

DARE COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue			
	C & D Landfill	Emergency Telephone System	Social Services Foster Care	Sanitation
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,246,013
Other taxes	-	420,255	-	-
Restricted intergovernmental	-	-	779,300	-
Permits and fees	-	-	-	9,314
Sales and services	934,576	-	-	635,032
Investment income	43,464	24,890	2,129	66,047
Other revenue	-	-	-	-
Total revenues	<u>978,040</u>	<u>445,145</u>	<u>781,429</u>	<u>4,956,406</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	288,412	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Environmental protection	919,998	-	-	4,776,468
Education	-	-	-	-
Debt service:				
Principal	-	-	-	488,034
Interest	-	-	-	17,745
Capital outlay:				
Cultural and recreational	-	-	-	-
Environmental protection	-	-	-	531,283
Education	-	-	-	-
Total expenditures	<u>919,998</u>	<u>288,412</u>	<u>-</u>	<u>5,813,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,042</u>	<u>156,733</u>	<u>781,429</u>	<u>(857,124)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General fund	-	-	-	-
Beach nourishment fund	-	-	-	-
Capital reserve capital projects fund	-	-	-	-
Transfers to other funds:				
General fund	-	-	(750,000)	-
Capital projects fund	-	-	-	-
School capital projects fund	-	-	-	-
Installment financings issued	-	-	-	528,559
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(750,000)</u>	<u>528,559</u>
Net change in fund balances	58,042	156,733	31,429	(328,565)
Fund balance-beginning	1,775,167	977,702	270,086	2,314,477
Fund balance-ending	<u>\$ 1,833,209</u>	<u>\$ 1,134,435</u>	<u>\$ 301,515</u>	<u>\$ 1,985,912</u>

Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
Inlet Maintenance	Donations	Capital Reserve Capital Projects	School Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ 4,246,013
-	-	4,811,021	-	5,231,276
5,097,656	-	-	-	5,876,956
-	-	-	-	9,314
-	-	-	-	1,569,608
2,448	-	38,362	8,659	185,999
-	41,394	-	-	41,394
5,100,104	41,394	4,849,383	8,659	17,160,560
-	1,950	-	-	1,950
-	7,241	-	-	295,653
374,941	-	-	-	374,941
-	5,955	-	-	5,955
-	8,748	-	-	8,748
-	-	-	-	5,696,466
-	-	-	5,000	5,000
-	-	-	-	488,034
-	-	-	-	17,745
-	17,500	-	-	17,500
-	-	-	-	531,283
-	-	-	2,317,052	2,317,052
374,941	41,394	-	2,322,052	9,760,327
4,725,163	-	4,849,383	(2,313,393)	7,400,233
100,000	-	-	300,000	400,000
864	-	-	-	864
-	-	-	1,591,000	1,591,000
-	-	(2,083,473)	-	(2,833,473)
-	-	(1,055,944)	-	(1,055,944)
-	-	(1,591,000)	-	(1,591,000)
-	-	-	595,000	1,123,559
100,864	-	(4,730,417)	2,486,000	(2,364,994)
4,826,027	-	118,966	172,607	5,035,239
272,211	-	819,607	336,571	6,765,821
\$ 5,098,238	\$ -	\$ 938,573	\$ 509,178	\$ 11,801,060

DARE COUNTY, NORTH CAROLINA
C & D Landfill Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Sales and services:				
C & D landfill tipping fees	\$ 825,000	\$ 934,576	\$ 109,576	\$ 926,208
Investment income:				
Interest	-	40,707	-	21,813
Net increase (decrease) in the fair value of investments	-	2,757	-	(3,033)
Total investment income	13,000	43,464	30,464	18,780
Total revenues	838,000	978,040	140,040	944,988
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	505,890	-	506,183
Other operating expenditures	-	414,108	-	318,478
Capital outlay	-	-	-	30,377
Total environmental protection	996,238	919,998	76,240	855,038
Total expenditures	996,238	919,998	76,240	855,038
Revenues over (under) expenditures	(158,238)	58,042	216,280	89,950
OTHER FINANCING SOURCES				
Appropriated fund balance	158,238	-	(158,238)	-
Total other financing sources	158,238	-	(158,238)	-
Revenues and other financing sources over expenditures	\$ -	58,042	\$ 58,042	89,950
Fund balance-beginning		1,775,167		1,685,217
Fund balance-ending		\$ 1,833,209		\$ 1,775,167

DARE COUNTY, NORTH CAROLINA
Emergency Telephone System Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance	2018
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Other taxes:				
E-911 system subscriber fees	\$ -	\$ 420,255	\$ -	\$ 406,343
E-911 system subscriber fees balance-Hyde County	-	-	-	212,160
E-911 system subscriber fees balance-Tyrrell County	-	-	-	345,041
Total other taxes	<u>406,343</u>	<u>420,255</u>	<u>13,912</u>	<u>963,544</u>
Investment income:				
Interest	-	23,272	-	5,553
Net increase (decrease) in the fair value of investments	-	1,618	-	(788)
Total investment income	<u>4,500</u>	<u>24,890</u>	<u>20,390</u>	<u>4,765</u>
Total revenues	<u>410,843</u>	<u>445,145</u>	<u>34,302</u>	<u>968,309</u>
EXPENDITURES				
Public safety:				
Operations	-	283,741	-	322,444
Training	-	4,671	-	8,742
Total public safety	<u>583,998</u>	<u>288,412</u>	<u>295,586</u>	<u>331,186</u>
Total expenditures	<u>583,998</u>	<u>288,412</u>	<u>295,586</u>	<u>331,186</u>
Revenues over (under) expenditures	<u>(173,155)</u>	<u>156,733</u>	<u>329,888</u>	<u>637,123</u>
OTHER FINANCING SOURCES				
Appropriated fund balance	173,155	-	(173,155)	-
Total other financing sources	<u>173,155</u>	<u>-</u>	<u>(173,155)</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>156,733</u>	<u>\$ 156,733</u>	<u>637,123</u>
Fund balance-beginning		977,702		340,579
Fund balance-ending		<u>\$ 1,134,435</u>		<u>\$ 977,702</u>

DARE COUNTY, NORTH CAROLINA
Social Services Foster Care Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
ABC profits	\$ 730,000	\$ 779,300	\$ 49,300	\$ 746,549
Investment income:				
Interest	-	1,990	-	4,924
Net increase (decrease) in the fair value of investments	-	139	-	(698)
Total investment income	500	2,129	1,629	4,226
Total revenues	730,500	781,429	50,929	750,775
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General fund	(750,000)	(750,000)	-	(750,000)
Appropriated fund balance	19,500	-	(19,500)	-
Total other financing sources (uses)	(730,500)	(750,000)	(19,500)	(750,000)
Revenues and other financing sources over other financing uses	\$ -	31,429	\$ 31,429	775
Fund balance-beginning		270,086		269,311
Fund balance-ending		\$ 301,515		\$ 270,086

DARE COUNTY, NORTH CAROLINA
Sanitation Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ 4,115,849	\$ 4,147,005	\$ 31,156	\$ 4,081,734
Prior year taxes	53,500	84,309	30,809	96,797
Penalties and interest	15,000	14,699	(301)	16,547
Total ad valorem taxes	<u>4,184,349</u>	<u>4,246,013</u>	<u>61,664</u>	<u>4,195,078</u>
Permits and fees:				
Landfill tipping fees	6,000	9,314	3,314	85,899
Total permits and fees	<u>6,000</u>	<u>9,314</u>	<u>3,314</u>	<u>85,899</u>
Sales and services:				
Container sales	192,000	147,739	(44,261)	131,944
Sanitation contracts	462,500	487,293	24,793	452,696
Total sales and services	<u>654,500</u>	<u>635,032</u>	<u>(19,468)</u>	<u>584,640</u>
Investment income:				
Interest	-	62,042	-	38,255
Net increase (decrease) in the fair value of investments	-	4,005	-	(5,317)
Total investment income	<u>32,500</u>	<u>66,047</u>	<u>33,547</u>	<u>32,938</u>
Total revenues	<u>4,877,349</u>	<u>4,956,406</u>	<u>79,057</u>	<u>4,898,555</u>
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	1,070,425	-	1,060,079
Other operating expenditures	-	1,549,915	-	1,391,926
Administration	-	161,909	-	170,980
Tipping fees	-	1,994,219	-	1,885,325
Capital outlay	-	531,283	-	457,008
Total environmental protection	<u>5,333,520</u>	<u>5,307,751</u>	<u>25,769</u>	<u>4,965,318</u>
Debt service:				
Principal retirement	-	488,034	-	539,604
Interest and other charges	-	17,745	-	11,949
Total debt service	<u>507,617</u>	<u>505,779</u>	<u>1,838</u>	<u>551,553</u>
Total expenditures	<u>5,841,137</u>	<u>5,813,530</u>	<u>27,607</u>	<u>5,516,871</u>
Revenues (under) expenditures	<u>(963,788)</u>	<u>(857,124)</u>	<u>106,664</u>	<u>(618,316)</u>
OTHER FINANCING SOURCES				
Installment financing proceeds	528,559	528,559	-	518,195
Appropriated fund balance	435,229	-	(435,229)	-
Total other financing sources	<u>963,788</u>	<u>528,559</u>	<u>(435,229)</u>	<u>518,195</u>
Revenues and other financing sources (under) expenditures	<u>\$ -</u>	<u>(328,565)</u>	<u>\$ (328,565)</u>	<u>(100,121)</u>
Fund balance-beginning		2,314,477		2,414,598
Fund balance-ending		<u>\$ 1,985,912</u>		<u>\$ 2,314,477</u>

DARE COUNTY, NORTH CAROLINA
Inlet Maintenance Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
Golden Leaf Foundation	\$ -	\$ -	\$ -	\$ 133,665
NCDEQ for maintenance-Hatteras Inlet	20,295	38,107	17,812	55,926
NCDEQ for permitting-special purpose dredge	62,452	59,549	(2,903)	-
NCDEQ for special purpose dredge	-	5,000,000	5,000,000	-
Total restricted intergovernmental	<u>82,747</u>	<u>5,097,656</u>	<u>5,014,909</u>	<u>189,591</u>
Investment income:				
Interest	-	2,291	-	-
Net increase (decrease) in the fair value of investments	-	157	-	-
Total investment income	<u>-</u>	<u>2,448</u>	<u>2,448</u>	<u>-</u>
Total revenues	<u>82,747</u>	<u>5,100,104</u>	<u>5,017,357</u>	<u>189,591</u>
EXPENDITURES				
Economic and physical development:				
Contracted services-Oregon Inlet	-	864	-	1,100,043
Contracted services-permitting-special purpose dredge	-	90,226	-	-
Contracted services-Hatteras Inlet	-	283,851	-	186,028
Total economic development	<u>3,406,147</u>	<u>374,941</u>	<u>3,031,206</u>	<u>1,286,071</u>
Total expenditures	<u>3,406,147</u>	<u>374,941</u>	<u>(3,031,206)</u>	<u>1,286,071</u>
Revenues over (under) expenditures	<u>(3,323,400)</u>	<u>4,725,163</u>	<u>8,048,563</u>	<u>(1,096,480)</u>
OTHER FINANCING SOURCES				
Transfers from other funds:				
General fund	100,000	100,000	-	236,082
Beach nourishment fund	3,000,000	864	(2,999,136)	1,100,043
Appropriated fund balance	223,400	-	(223,400)	-
Total other financing sources	<u>3,323,400</u>	<u>100,864</u>	<u>(3,222,536)</u>	<u>1,336,125</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>4,826,027</u>	<u>\$ 4,826,027</u>	<u>239,645</u>
Fund balance-beginning		272,211		32,566
Fund balance-ending		<u>\$ 5,098,238</u>		<u>\$ 272,211</u>

DARE COUNTY, NORTH CAROLINA
Donations Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance	2018
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Other revenue:				
Donations and contributions	\$ 104,122	\$ 41,394	\$ (62,728)	\$ 54,021
Total revenues	<u>104,122</u>	<u>41,394</u>	<u>(62,728)</u>	<u>54,021</u>
EXPENDITURES				
General government:				
Other operating expenditures	-	1,950	-	44
Total general government	<u>4,902</u>	<u>1,950</u>	<u>2,952</u>	<u>44</u>
Public safety:				
Other operating expenditures	-	7,241	-	10,704
Total public safety	<u>34,794</u>	<u>7,241</u>	<u>27,553</u>	<u>10,704</u>
Economic and physical development:				
Other operating expenditures	-	-	-	21,000
Total economic development	<u>100</u>	<u>-</u>	<u>100</u>	<u>21,000</u>
Human services:				
Other operating expenditures	-	5,955	-	15,230
Total human services	<u>4,980</u>	<u>5,955</u>	<u>(975)</u>	<u>15,230</u>
Cultural and recreational:				
Other operating expenditures	-	8,748	-	7,043
Capital outlay	-	17,500	-	-
Total cultural and recreational	<u>59,346</u>	<u>26,248</u>	<u>33,098</u>	<u>7,043</u>
Total expenditures	<u>104,122</u>	<u>41,394</u>	<u>62,728</u>	<u>54,021</u>
Revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance-beginning		-		-
Fund balance-ending		<u>\$ -</u>		<u>\$ -</u>

DARE COUNTY, NORTH CAROLINA
Capital Reserve Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes:				
Realty transfer tax	\$ 4,622,758	\$ 4,811,021	\$ 188,263	\$ 4,588,865
Restricted intergovernmental:				
State and federal grants	8,750	-	(8,750)	-
Investment income:				
Interest	-	35,868	-	17,095
Net increase (decrease) in the fair value of investments	-	2,494	-	(2,425)
Total investment income	<u>18,377</u>	<u>38,362</u>	<u>19,985</u>	<u>14,670</u>
Total revenues	<u>4,649,885</u>	<u>4,849,383</u>	<u>199,498</u>	<u>4,603,535</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General fund	(2,083,473)	(2,083,473)	-	(1,956,359)
Capital projects fund	(1,130,944)	(1,055,944)	75,000	(969,304)
School capital projects fund	(1,591,000)	(1,591,000)	-	(1,507,000)
Appropriated fund balance	155,532	-	(155,532)	-
Total other financing sources (uses)	<u>(4,649,885)</u>	<u>(4,730,417)</u>	<u>(80,532)</u>	<u>(4,432,663)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>118,966</u>	<u>\$ 118,966</u>	<u>170,872</u>
Fund balance-beginning		819,607		648,735
Fund balance-ending		<u>\$ 938,573</u>		<u>\$ 819,607</u>

DARE COUNTY, NORTH CAROLINA
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive Negative
REVENUES					
Interest earnings	\$ -	\$ 521	\$ 8,659	\$ 9,180	\$ 9,180
Total revenues	-	521	8,659	9,180	9,180
EXPENDITURES					
Capital outlay:					
Education:					
2016 school capital projects:					
Cape hatteras secondary school chiller:					
Equipment	682,000	676,851	-	676,851	5,149
Financing costs	8,000	8,000	-	8,000	-
Total	690,000	684,851	-	684,851	5,149
2017 school capital projects:					
Capital improvements plan	900,000	730,367	169,633	900,000	-
2018 school capital projects:					
Manteo high school improvements:					
Facilities	590,000	-	448,509	448,509	141,491
Financing costs	5,000	-	5,000	5,000	-
Total	595,000	-	453,509	453,509	141,491
2018 school capital projects:					
Capital improvements plan	950,000	788,732	161,268	950,000	-
2019 school capital projects:					
Local capital outlay	746,000	-	746,000	746,000	-
Capital improvements plan	1,145,000	-	791,642	791,642	353,358
Total	1,891,000	-	1,537,642	1,537,642	353,358
Total expenditures	5,026,000	2,203,950	2,322,052	4,526,002	499,998
Revenues (under) expenditures	(5,026,000)	(2,203,429)	(2,313,393)	(4,516,822)	509,178
OTHER FINANCING SOURCES					
Transfers from other funds:					
General fund	300,000	-	300,000	300,000	-
Capital reserve capital projects fund	3,441,000	1,850,000	1,591,000	3,441,000	-
Installment financing proceeds	1,285,000	690,000	595,000	1,285,000	-
Total other financing sources	5,026,000	2,540,000	2,486,000	5,026,000	-
Revenues and other financing sources over expenditures	\$ -	\$ 336,571	172,607	\$ 509,178	\$ 509,178
Fund balance-beginning			336,571		
Fund balance-ending			\$ 509,178		

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Enterprise Funds account for operations which provide goods or services and recover costs through user charges in a manner similar to private business enterprises.

Water Fund – accounts for the operation of the County’s four reverse osmosis treatment plants, one nanofiltration water treatment plant, and the retail water distribution system.

DARE COUNTY, NORTH CAROLINA
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual Restated
REVENUES				
Operating revenues:				
Water sales	\$ 11,646,604	\$ 11,792,646	\$ 146,042	\$ 11,514,887
Wastewater charges	58,662	60,438	1,776	64,679
Connection fees	78,904	64,173	(14,731)	73,730
Expanding area policy fees	-	-	-	500
Initial impact fees	-	-	-	426,380
Water assessments	395,000	346,324	(48,676)	394,156
Penalties	125,000	120,652	(4,348)	116,282
Other revenue	679,466	824,319	144,853	577,109
Total operating revenues	<u>12,983,636</u>	<u>13,208,552</u>	<u>224,916</u>	<u>13,167,723</u>
Nonoperating revenues:				
Investment income:				
Interest	-	672,832	-	358,989
Net increase in the fair value of investments	-	46,673	-	(50,687)
Total investment income	<u>231,634</u>	<u>719,505</u>	<u>487,871</u>	<u>308,302</u>
Sale of capital assets	-	15,825	15,825	-
Total nonoperating revenues	<u>231,634</u>	<u>735,330</u>	<u>503,696</u>	<u>308,302</u>
Total revenues	<u>13,215,270</u>	<u>13,943,882</u>	<u>728,612</u>	<u>13,476,025</u>
EXPENDITURES				
Hatteras water system:				
Salaries and employee benefits	-	870,064	-	802,671
Other operating expenditures	-	997,408	-	907,146
Total	<u>2,170,800</u>	<u>1,867,472</u>	<u>303,328</u>	<u>1,709,817</u>
Joseph "Mac" Midgett water plant:				
Salaries and employee benefits	-	423,840	-	408,066
Other operating expenditures	-	327,098	-	319,938
Total	<u>920,300</u>	<u>750,938</u>	<u>169,362</u>	<u>728,004</u>
North water plant:				
Salaries and employee benefits	-	610,736	-	593,691
Other operating expenditures	-	972,653	-	1,013,835
Total	<u>1,924,390</u>	<u>1,583,389</u>	<u>341,001</u>	<u>1,607,526</u>
Skyco water plant:				
Salaries and employee benefits	-	648,092	-	580,859
Other operating expenditures	-	857,937	-	835,876
Total	<u>1,857,160</u>	<u>1,506,029</u>	<u>351,131</u>	<u>1,416,735</u>
Water distribution system:				
Salaries and employee benefits	-	1,607,872	-	1,544,087
Other operating expenditures	-	1,438,822	-	1,357,242
Total	<u>3,403,799</u>	<u>3,046,694</u>	<u>357,105</u>	<u>2,901,329</u>
Stumpy point water and sewer system:				
Other operating expenditures	-	164,028	-	188,882
Total	<u>162,495</u>	<u>164,028</u>	<u>(1,533)</u>	<u>188,882</u>
Debt service:				
Principal retirement	1,270,000	1,270,000	-	1,545,000
Interest and other charges	1,088,626	1,088,625	1	785,119
Bond issuance costs	-	-	-	3,295
Total	<u>2,358,626</u>	<u>2,358,625</u>	<u>1</u>	<u>2,333,414</u>

(continued)

DARE COUNTY, NORTH CAROLINA
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual Restated
Capital outlay	641,945	488,439	153,506	568,344
Total expenditures	<u>13,439,515</u>	<u>11,765,614</u>	<u>1,673,901</u>	<u>11,454,051</u>
Revenues over (under) expenditures	<u>(224,245)</u>	<u>2,178,268</u>	<u>2,402,513</u>	<u>2,021,974</u>
OTHER FINANCING USES				
Transfers to other funds:				
Water capital projects fund	(2,810,045)	(2,810,045)	-	(930,000)
Total other financing uses	<u>(2,810,045)</u>	<u>(2,810,045)</u>	<u>-</u>	<u>(930,000)</u>
Revenues over (under) expenditures and other financing uses*	<u>\$ (3,034,290)</u>	<u>\$ (631,777)</u>	<u>\$ 2,402,513</u>	<u>\$ 1,091,974</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenues under expenditures and other financing sources (uses) - Water Fund (above)		\$ (631,777)		
Revenues over expenditures - Water Capital Reserve Fund		421,372		
Revenues and other financing sources under expenditures - Water Capital Projects Fund		1,406,096		
Reconciling items:				
Increase in inventory		2,769		
Increase in deferred outflows of resources for pensions		252,576		
Increase in compensated absences payable		(26,587)		
Payment of debt principal		1,270,000		
Decrease in accrued interest		14,370		
Amortization of deferred amount on refunding		(361,964)		
Amortization of original issue premium		312,023		
Capital outlay		1,893,270		
Depreciation		(4,032,975)		
Other postemployment benefits expense		(189,513)		
Pension expense		(292,601)		
Total reconciling items		<u>(1,158,632)</u>		
Change in net position		<u>\$ 37,059</u>		

*The change in net position was included in the budget as an appropriation of net position.

DARE COUNTY, NORTH CAROLINA
Water Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance	2018
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Operating revenues:				
System development fees	\$ 359,868	\$ 421,372	\$ 61,504	\$ -
Total revenues	<u>359,868</u>	<u>421,372</u>	<u>61,504</u>	<u>-</u>
EXPENDITURES				
Water system development:				
Extension and replacement	359,868	-	359,868	-
Total expenditures	<u>359,868</u>	<u>-</u>	<u>359,868</u>	<u>-</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 421,372</u>	<u>\$ 421,372</u>	<u>\$ -</u>

DARE COUNTY, NORTH CAROLINA
Water Capital Projects Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Operating revenues:					
Other revenue	\$ 541,100	\$ -	\$ 75,700	\$ 75,700	\$ (465,400)
Total revenues	<u>541,100</u>	<u>-</u>	<u>75,700</u>	<u>75,700</u>	<u>(465,400)</u>
EXPENDITURES					
Hatteras water system:					
Hatteras wellfield expansion engineering and design	250,000	-	90,078	90,078	159,922
Hatteras wellfield expansion construction	2,000,000	-	7,556	7,556	1,992,444
Total	<u>2,250,000</u>	<u>-</u>	<u>97,634</u>	<u>97,634</u>	<u>2,152,366</u>
North water plant:					
Reverse osmosis plant effluent header replacement	110,000	-	107,216	107,216	2,784
Water distribution system:					
Kitty hawk pump station effluent header replacement	170,000	20,826	127,813	148,639	21,361
Automated meter reading system	900,000	-	838,225	838,225	61,775
NCDOT colington road waterline relocation	465,400	46,862	233,943	280,805	184,595
NCDOT state road 1206 waterline replacement	75,700	-	74,818	74,818	882
Colington road betterment	310,045	-	-	-	310,045
Total	<u>1,921,145</u>	<u>67,688</u>	<u>1,274,799</u>	<u>1,342,487</u>	<u>578,658</u>
Total expenditures	<u>4,281,145</u>	<u>67,688</u>	<u>1,479,649</u>	<u>1,547,337</u>	<u>2,733,808</u>
Revenues (under) expenditures	<u>(3,740,045)</u>	<u>(67,688)</u>	<u>(1,403,949)</u>	<u>(1,471,637)</u>	<u>2,268,408</u>
OTHER FINANCING SOURCES					
Transfers from other funds:					
Water fund	3,740,045	930,000	2,810,045	3,740,045	-
Total other financing sources	<u>3,740,045</u>	<u>930,000</u>	<u>2,810,045</u>	<u>3,740,045</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 862,312</u>	<u>\$ 1,406,096</u>	<u>\$ 2,268,408</u>	<u>\$ 2,268,408</u>

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Internal Service Funds account for centralized services provided to County departments and other agencies.

Insurance Fund – accounts for funds contributed by the County for health and life insurance and the general insurance program.

Fleet Maintenance Fund – accounts for the costs of the County's fleet maintenance shop and the associated reimbursement from user departments.

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Net Position
June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	Insurance	Fleet Maintenance	Totals June 30, 2019	June 30, 2018
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,677,342	\$ -	\$ 2,677,342	\$ 1,421,216
Accounts receivable	389,156	11,202	400,358	106,988
Due from other funds	69,885	-	69,885	78,311
Inventories	-	457,103	457,103	446,247
Total current assets	<u>3,136,383</u>	<u>468,305</u>	<u>3,604,688</u>	<u>2,052,762</u>
Noncurrent assets:				
Capital assets:				
Buildings	-	117,042	117,042	117,042
Improvements other than buildings	-	28,050	28,050	28,050
Equipment	-	472,157	472,157	525,083
Machinery	-	922,374	922,374	1,385,436
Less accumulated depreciation	-	(1,386,930)	(1,386,930)	(1,923,242)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>152,693</u>	<u>152,693</u>	<u>132,369</u>
Total noncurrent assets	<u>-</u>	<u>152,693</u>	<u>152,693</u>	<u>132,369</u>
Total assets	<u>3,136,383</u>	<u>620,998</u>	<u>3,757,381</u>	<u>2,185,131</u>
DEFERRED OUTFLOWS OF RESOURCES	-	204,804	204,804	125,070
LIABILITIES				
Current liabilities:				
Accounts payable	48,252	88,815	137,067	139,527
Accrued liabilities	3,313	34,244	37,557	30,956
Accrued claims incurred but not reported:				
Health insurance	1,596,264	-	1,596,264	1,477,223
Compensated absences	84	18,077	18,161	18,714
Due to other funds	-	69,885	69,885	78,311
Total current liabilities	<u>1,647,913</u>	<u>211,021</u>	<u>1,858,934</u>	<u>1,744,731</u>
Noncurrent liabilities:				
Compensated absences	228	48,877	49,105	50,596
Net pension liability	-	248,318	248,318	155,678
Total noncurrent liabilities	<u>228</u>	<u>297,195</u>	<u>297,423</u>	<u>206,274</u>
Total liabilities	<u>1,648,141</u>	<u>508,216</u>	<u>2,156,357</u>	<u>1,951,005</u>
DEFERRED INFLOWS OF RESOURCES	-	1,285	1,285	4,407
NET POSITION				
Net investment in capital assets	-	152,693	152,693	132,369
Unrestricted	1,488,242	163,608	1,651,850	222,420
Total net position	<u>\$ 1,488,242</u>	<u>\$ 316,301</u>	<u>\$ 1,804,543</u>	<u>\$ 354,789</u>

DARE COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	<u>Insurance</u>	<u>Fleet Maintenance</u>	<u>Totals</u>	
			<u>June 30, 2019</u>	<u>June 30, 2018</u>
Operating revenues:				
Charges for services:				
Service revenue	\$ 1,366,707	\$ 1,430,599	\$ 2,797,306	\$ 2,621,054
Internal funding	16,520,621	1,351,518	17,872,139	18,243,722
Other revenue	389,060	-	389,060	161,133
Total operating revenues	<u>18,276,388</u>	<u>2,782,117</u>	<u>21,058,505</u>	<u>21,025,909</u>
Operating expenses:				
Insurance and risk management	16,874,193	-	16,874,193	16,293,231
Fleet maintenance	-	2,689,124	2,689,124	2,555,649
Depreciation	-	86,341	86,341	58,226
Total operating expenses	<u>16,874,193</u>	<u>2,775,465</u>	<u>19,649,658</u>	<u>18,907,106</u>
Operating income	<u>1,402,195</u>	<u>6,652</u>	<u>1,408,847</u>	<u>2,118,803</u>
Capital contributions	<u>-</u>	<u>40,907</u>	<u>40,907</u>	<u>-</u>
Change in net position	1,402,195	47,559	1,449,754	2,118,803
Net position-beginning	86,047	268,742	354,789	(1,764,014)
Net position-ending	<u>\$ 1,488,242</u>	<u>\$ 316,301</u>	<u>\$ 1,804,543</u>	<u>\$ 354,789</u>

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2019
With Comparative Amounts for the Year Ended June 30, 2018

			Totals	
	Insurance	Fleet Maintenance	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,461,486	\$ 1,431,510	\$ 2,892,996	\$ 2,929,064
Receipts from interfund charges for insurance services	16,520,621	-	16,520,621	16,889,547
Receipts from interfund charges for fleet maintenance services	-	1,351,518	1,351,518	1,354,175
Payments to suppliers and providers	(16,634,161)	(1,592,698)	(18,226,859)	(17,783,678)
Payments to employees for salaries and benefits	(100,246)	(1,116,146)	(1,216,392)	(1,168,760)
Net cash provided by operating activities	<u>1,247,700</u>	<u>74,184</u>	<u>1,321,884</u>	<u>2,220,348</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to (from) other funds	8,426	(8,426)	-	(823,897)
Net cash provided by (used for) noncapital financing activities	<u>8,426</u>	<u>(8,426)</u>	<u>-</u>	<u>(823,897)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(65,758)	(65,758)	(9,144)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(65,758)</u>	<u>(65,758)</u>	<u>(9,144)</u>
Net increase in cash and cash equivalents	1,256,126	-	1,256,126	1,387,307
Cash and cash equivalents, July 1	1,421,216	-	1,421,216	33,909
Cash and cash equivalents, June 30	<u>\$ 2,677,342</u>	<u>\$ -</u>	<u>\$ 2,677,342</u>	<u>\$ 1,421,216</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	<u>\$ 1,402,195</u>	<u>\$ 6,652</u>	<u>\$ 1,408,847</u>	<u>\$ 2,118,803</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	86,341	86,341	58,226
(Increase) decrease in accounts receivable	(294,281)	911	(293,370)	146,877
(Increase) in inventories	-	(10,856)	(10,856)	(76,699)
(Increase) decrease in deferred outflows of resources-pensions	-	(79,734)	(79,734)	68,230
Increase (decrease) in net pension liability	-	92,640	92,640	(64,500)
(Decrease) in deferred inflows of resources-pensions	-	(3,122)	(3,122)	(3,283)
Increase (decrease) in accounts payable	22,985	(25,445)	(2,460)	(62,922)
Increase (decrease) in accrued liabilities	404	6,197	6,601	(1,762)
Increase in accrued claims incurred but not reported for health insurance	119,041	-	119,041	35,856
Increase (decrease) in compensated absences payable	(2,644)	600	(2,044)	1,522
Total adjustments	<u>(154,495)</u>	<u>67,532</u>	<u>(86,963)</u>	<u>101,545</u>
Net cash provided by operating activities	<u>\$ 1,247,700</u>	<u>\$ 74,184</u>	<u>\$ 1,321,884</u>	<u>\$ 2,220,348</u>
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	\$ -	\$ 40,907	\$ 40,907	\$ -

DARE COUNTY, NORTH CAROLINA
Insurance Internal Service Fund
Schedule of Revenues and Expenditures
Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	\$ 1,372,666	\$ 1,366,707	\$ (5,959)	\$ 1,249,829
Internal funding	17,043,740	16,520,621	(523,119)	16,889,547
Other revenue	100,445	389,060	288,615	161,133
Total operating revenues	18,516,851	18,276,388	(240,463)	18,300,509
Total revenues	18,516,851	18,276,388	(240,463)	18,300,509
EXPENDITURES				
Insurance and risk management:				
Salaries and employee benefits	-	100,650	-	87,760
Other operating expenditures	-	16,776,187	-	16,204,141
Total	18,517,846	16,876,837	1,641,009	16,291,901
Total expenditures	18,517,846	16,876,837	1,641,009	16,291,901
Revenues over (under) expenditures*	\$ (995)	1,399,551	\$ 1,400,546	\$ 2,008,608
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Decrease in compensated absences payable		2,644		
Total reconciling items		2,644		
Change in net position		\$ 1,402,195		

*The change in net position was included in the budget as an appropriation of net position.

DARE COUNTY, NORTH CAROLINA
Fleet Maintenance Internal Service Fund
Schedule of Revenues and Expenditures
Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	\$ 2,557,950	\$ 1,430,599	\$ (1,127,351)	\$ 1,371,225
Internal funding	1,351,518	1,351,518	-	1,354,175
Total operating revenues	3,909,468	2,782,117	(1,127,351)	2,725,400
Total revenues	3,909,468	2,782,117	(1,127,351)	2,725,400
EXPENDITURES				
Fleet maintenance:				
Salaries and employee benefits	-	1,122,343	-	1,079,238
Other operating expenditures	-	1,567,253	-	1,552,471
Total	3,907,731	2,689,596	1,218,135	2,631,709
Budgetary appropriations:				
Capital outlay	65,759	65,758	-	9,144
Total	65,759	65,758	1	9,144
Total expenditures	3,973,490	2,755,354	1,218,136	2,640,853
Revenues over (under) expenditures*	\$ (64,022)	26,763	\$ 90,785	\$ 84,547
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Increase in inventory		10,856		
Increase in deferred outflows of resources-pensions		79,734		
Increase in net pension liability		(92,640)		
Decrease in deferred inflows of resources-pensions		3,122		
Increase in compensated absences payable		(600)		
Capital outlay		65,758		
Capital contributions		40,907		
Depreciation		(86,341)		
Total reconciling items		20,796		
Change in net position		\$ 47,559		

*The change in net position was included in the budget as an appropriation of net position.

Fiduciary Funds account for resources held by the County which qualifies as fiduciary activities. These funds are expended or invested in accordance with agreements, applicable prescribed procedures or State law.

Custodial Funds

Social Services Fund - accounts for funds held and administered by the Dare County Department of Social Services for wards of the department and for emergency assistance.

Tax and ABC Pass-through Fund – accounts for monies collected and distributed by the County for special tax districts (fire and community centers), ABC board profits and designated funds (municipalities and Dare County Tourism Board), occupancy taxes (municipalities and Dare County Tourism Board), prepared food tax (Dare County Tourism Board), and vehicle property tax (municipalities).

Inmate Banking Fund – accounts for funds held and administered for inmates and detainees at the Dare County Detention Center.

Grant Pass-through Fund – accounts for Federal and/or State grant funds received by the County and passed through to other recipient agencies.

Fines and Forfeitures Fund – accounts for fines and forfeitures collected by the County that are required to be remitted to the Dare County Board of Education.

Government Access Fund – accounts for funds held for the Government Access Committee.

General Activities – accounts for donated funds that are donor-specified for use within the community.

Library Activities – accounts for funds received by the library board to be used in accordance with donation and memorial instructions.

DARE COUNTY, NORTH CAROLINA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2019

	General Activities	Library Activities	Social Services	Tax and ABC Pass-through
ASSETS				
Cash and cash equivalents	\$ 3,933	\$ 68,884	\$ 49,698	\$ 2,248,343
Accounts receivable (net of allowance for uncollectibles)	-	4,770	-	3,589,284
Due from component unit	-	-	-	125,604
Total assets	<u>3,933</u>	<u>73,654</u>	<u>49,698</u>	<u>5,963,231</u>
LIABILITIES				
Accounts payable	-	-	-	37,621
Intergovernmental payable - other agencies	-	-	-	3,861,180
Intergovernmental payable - Dare County Board of Education	-	-	-	-
Due to component unit	-	-	-	2,064,430
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,963,231</u>
NET POSITION	<u>\$ 3,933</u>	<u>\$ 73,654</u>	<u>\$ 49,698</u>	<u>\$ -</u>

Inmate Banking	Grant Pass-through	Fines and Forfeitures	Government Access	Totals
\$ 12,340	\$ 4,558	\$ 939	\$ 306,560	\$ 2,695,256
-	1,197	31,762	88,140	3,715,153
-	-	-	-	125,604
<u>12,340</u>	<u>5,755</u>	<u>32,701</u>	<u>394,700</u>	<u>6,536,013</u>
-	5,755	-	17,299	60,675
-	-	-	-	3,861,180
-	-	32,701	-	32,701
-	-	-	-	2,064,430
<u>-</u>	<u>5,755</u>	<u>32,701</u>	<u>17,299</u>	<u>6,018,986</u>
<u>\$ 12,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,401</u>	<u>\$ 517,027</u>

DARE COUNTY, NORTH CAROLINA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2019

	General Activities	Library Activities	Social Services	Tax and ABC Pass-through
ADDITIONS				
Collections for participants or beneficiaries	\$ 3,488	\$ 46,135	\$ 318,224	\$ -
Taxes collected for other governments	-	-	-	48,599,832
Grants collected for other agencies	-	-	-	-
Fines and forfeitures collected for the Board of Education	-	-	-	-
Total additions	<u>3,488</u>	<u>46,135</u>	<u>318,224</u>	<u>48,599,832</u>
DEDUCTIONS				
Benefits paid to participants or beneficiaries	3,548	-	328,213	-
Payments on behalf of beneficiaries	-	38,716	-	-
Taxes distributed to other governments	-	-	-	48,599,832
Grant payments to other agencies	-	-	-	-
Fines and forfeitures distributed to the Board of Education	-	-	-	-
Total deductions	<u>3,548</u>	<u>38,716</u>	<u>328,213</u>	<u>48,599,832</u>
Net increase (decrease) in fiduciary net position	(60)	7,419	(9,989)	-
NET POSITION				
Beginning of year - restated	3,993	66,235	59,687	-
End of year	<u>\$ 3,933</u>	<u>\$ 73,654</u>	<u>\$ 49,698</u>	<u>\$ -</u>

Inmate Banking	Grant Pass-through	Fines and Forfeitures	Government Access	Totals
\$ 203,825	\$ -	\$ -	\$ 291,670	\$ 863,342
-	-	-	-	48,599,832
-	36,770	-	-	36,770
-	-	470,107	-	470,107
<u>203,825</u>	<u>36,770</u>	<u>470,107</u>	<u>291,670</u>	<u>49,970,051</u>
211,182	-	-	-	542,943
-	-	-	286,238	324,954
-	-	-	-	48,599,832
-	36,770	-	-	36,770
-	-	470,107	-	470,107
<u>211,182</u>	<u>36,770</u>	<u>470,107</u>	<u>286,238</u>	<u>49,974,606</u>
(7,357)	-	-	5,432	(4,555)
19,697	-	-	371,970	521,582
<u>\$ 12,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,402</u>	<u>\$ 517,027</u>

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Other Schedules as required by the North Carolina State Treasurer's office and to fulfill the County's continuing disclosure requirement commitments per Securities and Exchange Commission Rule 15c2-12.

DARE COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-wide Levy
June 30, 2019

	<u>Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Real & Personal Property</u>	<u>Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 13,355,611,513	\$ 0.47	\$ 62,729,262	\$ 60,507,026	\$ 2,222,236
Penalties	-		55,128	55,128	-
Totals	<u>13,355,611,513</u>		<u>62,784,390</u>	<u>60,562,154</u>	<u>2,222,236</u>
Discoveries:					
Taxes	159,165,103	\$ 0.47	747,958	747,958	-
Penalties	-		119	119	-
Totals	<u>159,165,103</u>		<u>748,077</u>	<u>748,077</u>	<u>-</u>
Abatements	<u>(17,965,956)</u>		<u>(89,893)</u>	<u>(76,021)</u>	<u>(13,872)</u>
Total property valuation	<u>\$ 13,496,810,660</u>				
Net levy			63,442,574	61,234,210	2,208,364
Uncollected taxes at June 30, 2019			<u>315,431</u>	<u>315,431</u>	<u>-</u>
Current year's taxes collected			<u>\$ 63,127,143</u>	<u>\$ 60,918,779</u>	<u>\$ 2,208,364</u>
Percent current year taxes collected			99.50%	99.49%	100.00%

DARE COUNTY, NORTH CAROLINA
Schedule of Ad Valorem Taxes Receivable
General Fund
June 30, 2019

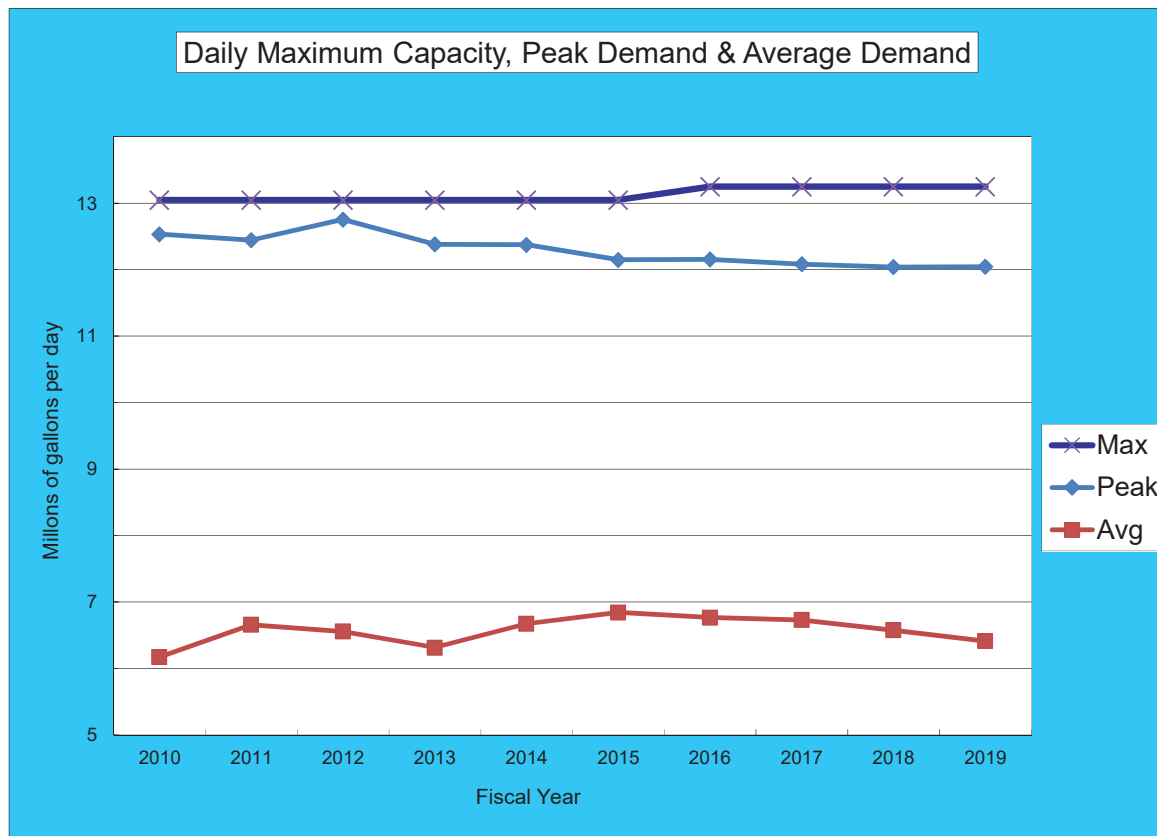
<u>Tax Year</u>	<u>Fiscal Year Ended June 30</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections and Adjustments</u>	<u>Uncollected Balance June 30, 2019</u>
2018	2019	\$ -	\$ 63,442,574	\$ 63,127,143	\$ 315,431
2017	2018	317,128	-	212,619	104,509
2016	2017	130,694	-	64,495	66,199
2015	2016	81,955	-	21,108	60,847
2014	2015	60,465	-	13,563	46,902
2013	2014	70,412	-	7,215	63,197
2012	2013	59,013	-	2,854	56,159
2011	2012	52,357	-	1,662	50,695
2010	2011	41,432	-	1,346	40,086
2009	2010	37,553	-	113	37,440
2008	2009	34,845	-	22,340	12,505
2007	2008	13,380	-	2	13,378
2006	2007	11,176	-	2	11,174
2005	2006	9,833	-	2	9,831
2004	2005	5,708	-	-	5,708
2003	2004	1,825	-	-	1,825
		<u>\$ 927,776</u>	<u>\$ 63,442,574</u>	<u>\$ 63,474,464</u>	<u>\$ 895,886</u>
Less: allowance for non-collectible accounts					<u>(310,000)</u>
Ad valorem taxes receivable (net) – General Fund levy only					<u>\$ 585,886</u>

Reconciliation with revenues

Taxes - Ad Valorem - General Fund	\$ 63,573,997
Penalties collected on ad valorem taxes	55,247
Reconciling Items:	
Interest collected	(157,737)
Amounts written off for tax year 2008 per statue of limitations	22,150
Adjustments relating to tax years 2009-2017	<u>(19,193)</u>
Total collections and adjustments	<u>\$ 63,474,464</u>

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u># of Customers</u>	<u>New Connections</u>	<u>Retail Charge</u> <u>7,500 gal/mo</u>	<u># of Production Plants</u>	<u>Average Daily Demand</u> <u>(MGD)</u>	<u>Peak Daily Demand</u> <u>(MGD)</u>	<u>Maximum Capacity</u> <u>(MGD)</u>	<u>Storage Capacity</u> <u>(MG)</u>
2019	20,368	170	\$71.48	5	6.413	12.044	13.250	21.150
2018	20,198	174	\$67.27	5	6.577	12.040	13.250	21.150
2017	20,024	143	\$66.68	5	6.733	12.083	13.250	21.150
2016	19,881	122	\$64.44	5	6.767	12.156	13.250	21.150
2015	19,759	130	\$64.13	5	6.844	12.149	13.050	23.150
2014	19,629	109	\$62.86	5	6.674	12.376	13.050	23.150
2013	19,520	1,914	\$58.38	5	6.315	12.384	13.050	23.150
2012	17,606	471	\$58.38	5	6.557	12.756	13.050	23.150
2011	17,135	95	\$57.26	5	6.658	12.444	13.050	20.850
2010	17,090	151	\$55.31	5	6.175	12.534	13.050	20.850



**DARE COUNTY, NORTH CAROLINA
WATER SYSTEM USAGE
Last Ten Fiscal Years**

North & RWS System

<u>Fiscal</u> <u>Year</u>	<u>Total System Water</u> <u>Sales (Millions of</u> <u>Gallons)</u>	<u>MGD</u> <u>Peak</u>	<u>Peak</u> <u>Utilization</u>	<u>MGD</u> <u>Average</u>	<u>Average</u> <u>Utilization</u>
2010	2,015	10.950	99.5%	5.521	50.2%
2011	2,108	10.826	98.4%	5.819	52.9%
2012	2,065	11.184	101.6%	5.751	52.3%
2013	2,035	10.829	99.0%	5.575	50.7%
2014	2,133	10.872	98.8%	5.844	53.1%
2015	2,209	10.488	95.3%	6.052	55.0%
2016	2,172	10.488	93.6%	5.951	54.1%
2017	2,016	11.950	106.7%	5.523	50.2%
2018	2,071	12.040	107.5%	5.675	51.6%
2019	2,027	12.044	107.5%	5.536	50.3%

Hatteras System

<u>Fiscal</u> <u>Year</u>	<u>Total System Water</u> <u>Sales (Millions of</u> <u>Gallons)</u>	<u>MGD</u> <u>Peak</u>	<u>Peak</u> <u>Utilization</u>	<u>MGD</u> <u>Average</u>	<u>Average</u> <u>Utilization</u>
2010	274	1.584	79.2%	.751	37.6%
2011	331	1.618	80.9%	.839	41.9%
2012	281	1.572	78.6%	.806	40.3%
2013	270	1.555	75.2%	.740	37%
2014	303	1.504	75.2%	.830	41.5%
2015	289	1.661	83.1%	.792	39.6%
2016	298	1.668	81.4%	.816	39.8%
2017	324	1.548	75.5%	.816	39.8%
2018	317	1.588	77.5%	.888	43.3%
2019	321	1.597	77.9%	.877	42.8%

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Service Rates
June 30, 2019

Quarterly Base Charge
(includes 3,000 gallons)

Meter
Size

3/4"	\$40.93
1"	\$45.50
1 1/2"	\$59.13
2"	\$78.47
3"	\$122.82
4"	\$185.37
6"	\$342.30

All usage is billed at the following rates (per thousand gallons):

In-season	
(June - November)	\$8.83
Out-of-season	
(December - May)	\$6.79

Rates effective as of 7/1/19.

**DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Fees & Schedule
June 30, 2019**

Size of Meter	Connection Fees	Deposit	System Development Fee	Total
¾"	\$ 340	\$ 107	\$ 2,405	\$ 2,852
1"	\$ 500	\$ 139	\$ 4,008	\$ 4,647
1 ½"	\$ 1,050	\$ 275	\$ 8,017	\$ 9,342
2"	\$ 1,325	\$ 1,278	\$ 12,827	\$ 15,430
3"	\$ 2,000	\$ 1,847	\$ 24,050	\$ 27,897
4"	\$ 3,000	\$ 2,417	\$ 40,083	\$ 45,500
6"	\$ 4,500	\$ 2,417	\$ 80,166	\$ 87,083

RESIDENTIAL

\$2,405 per ¾" unit (meter) or ¾" initial impact unit.

An "initial impact unit" equals one ¾" system development fee charge computed as follows:

Single Family Residence:	One ¾" initial impact unit ("IIU")
Multifamily:	Condo, Townhouse, Cottage Courts, Apartments, Duplexes, Mobile Homes and Other types of multifamily units - 1 IIU per habitable unit or \$2,405 for each unit.
Hotels, Motels and Campgrounds:	One IIU (\$2,405) for each four individual habitable units (rooms, campsites, mobile homes or trailer sites).

COMMERCIAL

\$2,405 per ¾" unit or ¾" initial impact unit.

Laundries:	1 IIU for every five machines or portion thereof
Restuarants:	1 IIU for every twenty seats or portion thereof as dertermined by privilege license
Car Wash:	1 IIU for every two stalls or portion thereof
Other:	Should a potential water use of a commercial nature NOT be included in the list above, then the initial impact fee shall be based upon the size of the meter as listed above for residential impact fees.

**DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Major Users
June 30, 2019**

Major Retail Users

<u>Name</u>	<u>Annual Water Sales</u>	<u>Revenues</u>	<u>Percentage of Total Water</u>
1. Hilton Gardens ¹	6.728	\$ 51,574	
2. Camp Hatteras Campground ²	5.188	44,322	
3 KOA Campground ²	3.915	29,825	
4 North Carolina Aquarium ¹	3.359	25,327	
5. Holiday/Baymont Inn ¹	3.155	24,818	
6. Market Place Southern Shores ¹	2.822	21,832	
7. Sanderling Hotel ¹	2.716	20,933	
8. KOA Campground ²	2.112	17,356	
9. Beechwood Resort ¹	2.153	15,686	
10. Sanderling Center ¹	<u>3.470</u>	<u>14,842</u>	
Totals	<u>35.618</u>	<u>\$266,515</u>	<u>2.25%</u>

¹ Served by the Non-Hatteras system.

² Served by the Hatteras system.

Wholesale Users

<u>Fiscal Year</u>	<u>Kill Devil Hills</u>		<u>Nags Head</u>		<u>Manteo</u>	
	<u>Water Sales</u>	<u>Usage (MG)</u>	<u>Water Sales</u>	<u>Usage (MG)</u>	<u>Water Sales</u>	<u>Usage (MG)</u>
2010	\$824,564	450.9	\$793,566	429.6	\$122,445	99.7
2011	\$773,373	446.5	\$851,932	464.1	\$130,478	106
2012	\$768,666	445.4	\$785,403	452.8	\$128,433	105
2013	\$747,747	445.2	\$744,815	443.7	\$124,281	79.3
2014	\$755,429	443.5	\$803,751	471.9	\$120,816	78.4
2015	\$795,879	452.9	\$806,493	459.6	\$146,232	80.6
2016	\$782,886	435.2	\$744,352	413.5	\$142,933	78.7
2017	\$773,043	426.1	\$796,342	438.7	\$146,249	82.2
2018	\$789,710	419.9	\$800,188	425.6	\$130,951	79.7
2019	\$811,111	419.1	\$765,765	396.0	\$156,304	79.6

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Five Year Operating Results Per Revenue Bond Covenants

	<u>2015⁽³⁾</u>	<u>2016⁽¹⁾⁽³⁾</u>	<u>2017⁽²⁾⁽³⁾</u>	<u>2018⁽²⁾⁽³⁾</u>	<u>2019⁽²⁾⁽³⁾</u>
Operating Revenues:					
Water Sales	\$ 11,055,995	\$ 11,074,298	\$ 11,585,318	\$ 11,579,566	\$ 11,853,084
Capital Recovery Charges	474,072	541,805	468,837	500,610	485,545
Other Operating Revenues	<u>763,055</u>	<u>637,559</u>	<u>679,026</u>	<u>693,391</u>	<u>1,020,671</u>
Subtotal, Operating	12,293,122	12,253,662	12,733,181	12,773,567	13,359,300
Operating Expenses Before Depreciation & Amortization	<u>(8,135,816)</u>	<u>(8,231,423)</u>	<u>(8,732,505)</u>	<u>(8,928,724)</u>	<u>(9,246,724)</u>
Operating Income Before Depreciation & Amortization	4,157,306	4,022,239	4,000,676	3,844,843	4,112,576
Depreciation	<u>(2,328,546)</u>	<u>(2,399,477)</u>	<u>(2,510,250)</u>	<u>(3,841,499)</u>	<u>(4,032,975)</u>
Amortization of Net Original Issue Premium/(Discount) & Deferrals	<u>110,335</u>	<u>69,083</u>	<u>9,358</u>	<u>320,256</u>	<u>(49,941)</u>
Operating Income	1,939,095	1,691,845	1,499,784	323,600	29,660
Non-operating Revenues:					
Interest Earnings (non capital)	168,700	162,045	142,497	308,302	719,505
Sale of capital assets	-	-	-	-	15,825
Assessments	<u>446,045</u>	<u>428,481</u>	<u>408,605</u>	<u>394,156</u>	<u>346,324</u>
Subtotal, Non-operating	614,745	590,526	551,102	702,458	1,081,654
Non-operating Expenses	<u>(1,527,912)</u>	<u>(1,418,282)</u>	<u>(1,265,691)</u>	<u>(1,144,025)</u>	<u>(1,074,255)</u>
Change in Net Position as Defined	<u>\$ 1,025,928</u>	<u>\$ 864,089</u>	<u>\$ 785,195</u>	<u>\$ (117,967)</u>	<u>\$ 37,059</u>
<i>Determination of Net Revenues Available for Debt Service</i>					
Change in Net Position as Defined	\$ 1,025,928	\$ 864,089	\$ 785,195	\$ (117,967)	\$ 37,059
Plus: Depreciation	2,328,546	2,399,477	2,510,250	3,841,499	4,032,975
Plus: Interest Expense	1,478,050	1,436,621	982,166	1,140,730	1,074,255
(Less)/Plus: Net Amortization of OIP and GASB 23	<u>(110,335)</u>	<u>(69,083)</u>	<u>(9,358)</u>	<u>(320,256)</u>	<u>49,941</u>
Net Revenues Available for Debt Service	5,230,574	4,631,104	4,268,253	4,544,006	5,194,230
20% of Surplus Fund	<u>3,977,969</u>	<u>4,344,725</u>	<u>4,981,602</u>	<u>5,463,214</u>	<u>5,667,442</u>
Adjusted Net Revenues Available for Debt Service	<u>\$ 9,208,543</u>	<u>\$ 8,975,829</u>	<u>\$ 9,249,855</u>	<u>\$ 10,007,220</u>	<u>\$ 10,861,672</u>
Revenue Bond Debt Service	\$ 2,502,398	\$ 2,501,288	\$ 2,503,588	\$ 2,330,119	\$ 2,358,625
Debt Service Coverage with Surplus	3.68	3.76	3.69	4.29	4.61
Debt Service Coverage without Surplus	2.09	2.03	1.71	1.95	2.20

1 Corrected for restatement recorded in fiscal year 2017.

2 The County adopted GASB Statement No. 75 for OPEB with fiscal year 2017. Adjustments are allowed per the Series 2011 bonds series indenture beginning in fiscal year 2020.

3 The County adopted GASB Statement No. 68 for pensions with fiscal year 2015. Adjustments are allowed per the Series 2017 bonds series indenture beginning in fiscal year 2021.

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STATISTICAL SECTION

This part of Dare County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This information is presented in five categories:

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules present information to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Dare County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 71,669,644	\$ 76,235,968	\$ 68,223,232	\$ 82,347,870	\$ 83,113,262	\$ 83,161,507	\$ 89,094,833	\$ 107,555,911	\$ 109,726,856	\$ 121,152,381
Restricted for:										
Stabilization by State statute	10,789,570	9,466,629	12,467,772	22,904,237	12,759,766	14,301,193	16,625,342	23,218,483	14,719,390	20,370,330
Economic and physical development	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653	21,394,184
Public Safety	1,441,582	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472	1,158,736
Human services	835,241	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983	151,087
General government	46,802	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089	3,316
Unrestricted	(102,958,527)	(103,747,688)	(98,670,130)	(121,558,887)	(104,861,727)	(101,581,856)	(99,537,159)	(196,845,571)	(170,801,210)	(164,802,751)
Total governmental activities net position	<u>\$ 9,221,899</u>	<u>\$ 16,027,941</u>	<u>\$ (729,974)</u>	<u>\$ 1,630,401</u>	<u>\$ 11,185,001</u>	<u>\$ 19,796,860</u>	<u>\$ 33,815,634</u>	<u>\$ (42,789,127)</u>	<u>\$ (20,958,767)</u>	<u>\$ (572,717)</u>
Effect of school debt upon total net position	<u>\$ (102,865,000)</u>	<u>\$ (102,696,465)</u>	<u>\$ (93,545,425)</u>	<u>\$ (87,394,834)</u>	<u>\$ (80,599,244)</u>	<u>\$ (76,289,820)</u>	<u>\$ (68,800,546)</u>	<u>\$ (61,997,380)</u>	<u>\$ (54,567,130)</u>	<u>\$ (47,681,190)</u>
Business-type activities:										
Net investment in capital assets	\$ 43,901,055	\$ 53,782,509	\$ 51,402,074	\$ 42,096,751	\$ 40,747,980	\$ 41,883,693	\$ 41,608,439	\$ 43,127,737	\$ 41,520,916	\$ 38,989,060
Restricted	9,689,062	8,430,223	10,802,154	14,435,256	14,679,645	13,983,768	13,540,232	15,257,272	16,697,282	17,102,520
Unrestricted	7,015,592	25,048	712,918	5,948,491	7,319,092	7,648,450	9,993,161	(2,519,814)	(2,012,967)	307,220
Total business-type activities	<u>\$ 60,605,709</u>	<u>\$ 62,237,780</u>	<u>\$ 62,917,146</u>	<u>\$ 62,480,498</u>	<u>\$ 62,746,717</u>	<u>\$ 63,515,911</u>	<u>\$ 65,141,832</u>	<u>\$ 55,865,195</u>	<u>\$ 56,205,231</u>	<u>\$ 56,398,800</u>
Primary government:										
Net investment in capital assets	\$ 115,570,699	\$ 130,018,477	\$ 119,625,306	\$ 124,444,621	\$ 123,861,242	\$ 125,045,200	\$ 130,703,272	\$ 150,683,648	\$ 151,247,772	\$ 160,141,441
Restricted for:										
Stabilization by State statute	10,789,570	9,466,629	12,467,772	22,904,237	12,759,766	14,301,193	16,625,342	23,218,483	14,719,390	20,370,330
Economic and physical development	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653	21,394,184
Bond covenants	9,689,062	8,430,223	10,802,154	14,435,256	14,679,645	13,983,768	13,540,232	15,257,272	16,697,282	17,102,520
Public Safety	1,441,582	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472	1,158,736
Human services	835,241	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983	151,087
General government	46,802	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089	3,316
Unrestricted	(95,942,935)	(95,522,124)	(97,957,212)	(115,610,396)	(97,542,635)	(93,933,406)	(89,543,998)	(199,365,385)	(172,814,177)	(164,495,531)
Total primary government net position	<u>\$ 69,827,608</u>	<u>\$ 86,466,237</u>	<u>\$ 62,187,172</u>	<u>\$ 64,110,899</u>	<u>\$ 73,931,718</u>	<u>\$ 83,312,771</u>	<u>\$ 98,957,466</u>	<u>\$ 13,076,068</u>	<u>\$ 35,246,464</u>	<u>\$ 55,826,083</u>
Effect of school debt upon total net position	<u>\$ (102,865,000)</u>	<u>\$ (102,696,465)</u>	<u>\$ (93,545,425)</u>	<u>\$ (87,394,834)</u>	<u>\$ (80,599,244)</u>	<u>\$ (76,289,820)</u>	<u>\$ (68,800,546)</u>	<u>\$ (61,997,380)</u>	<u>\$ (54,567,130)</u>	<u>\$ (47,681,190)</u>

Note: The County adopted GASB Statement No. 75 for fiscal year 2017; prior years are not restated.

Dare County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 11,639,570	\$ 11,317,889	\$ 18,894,221	\$ 12,367,539	\$ 11,147,563	\$ 11,006,773	\$ 10,829,117	\$ 10,955,429	\$ 11,037,049	\$ 12,539,691
Public safety	23,689,983	23,435,996	24,425,914	26,306,207	27,177,114	28,192,403	30,236,350	34,815,732	31,945,928	34,342,643
Economic & physical development	1,782,711	1,269,450	21,401,469	3,261,258	3,782,370	4,874,257	5,639,879	13,801,658	14,854,739	7,662,770
Human services	16,448,538	16,475,126	16,484,769	16,456,678	17,323,255	17,253,173	17,589,027	17,960,744	17,549,059	17,930,715
Cultural & recreational	5,211,971	5,430,227	5,321,256	5,374,887	5,734,640	5,648,640	5,937,464	6,018,676	6,358,781	5,454,249
Environmental protection	8,989,146	9,102,477	7,866,557	8,596,376	8,852,266	8,855,982	8,611,570	9,765,572	10,557,951	10,004,255
Education	18,647,372	19,730,878	19,813,940	20,473,842	21,554,902	23,791,918	23,022,982	23,947,542	24,596,556	26,173,140
Transportation	811,448	811,646	676,568	681,013	687,563	691,814	744,374	710,950	754,943	807,753
Interest on long-term debt	6,682,161	6,562,751	4,994,060	3,040,613	4,227,189	3,880,214	3,799,337	3,737,618	3,652,243	3,530,291
Total governmental activities expenses	93,902,900	94,136,440	119,878,754	96,558,413	100,486,862	104,195,174	106,410,100	121,713,921	121,307,249	118,445,507
Business-type activities:										
Water	9,362,482	10,024,765	11,181,253	11,325,746	11,756,883	11,789,219	11,950,328	12,345,589	13,379,548	14,231,560
Total primary government expenses	\$ 103,265,382	\$ 104,161,205	\$ 131,060,007	\$ 107,884,159	\$ 112,243,745	\$ 115,984,393	\$ 118,360,428	\$ 134,059,510	\$ 134,686,797	\$ 132,677,067
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,824,778	\$ 1,809,871	\$ 2,237,365	\$ 1,803,060	\$ 1,637,745	\$ 1,748,826	\$ 1,753,714	\$ 1,633,788	\$ 1,846,691	\$ 1,808,951
Public safety	3,171,255	2,665,961	2,724,570	3,658,366	4,653,043	4,918,339	5,343,302	5,466,424	5,701,477	5,624,707
Economic & physical development	190,474	197,500	182,111	199,035	238,514	244,626	362,158	308,788	471,196	496,362
Human services	2,371,379	2,564,678	2,714,766	2,930,052	3,259,752	2,557,816	2,978,655	3,440,848	3,487,228	2,874,572
Cultural & recreational	276,705	284,579	297,285	359,461	337,350	441,104	441,502	398,800	376,160	378,699
Environmental protection	1,873,177	1,845,973	1,995,813	1,849,890	1,707,240	1,997,572	1,824,149	1,736,727	1,670,999	1,650,819
Operating grants & contributions:										
General government	153,567	216,795	5,365,575	393,946	(1,376)	12,427	21,116	10,346	10,044	9,630
Public safety	151,221	148,495	294,198	169,899	141,779	169,920	152,665	2,210,100	379,193	576,680
Economic & physical development	23,694	53,677	1,975	5,600	89,075	302,845	8,410	27,757	228,050	124,674
Human services	5,274,994	5,770,952	5,346,637	4,751,990	4,976,551	4,885,076	4,895,933	4,815,314	4,552,446	4,976,897
Cultural & recreational	307,827	703,977	371,978	433,204	445,468	440,907	461,571	442,077	423,320	396,909
Environmental protection	51,028	96,196	119,064	100,958	166,128	97,187	64,203	65,535	28,200	2,653
Education	-	1,186,720	450,000	355,041	345,000	350,000	360,000	360,000	325,000	300,000
Capital grants & contributions:										
General government	-	5,385	-	-	-	-	-	-	-	-
Public safety	138,271	-	1,050	-	93,699	1,135,453	2,828,507	7,043,160	201,810	6,623
Economic & physical development	59,561	59,561	-	46,506	292,697	-	20,210	12,829,735	10,134,438	5,050,996
Cultural & recreational	124,520	543,095	92,130	1,392,956	1,494,326	93,885	613,706	246,293	29,770	183,779
Education	-	391,493	142,371	-	-	-	-	-	-	-
Total governmental activities program revenues	15,992,451	18,544,908	22,336,888	18,449,964	19,876,991	19,395,983	22,129,801	41,035,692	29,866,022	24,462,951

(continued)

Dare County, North Carolina
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Business-type activities:										
Charges for services:										
Water	9,808,215	10,725,457	11,496,572	11,387,850	12,038,118	12,739,167	13,389,431	13,141,786	13,167,723	13,705,624
Capital grants & contributions	2,385,721	1,225,647	522,500	-	-	-	-	14,945	-	-
Total business-type activities program revenues	<u>12,193,936</u>	<u>11,951,104</u>	<u>12,019,072</u>	<u>11,387,850</u>	<u>12,038,118</u>	<u>12,739,167</u>	<u>13,389,431</u>	<u>13,156,731</u>	<u>13,167,723</u>	<u>13,705,624</u>
 Total primary government program revenues	<u>\$ 28,186,387</u>	<u>\$ 30,496,012</u>	<u>\$ 34,355,960</u>	<u>\$ 29,837,814</u>	<u>\$ 31,915,109</u>	<u>\$ 32,135,150</u>	<u>\$ 35,519,232</u>	<u>\$ 54,192,423</u>	<u>\$ 43,033,745</u>	<u>\$ 38,168,575</u>
 Net (Expense)/Revenue										
Governmental activities	\$ (77,910,449)	\$ (75,591,532)	\$ (97,541,866)	\$ (78,108,449)	\$ (80,609,871)	\$ (84,799,191)	\$ (84,280,299)	\$ (80,678,229)	\$ (91,441,227)	\$ (93,982,556)
Business-type activities	2,831,454	1,926,339	837,819	62,104	281,235	949,948	1,439,103	811,142	(211,825)	(525,936)
Total primary government net expense	<u>\$ (75,078,995)</u>	<u>\$ (73,665,193)</u>	<u>\$ (96,704,047)</u>	<u>\$ (78,046,345)</u>	<u>\$ (80,328,636)</u>	<u>\$ (83,849,243)</u>	<u>\$ (82,841,196)</u>	<u>\$ (79,867,087)</u>	<u>\$ (91,653,052)</u>	<u>\$ (94,508,492)</u>
 General Revenues & Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 49,431,130	\$ 53,186,707	\$ 53,326,774	\$ 53,350,156	\$ 59,012,172	\$ 59,440,107	\$ 59,933,626	\$ 60,930,602	\$ 66,880,879	\$ 67,901,581
Sales taxes	14,397,453	15,841,968	16,382,627	16,281,102	16,552,132	17,662,414	18,069,621	19,115,285	20,056,532	20,899,052
Occupancy taxes	6,705,811	7,138,147	7,510,215	7,547,352	9,257,698	12,328,828	12,834,470	13,911,420	14,636,850	15,115,405
Alcoholic beverage taxes and sales	746,064	1,103,186	1,019,234	1,298,034	1,263,772	1,604,848	1,600,819	1,586,185	1,604,540	1,672,939
Local realty transfer taxes	2,832,963	2,864,191	3,048,690	3,006,418	3,284,284	3,990,322	4,101,628	4,271,381	4,588,865	4,811,021
Other taxes	1,509,067	819,270	842,835	704,930	847,873	831,367	726,450	832,754	1,389,225	1,022,815
Other revenues	305,147	361,291	1,226,039	996,392	380,248	471,615	602,726	2,528,716	486,795	590,482
Investment earnings (loss)	1,528,441	519,772	507,700	(12,692)	370,920	445,657	421,320	720,606	1,108,457	2,355,310
Special item - swap termination	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-
Gain on sale and donations of capital assets	-	111,446	-	-	-	-	-	-	-	-
Transfers	431,691	451,596	494,837	457,132	-	22,327	(18,075)	-	-	-
Total governmental activities	<u>77,887,767</u>	<u>82,397,574</u>	<u>80,783,951</u>	<u>80,468,824</u>	<u>90,969,099</u>	<u>96,797,485</u>	<u>98,272,585</u>	<u>103,896,949</u>	<u>110,752,143</u>	<u>114,368,605</u>
 Business-type activities:										
Investment earnings (loss)	277,847	157,328	336,384	(41,620)	157,607	168,700	168,743	142,497	308,302	719,505
Transfers	(431,691)	(451,596)	(494,837)	(457,132)	-	(22,327)	18,075	-	-	-
Total business-type activities	<u>(153,844)</u>	<u>(294,268)</u>	<u>(158,453)</u>	<u>(498,752)</u>	<u>157,607</u>	<u>146,373</u>	<u>186,818</u>	<u>142,497</u>	<u>308,302</u>	<u>719,505</u>
 Total Primary government	<u>\$ 77,733,923</u>	<u>\$ 82,103,306</u>	<u>\$ 80,625,498</u>	<u>\$ 79,970,072</u>	<u>\$ 91,126,706</u>	<u>\$ 96,943,858</u>	<u>\$ 98,459,403</u>	<u>\$ 104,039,446</u>	<u>\$ 111,060,445</u>	<u>\$ 115,088,110</u>
 Change in Net Position										
Governmental activities	\$ (22,682)	\$ 6,806,042	\$ (16,757,915)	\$ 2,360,375	\$ 10,359,228	\$ 11,998,294	\$ 13,992,286	\$ 23,218,720	\$ 19,310,916	\$ 20,386,049
Business-type activities	2,677,610	1,632,071	679,366	(436,648)	438,842	1,096,321	1,625,921	953,639	96,477	193,569
Total primary government	<u>\$ 2,654,928</u>	<u>\$ 8,438,113</u>	<u>\$ (16,078,549)</u>	<u>\$ 1,923,727</u>	<u>\$ 10,798,070</u>	<u>\$ 13,094,615</u>	<u>\$ 15,618,207</u>	<u>\$ 24,172,359</u>	<u>\$ 19,407,393</u>	<u>\$ 20,579,618</u>

Note: The County adopted GASB Statement No. 75 for fiscal year 2017; prior years are not restated.

Dare County, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	\$ 100,679	\$ 1,672,757	\$ 28,588	\$ 28,419	\$ 17,028	\$ 10,583	\$ 10,347	\$ 13,176	\$ 14,354	\$ 14,272
Restricted for:										
Stabilization by State statute	6,977,941	8,168,984	10,783,678	10,195,788	10,255,004	9,748,271	9,611,728	12,770,550	11,174,583	11,634,580
Capital	80,933	93,062	479,505	409,671	1,122,755	-	-	-	-	-
General government	46,802	42,621	57,210	50,078	30,704	19,591	12,256	7,313	4,089	3,316
Public safety	229,383	168,253	107,742	60,333	39,387	22,552	27,539	43,777	53,617	60,448
Human services	758,379	1,040,417	1,376,188	465,486	318,030	222,793	175,116	116,723	110,000	110,000
Committed for:										
Public safety	-	-	-	-	-	-	2,608	-	-	-
Human services	76,862	82,115	74,125	92,168	91,287	77,182	60,609	36,223	6,495	-
Debt service	-	58,780	-	-	-	-	-	-	-	-
Swap Termination	139,989	-	517,732	-	-	-	-	-	-	-
Disaster recovery	752,808	740,356	439,342	645,397	620,609	507,580	502,658	612,216	606,355	857,350
Assigned for subsequent year's expenditures	3,838,211	2,051,360	2,664,803	1,816,588	1,995,190	3,245,000	1,878,153	534,567	3,117,346	2,601,193
Unassigned	<u>14,853,941</u>	<u>14,152,593</u>	<u>12,083,291</u>	<u>12,473,770</u>	<u>13,332,927</u>	<u>15,741,283</u>	<u>19,507,315</u>	<u>20,044,953</u>	<u>24,991,118</u>	<u>29,555,668</u>
Total General Fund	<u>\$ 27,855,928</u>	<u>\$ 28,271,298</u>	<u>\$ 28,612,204</u>	<u>\$ 26,237,698</u>	<u>\$ 27,822,921</u>	<u>\$ 29,594,835</u>	<u>\$ 31,788,329</u>	<u>\$ 34,179,498</u>	<u>\$ 40,077,957</u>	<u>\$ 44,836,827</u>
All Other Governmental Funds:										
Restricted for:										
Stabilization by State statute	\$ 3,811,629	\$ 1,297,645	\$ 1,684,094	\$ 12,708,539	\$ 2,504,762	\$ 4,552,922	\$ 7,013,614	\$ 10,447,933	\$ 3,544,807	\$ 8,735,750
Economic & physical development	27,397,587	31,250,803	14,840,596	16,556,369	18,879,572	22,767,266	27,012,542	22,784,809	24,481,653	21,394,184
Public safety	1,212,199	1,570,938	867,416	804,915	785,453	797,679	385,438	314,213	730,855	1,098,288
Human services	66,336	-	-	-	120,554	86,135	19,730	15,215	15,983	41,087
Capital or debt service	-	764,772	467,128	73	236,334	800,190	585,313	648,735	818,682	937,612
Capital	665,370	2,587,113	1,389,798	10,585,693	9,388,884	514,793	13,298,282	25,761,677	3,503,474	8,716,311
Committed for:										
Capital	-	1,939,855	1,508,686	-	641,987	-	-	-	-	-
Disaster recovery	750,471	-	-	-	-	-	-	-	-	-
Economic & physical development	-	-	-	-	-	-	221,812	32,535	216,285	9,059
Environmental protection	1,716,945	2,042,906	2,284,787	593,212	2,324,810	3,321,809	3,644,602	3,848,566	3,814,022	3,540,289
School capital projects	381,624	482,119	489,380	-	-	269,827	-	267,348	288,754	651,476
Assigned for subsequent year's expenditures	1,571,178	-	-	-	-	-	-	-	-	-
Unassigned	<u>(1,313,445)</u>	<u>(125,371)</u>	<u>(150,671)</u>	<u>(10,615,946)</u>	<u>(617,426)</u>	<u>(478,049)</u>	<u>(133,299)</u>	<u>-</u>	<u>-</u>	<u>(142,298)</u>
Total all other governmental funds	<u>\$ 36,259,894</u>	<u>\$ 41,810,780</u>	<u>\$ 23,381,214</u>	<u>\$ 30,632,855</u>	<u>\$ 34,264,930</u>	<u>\$ 32,632,572</u>	<u>\$ 52,048,034</u>	<u>\$ 64,121,031</u>	<u>\$ 37,414,515</u>	<u>\$ 44,981,758</u>

Dare County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad valorem taxes	\$ 49,345,102	\$ 53,460,097	\$ 53,438,568	\$ 53,311,970	\$ 59,076,290	\$ 59,435,232	\$ 60,074,510	\$ 60,703,712	\$ 67,036,014	\$ 67,931,216
Other taxes	24,637,888	26,523,091	27,335,626	27,222,158	29,506,422	34,415,363	35,464,523	37,728,126	40,359,487	41,356,620
Unrestricted intergovernmental	2,126,664	1,315,157	1,541,448	1,690,044	1,777,079	1,336,559	1,195,547	1,327,251	1,183,570	1,399,718
Restricted intergovernmental	5,998,998	8,274,889	11,768,352	7,202,102	7,177,617	7,684,215	9,593,065	15,758,691	6,619,524	11,953,424
Permits and fees	1,838,171	1,980,819	1,986,922	2,015,988	2,064,037	2,233,562	2,397,570	2,352,896	2,698,443	2,585,945
Sales and services	6,818,415	6,908,162	7,591,580	8,270,728	9,465,373	9,326,664	9,989,928	10,453,270	10,692,736	9,993,998
Interest earnings	1,293,191	519,771	507,700	(12,691)	370,922	445,657	421,320	573,323	1,108,457	2,355,309
Other	725,768	1,347,363	964,146	887,615	1,308,658	1,049,189	1,065,599	13,694,556	10,813,529	944,256
Total revenues	92,784,197	100,329,349	105,134,342	100,587,914	110,746,398	115,926,441	120,202,062	142,591,825	140,511,760	138,520,486
Expenditures										
General government	10,441,248	9,721,328	9,392,100	9,539,017	9,593,443	9,380,210	9,169,375	9,533,533	9,754,399	11,445,928
Public safety	20,188,238	20,434,556	27,188,200	22,107,908	22,601,624	23,995,137	25,142,887	29,943,996	28,054,559	30,760,920
Economic & physical development	1,647,984	1,146,063	21,116,771	3,152,348	3,711,723	4,832,419	5,575,379	13,731,142	14,304,208	3,793,495
Human services	14,690,452	14,960,475	14,792,137	14,711,427	15,956,706	16,060,868	16,023,228	16,593,111	16,583,527	16,789,498
Cultural & recreational	4,304,148	4,706,626	4,367,444	4,477,238	4,710,722	4,723,101	4,870,697	5,052,960	5,470,416	4,828,346
Environmental protection	7,118,599	7,331,479	6,772,346	6,696,103	7,130,802	7,180,717	6,944,434	7,511,616	7,846,852	8,114,145
Education	18,592,474	19,377,626	19,729,638	20,464,926	21,555,245	23,795,192	23,023,823	23,950,914	22,851,471	25,943,311
Airport	810,343	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061	813,859
Capital outlay	8,823,418	7,388,009	4,490,029	7,071,176	3,740,545	11,298,011	6,964,377	26,630,013	34,757,375	12,522,089
Debt service:										
Principal	11,926,330	10,636,952	10,835,112	10,936,848	13,111,593	13,710,790	13,916,789	18,584,012	18,648,668	20,778,667
Interest	7,085,499	6,806,962	6,013,736	4,428,437	5,392,791	4,932,694	4,520,021	4,590,468	4,411,184	4,202,176
Bond issuance costs	87,376	-	542,768	937,320	3,710	61,424	285,091	3,195	-	-
Total expenditures	105,716,109	103,324,833	125,916,636	105,194,363	108,196,607	120,663,172	117,184,969	156,841,492	163,445,720	139,992,434
Excess (deficiency) of revenues over (under) expenditures	(12,931,912)	(2,995,484)	(20,782,294)	(4,606,449)	2,549,791	(4,736,731)	3,017,093	(14,249,667)	(22,933,960)	(1,471,948)
Other financing sources (uses)										
Transfers in	21,037,237	5,713,973	6,815,579	4,627,656	4,289,694	4,083,888	10,568,481	16,816,292	6,768,788	7,178,877
Transfers out	(20,592,134)	(5,249,991)	(6,311,242)	(4,170,524)	(4,289,694)	(4,083,888)	(10,568,481)	(16,816,292)	(6,768,788)	(7,178,877)
Installment financings issued	3,915,000	9,120,055	38,110,000	74,698,933	2,632,081	4,724,085	26,651,569	27,672,806	1,977,531	13,619,036
Premium on installment financings issued	66,333	-	4,366,982	10,099,253	-	-	1,313,333	-	-	-
Issuer contribution on installment financing	-	-	28,750	-	-	-	-	-	-	-
Insurance recoveries	-	-	605,193	50,169	-	69,140	-	499,792	22,516	-
Payment of refunded installment financing escrow agent	(3,690,746)	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)	-	-	-
Swap termination payment	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-
Sales of capital assets	1,825	130,511	229,652	42,678	35,426	83,052	142,346	541,235	125,856	179,025
Total other financing sources (uses)	737,515	9,714,548	2,711,634	9,465,584	2,667,507	4,876,277	18,565,382	28,713,833	2,125,903	13,798,061
Net change in fund balances	\$ (12,194,397)	\$ 6,719,064	\$ (18,070,660)	\$ 4,859,135	\$ 5,217,298	\$ 139,546	\$ 21,582,475	\$ 14,464,166	\$ (20,808,057)	\$ 12,326,113
Debt service as a percentage of noncapital expenditures ⁽¹⁾	19.62%	18.18%	13.88%	15.66%	17.71%	17.05%	16.73%	17.80%	17.92%	19.60%

⁽¹⁾ Capital outlay expenditures recorded in the fund statements capitalized as assets in the Statement of activities (Note 1.S.ii) does not equal capital outlay expenditures per the above due to capital outlay expenditures for schools which the County does not capitalize. See Note 13.C Financing Structure of Installment Financings for School Facilities and Note 18 for further explanation.

Dare County, North Carolina
Changes in Fund Balances of General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad valorem taxes	\$ 45,479,224	\$ 49,557,023	\$ 49,544,140	\$ 49,444,138	\$ 55,084,869	\$ 55,409,214	\$ 56,008,088	\$ 56,486,678	\$ 62,735,371	\$ 63,573,997
Other taxes	15,508,191	19,451,094	20,190,058	20,106,984	20,571,012	21,783,038	22,349,107	23,743,007	24,916,108	25,910,863
Unrestricted intergovernmental	1,781,072	816,013	1,085,934	1,092,240	1,200,313	1,336,559	1,195,547	1,327,251	1,183,570	1,399,718
Restricted intergovernmental	5,777,166	7,869,504	11,568,876	5,843,660	6,010,527	5,736,536	5,767,147	7,944,375	5,451,804	6,018,849
Permits and fees	1,831,071	1,973,469	1,979,814	2,008,813	2,056,491	2,225,953	2,389,819	2,345,287	2,612,544	2,576,631
Sales and services	5,173,713	5,271,913	5,784,078	6,591,929	7,890,294	7,402,666	8,221,621	8,793,662	9,181,888	8,424,390
Interest earnings	600,043	237,904	283,453	6,591	217,360	242,719	214,795	253,805	512,887	1,173,151
Other	601,747	846,438	864,150	770,567	766,728	979,178	654,628	849,679	625,070	867,725
Total revenues	<u>76,752,227</u>	<u>86,023,358</u>	<u>91,300,503</u>	<u>85,864,922</u>	<u>93,797,594</u>	<u>95,115,863</u>	<u>96,800,752</u>	<u>101,743,744</u>	<u>107,219,242</u>	<u>109,945,324</u>
Expenditures										
General government	10,429,404	9,704,236	15,934,507	9,519,708	9,584,578	9,348,752	9,119,855	9,480,160	9,710,505	11,311,344
Public safety	19,998,483	20,208,323	20,415,822	21,513,080	22,121,357	22,768,804	23,669,246	27,241,402	27,489,182	29,289,255
Economic & physical development	1,415,426	1,033,306	897,387	900,514	1,065,735	1,302,803	1,071,301	1,157,729	1,120,264	1,191,351
Human services	14,445,357	14,691,091	14,734,728	14,632,420	15,696,322	15,871,528	15,838,092	16,593,111	16,568,297	16,748,543
Cultural & recreational	4,280,647	4,275,025	4,311,755	4,374,385	4,688,583	4,684,853	4,848,619	5,042,168	5,457,916	4,819,007
Environmental protection	2,781,715	2,701,854	2,506,976	2,392,683	2,600,787	2,412,617	2,191,470	2,381,319	2,483,504	2,417,679
Education	18,592,474	19,377,626	19,729,638	19,982,751	20,289,327	21,014,601	21,572,332	21,845,717	22,769,255	23,592,662
Airport	810,343	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061	813,859
Capital outlay	26,860	1,167,907	843,393	1,337,393	1,424,450	818,620	887,451	1,673,061	1,694,072	2,176,924
Debt service:										
Principal	11,214,636	9,986,374	10,150,158	10,203,212	12,328,357	12,896,971	13,154,733	13,027,752	13,194,064	13,435,633
Interest	7,052,263	6,782,349	5,990,632	4,408,436	5,375,703	4,918,644	4,507,424	4,278,693	3,901,148	3,531,561
Bond issuance costs	87,376	-	542,768	842,640	3,710	61,424	178,281	-	-	-
Total expenditures	<u>91,134,984</u>	<u>90,742,848</u>	<u>96,734,119</u>	<u>90,778,837</u>	<u>95,866,612</u>	<u>96,792,226</u>	<u>97,787,672</u>	<u>103,437,644</u>	<u>105,151,268</u>	<u>109,327,818</u>
Excess (deficiency) of revenues over (under) expenditures	(14,382,757)	(4,719,490)	(5,433,616)	(4,913,915)	(2,069,018)	(1,676,363)	(986,920)	(1,693,900)	2,067,974	617,506
Other financing sources (uses)										
Transfers in	15,174,719	4,993,452	4,615,625	3,919,153	3,108,292	2,625,000	2,603,500	2,767,393	2,708,859	2,833,473
Transfers out	(4,500,000)	(7,545)	(12,500)	(100,000)	(495,402)	(250,000)	(655,773)	(200,000)	(486,082)	(400,000)
Installment financings issued	3,245,000	755,000	37,290,000	64,653,933	1,005,925	921,085	9,835,569	933,792	1,459,336	1,528,866
Premium on installment financing	66,333	-	4,366,982	9,838,057	-	-	770,147	-	-	-
Issuer contribution on installment financing	-	-	28,750	-	-	-	-	-	-	-
Insurance recoveries	-	-	605,193	50,169	-	69,140	-	499,792	22,516	-
Payment to refunded installment financing escrow agent	(3,690,746)	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)	-	-	-
Swap termination payment	-	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-
Sales of capital assets	1,825	130,511	31,752	42,678	35,426	83,052	142,346	84,092	125,856	179,025
Total other financing sources (uses)	<u>10,297,131</u>	<u>5,871,418</u>	<u>5,792,522</u>	<u>2,521,409</u>	<u>3,654,241</u>	<u>3,448,277</u>	<u>3,153,923</u>	<u>4,085,069</u>	<u>3,830,485</u>	<u>4,141,364</u>
Net change in fund balances	<u>\$ (4,085,626)</u>	<u>\$ 1,151,928</u>	<u>\$ 358,906</u>	<u>\$ (2,392,506)</u>	<u>\$ 1,585,223</u>	<u>\$ 1,771,914</u>	<u>\$ 2,167,003</u>	<u>\$ 2,391,169</u>	<u>\$ 5,898,459</u>	<u>\$ 4,758,870</u>
Debt service as a percentage of noncapital expenditures	20.05%	18.72%	16.83%	16.34%	18.75%	18.56%	18.23%	17.01%	16.52%	15.83%
Debt service as a percentage of expenditures	20.04%	18.48%	16.69%	16.10%	18.47%	18.41%	18.06%	16.73%	16.26%	15.52%
Unassigned fund balance as a percentage of current year expenditures	16.30%	15.60%	12.49%	13.74%	13.91%	16.26%	19.95%	19.38%	23.77%	27.03%

Notes:

2012 public safety expenditures include \$6,549,341 of amounts from Hurricane Irene.

2017 public safety expenditures include \$2,493,825 of amounts from Hurricane Matthew.

2018 public safety expenditures include \$162,204 from Hurricane Matthew and the 2018 snow storms.

2019 public safety expenditures include \$182,585 from Hurricane Florence and tropical storm Michael.

Dare County, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property			Total Direct Tax Rate	Sales to Assessment Ratio	Estimated Actual Taxable Value
	Residential	Commercial	Use Value (5)	Personal Property	Motor Vehicles (6)	Public Service Companies (1)			
							Assessed Value		
2010	\$ 14,852,076,072	\$ 1,849,211,600	\$ 87,400	\$ 369,719,670	\$ 319,676,968	\$ 125,753,838	\$ 17,516,525,548	\$ 0.260	\$ 15,528,834,706
2011	\$ 14,950,961,604	\$ 1,806,093,600	\$ 87,400	\$ 361,574,139	\$ 320,004,409	\$ 129,260,731	\$ 17,567,700,173	\$ 0.280	\$ 14,800,084,392
2012	\$ 15,008,536,472	\$ 1,801,468,400	\$ 86,800	\$ 349,933,945	\$ 333,099,205	\$ 129,588,738	\$ 17,622,713,660	\$ 0.280	\$ 14,313,445,143
2013	\$ 15,059,461,197	\$ 1,782,295,000	\$ 86,800	\$ 340,989,940	\$ 345,341,614	\$ 125,390,170	\$ 17,635,564,721	\$ 0.280	\$ 13,660,390,954
2014 ⁽⁴⁾	\$ 10,613,586,994	\$ 1,284,900,150	\$ 33,600	\$ 329,097,204	\$ 435,192,864	\$ 130,547,279	\$ 12,793,358,091	\$ 0.430	\$ 13,588,272,003
2015	\$ 10,758,710,349	\$ 1,252,175,000	\$ 33,600	\$ 337,482,489	\$ 375,316,418	\$ 134,102,820	\$ 12,857,850,676	\$ 0.430	\$ 13,707,729,932
2016	\$ 10,843,786,893	\$ 1,251,709,800	\$ 33,600	\$ 334,487,192	\$ 400,766,137	\$ 146,271,354	\$ 12,977,054,976	\$ 0.430	\$ 13,635,657,220
2017	\$ 10,947,900,881	\$ 1,246,532,700	\$ 33,600	\$ 347,001,790	\$ 434,326,377	\$ 145,081,869	\$ 13,138,877,217	\$ 0.430	\$ 14,555,087,202
2018	\$ 11,062,779,645	\$ 1,269,554,400	\$ 33,600	\$ 358,573,088	\$ 452,386,565	\$ 150,851,866	\$ 13,294,179,164	\$ 0.470	\$ 14,949,037,630
2019	\$ 11,162,061,529	\$ 1,276,175,860	\$ 33,600	\$ 420,989,656	\$ 478,660,943	\$ 158,889,072	\$ 13,496,810,660	\$ 0.470	\$ 16,165,781,123

Source: Annual County Certification of Valuation and Property Tax Levies to the NC Department of Revenue

Notes:

- (1) Public service companies valuations are provided to the County by the NC Department of Revenue. These amounts include both real and personal property.
- (2) Per \$100 of value. The "Direct Tax rate" is the weighted average property tax rate for the County and all special districts for which it levies taxes.
- (3) The estimated market value is calculated by dividing the assessed value by a sales-to-assessment ratio determined annually by the NC Department of Revenue. The ratio is based on samples of actual property sales which took place during the fiscal year and is a median ratio.
- (4) Property values were reassessed January 1, 2005 (the basis for fiscal 2006 taxes) and January 1, 2013 (the basis for fiscal 2014 taxes).
- (5) See note 4.B in the Notes to the Financial Statements.
- (6) Fiscal year 2014 included fifteen months of moter vehicle levies due to the implementation of a new state collection system.

Dare County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Dare County	\$ 0.26	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.47	\$ 0.47
<u>Municipality Rates:</u>										
Town of Duck	0.115	0.115	0.125	0.125	0.21	0.21	0.21	0.21	0.21	0.225
Town of Kill Devil Hills	0.205	0.205	0.215	0.2350	0.3209	0.3509	0.3809	0.3809	0.3809	0.3809
Town of Kitty Hawk	0.18	0.18	0.18	0.20	0.30	0.32	0.30	0.30	0.30	0.30
Town of Manteo	0.215	0.235	0.235	0.255	0.35	0.36	0.37	0.37	0.37	0.37
Town of Nags Head	0.1475	0.1575	0.1775	0.1775	0.257	0.267	0.297	0.297	0.297	0.307
Town of Southern Shores	0.0975	0.0140	0.14	0.16	0.22	0.22	0.22	0.22	0.22	0.22
<u>Special Districts:</u>										
Avon Fire	0.04	0.04	0.04	0.04	0.0665	0.0665	0.0665	0.0665	0.0665	0.0665
Buxton Fire	0.055	0.055	0.055	0.055	0.0819	0.1058	0.1058	0.1058	0.1058	0.1058
Colington Fire	0.0875	0.0875	0.0875	0.0875	0.1191	0.1191	0.1391	0.1391	0.1391	0.1391
Frisco Fire	0.035	0.035	0.035	0.035	0.0559	0.0559	0.0559	0.0559	0.0559	0.0559
Hatteras Fire	0.04	0.04	0.04	0.04	0.0634	0.0634	0.0634	0.0634	0.0634	0.0634
Manns Harbor Fire	0.0475	0.0475	0.0475	0.0475	0.0703	0.0703	0.0703	0.0703	0.0703	0.0703
Martin's Point Fire	0.02	0.0325	0.0325	0.0325	0.0459	0.0459	0.0459	0.0459	0.0459	0.0519
Roanoke Island Fire	0.035	0.035	0.035	0.0325	0.0435	0.0435	0.0435	0.0435	0.0435	0.0435
Rodanthe-Waves Fire	0.04	0.04	0.04	0.05	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861
Salvo Fire	0.045	0.045	0.0450	0.0450	0.08	0.08	0.08	0.08	0.0861	0.0861
Stumpy Point Fire	0.0625	0.0625	0.0625	0.0625	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962
Hatteras Community Center	0.0525	0.0525	0.0525	0.0525	0.0634	0.0821	0.0821	0.0821	0.0821	0.0821
Rodanthe-Waves-Salvo Community Center	0.0175	0.0175	0.0175	0.0175	0.0306	0.0306	0.0306	0.0306	0.0306	0.0306
Stumpy Point Community Center	0.02	0.02	0.02	0.02	0.0306	0.0308	0.0308	0.0308	0.0308	0.0308
Wanchese Community Center	0.02	0.02	0.02	0.02	0.0306	0.0306	0.0266	0.0266	0.0266	0.0266
Sanitation	0.0675	0.0675	0.0675	0.0675	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030
Hatteras Island Rescue Squad	0.006	0.006	0.006	0.006	0.0096	0.0096	0.0096	0.0096	0.0096	0.0096
Town of Nags Head Beach Nourishment	-	-	0.16	0.16	0.23	0.23	0.23	-	0.175	0.175
Town of Duck Beach Nourishment A	-	-	-	-	-	-	0.148	0.148	0.148	0.148
Town of Duck Beach Nourishment B	-	-	-	-	-	-	0.315	0.315	0.315	0.315
Town of Kill Devil Hills Nourishment	-	-	-	-	-	-	0.33	0.33	0.33	0.33
Town of Kitty Hawk Nourishment A	-	-	-	-	-	-	0.04	0.04	0.04	0.04
Town of Kitty Hawk Nourishment B	-	-	-	-	-	-	0.12	0.12	0.12	0.12
Buxton Beach Nourishment	-	-	-	-	-	-	0.25	0.25	0.25	0.25

**Dare County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year 2019			Fiscal Year 2010		
		Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation	Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation
Dominion NC Power	Utilities	\$ 119,561,335	1	0.88%	\$ 87,074,822	1	0.49%
Ships Watch Association	Real estate developer	30,025,050	2	0.22%	24,612,000	9	0.14%
Brian K. Newman	Real estate developer	24,333,938	3	0.18%	36,137,403	3	0.20%
Outer Banks Beach Club	Resort	24,071,600	4	0.17%	25,887,000	6	0.14%
Diamond Resorts GK Devleopment LLC	Real estate development	20,999,868	5	0.15%			
CWI Sanderling Hotel LP	Resort	19,951,765	6	0.14%			
OBX Resort, LLC	Resort	16,165,534	7	0.11%	19,664,800	10	0.11%
View, LLC	Real estate developer	15,659,270	8	0.11%			
Peachtree Shoreside LLC	Commercial real estate development	14,350,500	9	0.10%			
Stanford M. White	Real estate developer	13,310,391	10	0.09%			
Barrier Island Station Inc.	Resort				52,967,330	2	0.30%
Billy G. Roughton	Real estate developer				42,469,365	4	0.24%
Turnpike Properties, LLC	Resort				34,083,598	8	0.19%
Carolina Telephone	Utilities				24,661,168	5	0.14%
Marshes Light LLC	Real estate development				19,560,800	7	0.11%
Totals		<u>\$ 298,429,251</u>		<u>2.15%</u>	<u>\$ 367,118,286</u>		<u>2.06%</u>

Source: Dare County Tax Department

Dare County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Original Levy	Adjustments	Adjusted Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 45,254,844	\$ 284,648	\$ 45,539,492	\$ 44,740,649	98.25%	\$ 761,403	\$ 45,502,052	99.92%
2011	\$ 48,869,553	\$ 291,359	\$ 49,160,912	\$ 48,612,739	98.89%	\$ 508,087	\$ 49,120,826	99.92%
2012	\$ 49,016,756	\$ 332,715	\$ 49,349,471	\$ 48,867,557	99.02%	\$ 431,219	\$ 49,298,776	99.90%
2013	\$ 49,110,854	\$ 328,439	\$ 49,439,293	\$ 48,973,021	99.06%	\$ 410,114	\$ 49,383,135	99.89%
2014	\$ 54,304,643	\$ 567,249	\$ 54,871,892	\$ 54,413,187	99.17%	\$ 398,142	\$ 54,811,329	99.89%
2015	\$ 54,722,548	\$ 582,530	\$ 55,305,078	\$ 54,897,469	99.26%	\$ 360,707	\$ 55,258,176	99.92%
2016	\$ 55,227,895	\$ 599,445	\$ 55,827,340	\$ 55,529,920	99.47%	\$ 236,573	\$ 55,766,493	99.89%
2017	\$ 55,924,335	\$ 598,117	\$ 56,522,452	\$ 56,084,403	99.22%	\$ 371,850	\$ 56,456,253	99.88%
2018	\$ 61,798,382	\$ 675,739	\$ 62,474,121	\$ 62,156,993	99.48%	\$ 212,619	\$ 62,369,612	99.48%
2019	\$ 62,784,390	\$ 658,184	\$ 63,442,574	\$ 63,127,143	99.50%	\$ -	\$ 63,127,143	99.50%

Source: Dare County Tax Department

Dare County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Outstanding Debt						Percentage of Estimated Actual Taxable Property Value			Percentage of Personal Income
	Governmental Activities			Business-type Activities		Total Primary Government	Governmental Activities	Total	Per Capita	
Fiscal Year	General Obligation Bonds	Installment Financings	Capital Leases	Revenue Bonds						
								(1)	(1)	
2010	\$ 815,012	\$ 144,007,871	\$ 1,831,152	\$ 12,013,818	\$ 158,667,853	0.94%	1.02%	\$ 4,669	12.16%	
2011	\$ 510,971	\$ 142,211,578	\$ 2,101,341	\$ 35,262,044	\$ 180,085,934	0.98%	1.22%	\$ 5,273	13.25%	
2012	\$ 410,630	\$ 135,305,030	\$ 2,496,040	\$ 33,985,710	\$ 172,197,410	0.97%	1.20%	\$ 5,008	11.99%	
2013	\$ 310,366	\$ 134,499,934	\$ 2,897,253	\$ 32,637,939	\$ 170,345,492	1.01%	1.25%	\$ 4,894	11.06%	
2014	\$ 210,000	\$ 129,061,093	\$ 3,856,246	\$ 31,373,365	\$ 164,500,704	0.98%	1.21%	\$ 4,714	10.43%	
2015	\$ 110,000	\$ 118,564,006	\$ 3,537,758	\$ 30,248,030	\$ 152,459,794	0.89%	1.11%	\$ 4,303	9.24%	
2016	\$ -	\$ 122,330,164	\$ 3,010,058	\$ 29,096,976	\$ 154,437,198	0.92%	1.13%	\$ 4,318	8.91%	
2017	\$ -	\$ 128,730,168	\$ 3,856,371	\$ 31,355,654	\$ 163,942,193	0.91%	1.13%	\$ 4,539	9.26%	
2018	\$ -	\$ 110,413,112	\$ 3,922,754	\$ 29,499,175	\$ 143,835,041	0.76%	0.96%	\$ 3,941	7.46%	
2019	\$ -	\$ 100,641,509	\$ 5,115,642	\$ 27,917,152	\$ 133,674,303	0.65%	0.83%	\$ 3,623	*	

* Information not yet available.

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Dare County, North Carolina
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Personal Income	Percentage of		Per Capita
			(1)	(2)	
2010	\$ 815,012	0.06%	0.01%		\$ 24
2011	\$ 510,971	0.04%	0.003%		\$ 15
2012	\$ 410,630	0.03%	0.003%		\$ 12
2013	\$ 310,366	0.02%	0.002%		\$ 9
2014	\$ 210,000	0.01%	0.002%		\$ 6
2015	\$ 110,000	0.01%	0.001%		\$ 3
2016	\$ -	0.00%	0.000%		\$ -
2017	\$ -	0.00%	0.000%		\$ -
2018	\$ -	0.00%	0.000%		\$ -
2019	\$ -	*	0.000%		\$ -

* Information not yet available.

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 189 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 180 for property value data.

Dare County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 17,516,525,548	\$ 17,567,700,173	\$ 17,622,713,660	\$ 17,635,564,721	\$ 12,793,358,091	\$ 12,857,850,676	\$ 12,977,054,976	\$ 13,138,877,217	\$ 13,294,179,164	\$ 13,496,810,660
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 1,401,322,044	\$ 1,405,416,014	\$ 1,409,817,093	\$ 1,410,845,178	\$ 1,023,468,647	\$ 1,028,628,054	\$ 1,038,164,398	\$ 1,051,110,177	\$ 1,063,534,333	\$ 1,079,744,853
Amount of Debt Applicable to Limit										
Gross debt	\$ 157,416,152	\$ 178,936,396	\$ 168,966,590	\$ 165,188,297	\$ 153,372,785	\$ 143,370,876	\$ 145,955,656	\$ 155,069,449	\$ 136,853,312	\$ 128,423,680
Less: Amount available for repayment of installment financings	-	-	-	-	-	-	-	-	-	-
Water revenue bonds	11,905,000	34,940,000	33,725,000	32,450,000	31,115,000	30,100,000	29,045,000	29,070,000	27,525,000	26,255,000
Total net debt applicable to limit	\$ 145,511,152	\$ 143,996,396	\$ 135,241,590	\$ 132,738,297	\$ 122,257,785	\$ 113,270,876	\$ 116,910,656	\$ 125,999,449	\$ 109,328,312	\$ 102,168,680
Legal Debt Margin	<u>\$ 1,255,810,892</u>	<u>\$ 1,261,419,618</u>	<u>\$ 1,274,575,503</u>	<u>\$ 1,278,106,881</u>	<u>\$ 901,210,862</u>	<u>\$ 915,357,178</u>	<u>\$ 921,253,742</u>	<u>\$ 925,110,728</u>	<u>\$ 954,206,021</u>	<u>\$ 977,576,173</u>
Total net debt applicable to the limit as a percentage of debt limit	10.38%	10.25%	9.59%	9.41%	11.95%	11.01%	11.26%	11.99%	10.28%	9.46%
Total net debt applicable to the limit as a percentage of assessed value	0.83%	0.82%	0.77%	0.75%	0.96%	0.88%	0.90%	0.96%	0.82%	0.76%

Notes: NC General Statute 159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit:

Money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

NC General Statute 159-55 requires the use of par values of debt, therefore related amounts of original issue discounts and premiums and deferred amounts on refunding are excluded from this schedule.

Dare County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

<u>Governmental Unit</u>	<u>Direct Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Towns:			
Duck	\$ 5,550,829	100%	\$ 5,550,829
Kill Devil Hills	\$ 12,173,107	100%	12,173,107
Kitty Hawk	\$ 5,999,400	100%	5,999,400
Nags Head	\$ 30,641,986	100%	30,641,986
Dare County Board of Education	\$ 64,229	100%	64,229
Overlapping debt			54,365,322
County of Dare direct debt			102,168,680
Total direct and overlapping debt			<u>\$ 156,534,002</u>

Source: Outstanding debt data provided by the municipalities

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the County. This process recognizes that, when considering the governments ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in to account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Dare County, North Carolina
Pledged - Revenue Coverage
Last Ten Fiscal Years

Utilities System (Water) Revenue Bonds								Debt Service		
<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Depreciation and Amortization</u>	<u>Operating Income</u>	<u>Non-operating Revenues</u>	<u>Non-operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
				(1)	(2)		(3)			
2010	\$ 9,773,661	\$ 6,865,543	\$ 1,975,676	\$ 932,442	\$ 320,161	\$ 820,925	\$ 5,055,889	\$ 1,285,000	\$ 399,721	3.00
2011	\$ 10,673,595	\$ 6,930,590	\$ 2,105,486	\$ 1,637,519	\$ 157,328	\$ 1,381,829	\$ 5,919,552	\$ 1,165,000	\$ 511,025	3.53
2012	\$ 10,568,055	\$ 7,243,268	\$ 2,290,763	\$ 1,078,924	\$ 1,264,901	\$ 2,165,341	\$ 7,118,594	\$ 1,215,000	\$ 1,586,356	2.54
2013	\$ 10,878,574	\$ 7,267,423	\$ 2,267,824	\$ 1,396,729	\$ 467,656	\$ 2,049,210	\$ 7,139,400	\$ 1,275,000	\$ 1,597,213	2.49
2014	\$ 11,563,806	\$ 8,007,866	\$ 2,160,769	\$ 1,324,767	\$ 631,919	\$ 1,596,989	\$ 8,177,590	\$ 1,335,000	\$ 1,531,962	2.85
2015	\$ 12,293,122	\$ 8,135,816	\$ 2,218,211	\$ 1,939,095	\$ 614,745	\$ 1,527,912	\$ 9,208,543	\$ 1,015,000	\$ 1,487,388	3.68
2016	\$ 12,253,662	\$ 8,231,423	\$ 2,330,394	\$ 1,691,845	\$ 590,526	\$ 1,418,282	\$ 9,334,893	\$ 1,055,000	\$ 1,446,287	3.76
2017	\$ 12,733,181	\$ 8,732,505	\$ 2,500,892	\$ 1,499,784	\$ 551,102	\$ 1,265,691	\$ 9,653,326	\$ 1,100,000	\$ 1,403,588	3.69
2018	\$ 12,773,567	\$ 8,928,724	\$ 3,521,243	\$ 323,600	\$ 702,458	\$ 1,144,025	\$ 10,007,220	\$ 1,545,000	\$ 785,119	4.29
2019	\$ 13,359,300	\$ 9,246,724	\$ 4,032,975	\$ 29,660	\$ 1,081,654	\$ 1,074,255	\$ 10,861,672	\$ 1,270,000	\$ 1,088,626	4.61

Notes:

- (1) Per the Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds.
- (2) As defined by the revenue bond order, non-operating revenues include collections of special assessments.
- (3) As defined by the revenue bond order, net available revenue is net income as defined plus depreciation plus interest expense plus amortization.
Effective 9/30/09, net available revenue also includes 20% of the Surplus Fund.

Dare County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Taxable Retail Sales	Personal Income	Per Capita Personal Income	Per Capita Personal Income as a percentage of the State	Public School Enrollment	Unemployment Rate			Building Inspections		Total Employment		Estimated Value Per Capita
							Annual Average	Month of July	Month of January	Number	Value	Annual Average	Month of July	
	(1) (2)	(8)	(7)	(7)	(7)	(3)	(4)	(4)	(4)	(5)	(5)	(4)	(4)	(6)
2010	33,982	\$ 1,052,642,348	\$ 1,304,756,000	\$ 38,386	108%	4,857	12.10%	7.90%	20.40%	2,908	\$ 85,023,018	17,297	20,679	\$ 524,697
2011	34,155	\$ 1,099,298,494	\$ 1,359,048,000	\$ 39,693	109%	4,848	13.00%	8.60%	20.30%	3,273	\$ 87,477,126	17,456	21,194	\$ 455,052
2012	34,383	\$ 1,159,528,701	\$ 1,435,745,000	\$ 41,218	106%	4,911	12.40%	8.80%	21.30%	3,325	\$ 106,078,234	18,180	22,148	\$ 433,794
2013	34,810	\$ 1,190,941,000	\$ 1,539,994,000	\$ 43,697	114%	5,010	11.00%	7.70%	20.90%	3,502	\$ 133,567,557	18,214	22,138	\$ 524,688
2014	34,894	\$ 1,214,957,587	\$ 1,576,997,000	\$ 44,529	111%	4,978	8.40%	5.70%	15.60%	3,787	\$ 114,641,365	18,199	22,118	\$ 389,416
2015	35,432	\$ 1,278,542,243	\$ 1,650,042,000	\$ 47,465	113%	4,979	7.50%	5.10%	14.10%	3,582	\$ 150,626,501	18,733	22,517	\$ 386,874
2016	35,765	\$ 1,352,076,063	\$ 1,733,289,000	\$ 48,793	114%	5,010	6.70%	4.60%	12.80%	3,992	\$ 168,779,099	18,716	22,697	\$ 381,257
2017	36,115	\$ 1,483,764,517	\$ 1,771,173,000	\$ 49,248	112%	5,140	6.20%	3.80%	12.00%	4,303	\$ 186,603,373	18,963	22,938	\$ 403,021
2018	36,501	\$ 1,551,369,779	\$ 1,928,241,000	\$ 53,415	116%	5,127	5.28%	3.60%	10.00%	4,753	\$ 193,109,068	18,836	22,951	\$ 409,551
2019	36,900	\$ 1,599,187,555	*	*	*	5,172	*	3.70%	8.80%	*	*	*	23,310	\$ 438,097

* Information not yet available.

Notes:

(1) 2019 is a County estimate.

(2) US Census Bureau, American Fact Finder, Estimates of Resident Population for Counties.

(3) N.C. Department of Public Instruction, First Month Average Daily Membership. 2019 is a State projection.

(4) N.C. Department of Commerce, D-4 Demand Driven Delivery System, Local Area Unemployment Statistics.

(5) Total within the county for the prior calendar year basis.

(6) Estimated assessed taxable property value per capita.

(7) Bureau of Economic Analysis, US Department of Commerce, Regional Data, Local Area Personal Income.

(8) N.C. Department of Revenue.

Dare County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
	(1)		(2)			
County of Dare	761	1	3.32%	739	2	3.27%
Dare County Schools	713	2	3.11%	784	1	3.47%
Vidant Medical Center	250-499	3	1.63%	250-499	4	1.66%
Food Lion	250-499	4	1.63%	250-499	6	1.66%
NC Dept. of Transportation	250-499	5	1.63%	100-249	7	0.77%
Wal-Mart Associates Inc.	100-249	6	0.76%	100-249	8	0.77%
Hospitality Employee Group Llc	100-249	7	0.76%			
Village Realty	100-249	8	0.76%	250-499	5	1.66%
Lowe's	100-249	9	0.76%			
Spencer Yachts Inc.	100-249	10	0.76%			
Carolina Designs Realty Inc.				250-499	3	1.66%
Harris Teeter Inc.				100-249	9	0.77%
Tandem Inc. DBA McDonalds				100-249	10	0.77%
Sun Realty						
State of North Carolina				100-249		
Totals	2,795 - 4,287		15.14%	3,023- 4,764		16.48%

Notes:

(1) Employment data are only available in ranges. North Carolina Department of Commerce, D-4 Demand Driven Delivery System.

(2) Total employment per Regional Economic Information System, Bureau of Economic Analysis, U. S. Department of Commerce.

Percentage of total employment based upon midpoints of ranges.

Dare County, North Carolina
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	93	92	90	89	87	88	88	88	87	97
Public Safety										
Sheriff	70	70	70	69	71	71	73	72	74	75
Detention center	50	50	50	50	50	50	50	50	52	52
Emergency medical services	86	86	86	94	95	95	95	95	104	113
Other public safety	31	31	30	30	29	30	32	32	34	34
Total Public Safety	<u>237</u>	<u>237</u>	<u>236</u>	<u>243</u>	<u>245</u>	<u>246</u>	<u>250</u>	<u>249</u>	<u>264</u>	<u>274</u>
Environmental protection	59	57	54	54	54	54	54	52	52	50
Economic and physical development	14	14	11	11	11	11	11	11	11	11
Human Services										
Health	93	91	93	94	94	91	91	90	90	91
Social services	92	93	94	94	94	95	94	94	98	98
Other human services	1	1	1	1	1	5	5	6	6	6
Total Human Services	<u>186</u>	<u>185</u>	<u>188</u>	<u>189</u>	<u>189</u>	<u>191</u>	<u>190</u>	<u>190</u>	<u>194</u>	<u>195</u>
Cultural and recreation	58	58	58	58	59	59	59	59	59	50
Water (Business Activity)	63	65	65	65	65	64	64	64	64	64
Internal Service	17	17	17	17	17	17	17	17	17	16
Totals	<u>727</u>	<u>725</u>	<u>719</u>	<u>726</u>	<u>727</u>	<u>730</u>	<u>733</u>	<u>730</u>	<u>748</u>	<u>757</u>
 Related Organization - Dare County Board of Education										
State funded	428	425	408.5	421	418	410	419	428	451	450
Federally funded	51	52	30	33	38	31	29	28	29	28
Locally funded	<u>245</u>	<u>245</u>	<u>268</u>	<u>251</u>	<u>255</u>	<u>255</u>	<u>244</u>	<u>250</u>	<u>235</u>	<u>235</u>
Totals	<u>724</u>	<u>722</u>	<u>706.5</u>	<u>705</u>	<u>711</u>	<u>696</u>	<u>692</u>	<u>706</u>	<u>715</u>	<u>713</u>

Source: County Finance Department and NC Department of Public Instruction

Notes: This schedule represents number of positions authorized per the budget ordinance as of July 1 of each year. Vacant positions are included in the above numbers.
For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at full time equivalent positions.

Dare County, North Carolina
Operating Indicators By Function
Last Ten Fiscal Years

Function/Department	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
<u>Finance</u>										
Accounting transactions processed	63,341	58,290	57,145	59,044	54,303	56,129	56,169	55,804	56,468	55,718
Purchase orders issued	862	909	995	986	914	933	931	958	1,002	1,080
Public Safety										
<u>Sheriff⁽¹⁾</u>										
Miles driven	1,073,523	1,142,407	1,447,540	1,361,689	1,246,205	1,242,713	1,182,901	1,393,139	1,291,671	1,300,770
Civil papers served	7,662	7,709	9,502	7,567	5,839	6,528	4,571	5,920	5,010	4,821
Citations issued	1,631	1,247	994	1,246	1,714	1,614	2,065	3,213	2,313	2,176
Arrests	1,550	3,549	1,657	1,182	3,094	1,121	1,036	1,005	887	844
Warnings	3,753	3,543	3,543	2,671	3,183	3,118	3,103	3,566	3,526	3,987
Calls	17,968	17,732	19,989	18,237	18,102	19,426	27,472	27,899	25,984	22,348
Transports	233	169	141	204	278	273	235	226	190	184
<u>Detention Center</u>										
Total inmates - annual	2,235	2,069	2,083	2,144	2,005	1,576	2,171	2,653	2,397	2,263
Average daily population	70	59	68	80	69	68	54	79	89	76
Transports out of county	208	200	473	206	135	93	138	163	152	141
Transports mileage	63,691	66,288	95,214	67,206	37,394	23,288	29,289	57,120	35,054	56,320
Transports to court	1,204	1,185	1,178	1,490	1,323	1,159	1,019	1,289	1,403	1,197
<u>Emergency Medical Services</u>										
Billable transports	5,014	5,161	5,356	5,957	4,998	5,095	5,586	5,667	5,981	6,096
Total call volume ⁽¹⁾	7,472	7,703	7,640	8,223	8,136	8,159	8,627	9,011	9,405	9,669
Call volume for the month of July ⁽¹⁾	897	907	948	1,002	1,014	993	1,132	1,056	1,005	1,210
Call volume for the month of January ⁽¹⁾	438	502	430	537	440	494	517	582	637	579
EMS helicopter flights ⁽¹⁾	202	236	191	255	310	188	355	370	247	263
<u>Communications</u>										
<u>Law Enforcement Contacts</u>										
Sheriff's Office	17,968	10,791	20,194	18,304	17,909	19,426	27,472	29,862	27,373	23,368
Duck Police Department	12,176	6,701	10,800	10,588	12,400	14,309	14,998	14,948	15,085	12,563
Hyde County Sheriffs Office ⁽⁴⁾	-	-	-	-	-	-	-	-	348	5,499
Kill Devil Hills Police Department	14,454	9,084	16,183	14,923	14,124	20,167	22,846	19,675	21,201	20,185
Kitty Hawk Police Department	6,094	3,387	6,020	13,767	13,022	12,444	12,715	14,942	13,348	12,085
Manteo Police Department	12,133	6,859	9,385	11,465	13,676	15,975	15,158	14,558	13,194	14,370
Nags Head Police Department	9,885	7,057	9,797	11,878	9,755	10,752	12,959	15,143	16,622	15,812
Southern Shores Police Department	11,746	6,197	10,421	8,368	11,791	11,121	11,381	11,073	12,687	17,330
National Park Service	2,645	1,439	2,026	3,206	2,111	2,617	2,052	1,955	1,701	13,116
Tyrrell County Sheriffs Office ⁽⁴⁾	-	-	-	-	-	-	-	-	9,555	2,536
<i>Law Enforcement Total Contacts</i>	87,101	51,515	84,826	92,499	94,788	106,811	119,581	122,156	131,114	136,864

(continued)

Dare County, North Carolina
Operating Indicators By Function (continued)
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Fire Department Contacts</u>										
Avon	118	122	104	112	112	82	93	99	79	105
Buxton	97	84	64	44	46	61	58	42	32	67
Colington	337	222	340	170	150	188	176	209	177	234
Rescue 15	244	174	166	305	327	286	431	434	547	549
Duck	395	371	337	194	199	213	252	281	210	247
Rescue 11	206	183	108	257	238	269	284	269	232	252
Frisco	56	61	44	38	50	45	46	57	27	89
Hatteras	49	59	52	38	35	41	31	53	34	49
Kill Devil Hills	1,293	859	953	533	444	448	510	569	484	668
Rescue 14	855	584	410	1,000	1,047	929	907	949	1,019	1,055
Kitty Hawk	593	392	478	248	220	220	294	302	238	323
Rescue 13	446	301	197	420	398	424	427	519	533	643
Manns Harbor	145	96	113	33	25	49	39	43	47	54
Rescue 18	111	82	42	97	91	122	133	155	110	125
Nags Head	628	492	597	359	324	319	384	398	421	490
Rescue 16	363	324	134	454	449	467	396	494	550	538
Nags Head 21	263	223	294	200	193	222	244	254	291	291
Rescue 21	138	128	53	212	232	221	178	185	218	164
Roanoke Island	169	114	253	214	181	265	275	317	275	277
Rescue 17	8	8	2	-	-	-	-	-	-	-
Rodanthe	110	110	202	259	210	232	255	274	310	356
Salvo	39	42	49	35	34	34	32	37	80	132
Southern Shores	372	272	359	174	149	157	216	276	229	282
Rescue 12	281	198	122	343	344	283	413	396	381	348
Stumpy Point	25	16	34	11	10	7	15	10	9	5
Rescue 19	21	11	5	11	11	19	17	10	17	14
Hyde County ⁴	-	-	-	-	-	-	-	-	57	943
Tyrrell County ⁴	-	-	-	-	-	-	-	-	87	123
<i>Fire Department Total Contacts</i>	7,362	5,528	5,512	5,761	5,519	5,603	6,106	6,632	6,694	8,423
<u>Medical/Rescue Agencies</u>										
Emergency Medical Services	7,504	4,912	7,367	7,602	7,638	7,195	7,714	8,342	8,426	9,052
Dare Medflight	306	150	342	259	331	259	287	361	350	341
Water Rescue	239	233	317	415	331	326	261	280	297	360
Hatteras Island Rescue	186	165	290	312	162	258	326	272	248	317
Hyde County EMS ⁽⁴⁾	-	-	-	-	-	-	-	-	68	880
Tyrrell County EMS ⁽⁴⁾	-	-	-	-	-	-	-	-	606	734
<i>Medical/Rescue Total Calls</i>	8,235	5,460	8,316	8,588	8,462	8,038	8,588	9,255	9,995	11,684

(continued)

Dare County, North Carolina
Operating Indicators By Function (continued)
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Phone Activity</u>										
911 calls	23,565	16,088	22,861	24,009	23,099	22,674	22,148	21,287	6,000	2,840
Crime Line calls	9	10	10	33	24	9	15	21	6	-
Administrative calls	118,422	67,625	102,808	90,241	84,258	77,114	71,250	76,472	74,749	86,774
<i>Phone Activity Total Calls</i>	141,996	83,723	125,679	114,283	107,381	99,797	93,413	97,780	80,755	89,614
911 Calls by cell phone	13,857	11,082	16,802	15,046	17,325	17,306	16,098	17,137	12,854	10,443
Human Services										
<u>Social Services ⁽²⁾</u>										
Food stamp households	1,110	1,553	1,745	1,431	1,900	1,796	1,626	1,475	1,263	1,147
Food stamp individuals	2,510	3,240	3,614	3,002	3,903	3,565	3,176	2,634	2,135	2,269
NC Health Choice households	352	388	409	442	(3)	(3)	(3)	(3)	(3)	(3)
NC Health Choice individuals	514	574	609	652	(3)	(3)	(3)	(3)	(3)	(3)
Long-term care individuals - aging adults	84	77	72	68	(3)	(3)	02	(3)	(3)	(3)
Adoption assistance	92	95	91	99	99	99	100	92	87	80
Children in foster care custody	32	37	53	50	50	35	27	19	19	19
<u>Health</u>										
Sewage system site visits	2,794	2,191	2,324	2,533	2,466	2,682	3,011	2,948	2,913	2542
Sewage system applications	1,144	1,125	1,177	1,255	1,286	1,314	1,413	1,395	1,438	1250
Sewage - inspections for new systems	121	132	144	170	177	221	245	261	261	329
Cultural & Recreational										
<u>Libraries</u>										
Circulation	241,701	234,034	226,250	215,332	204,409	199,735	202,681	210,408	205,955	202,796
New library cards issued	2,614	2,024	1,942	1,981	2,210	1,721	1,897	2,017	1,901	1,986
Children's programs attendance	7,930	8,983	9,979	10,078	8,450	7,901	8,527	10,797	12,547	11,803
Public computer use sessions	32,929	30,112	30,070	28,761	25,675	26,907	23,369	21,060	22,963	20,949
Utilities (Water)										
Number of customers	17,040	17,135	17,606	19,520	19,629	19,759	19,881	20,024	20,198	20,368
Average daily demand (MGD)	6.175	6.658	6.557	6.315	6.674	6.844	6.767	6.733	6.577	6.413
Peak daily demand (MGD)	12.534	12.444	12.756	12.384	12.376	12.149	12.156	11.950	12.040	12.044

Notes:

- (1) Data is that of the prior calendar year.
- (2) Monthly average.
- (3) Data not available due to implementation of NCFast System.
- (4) New RECC/EOC including Hyde and Tyrrell counties became operational April 3rd, 2017.

Source: Budget documents and individual county departments.

Dare County, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Department	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Sheriff stations	3	3	3	3	3	3	3	3	3	3
EMS stations	8	8	8	8	8	8	8	8	8	8
EMS helicopters	1	1	1	1	1	1	1	1	1	1
Cultural & Recreational										
Library volumes held	76,395	76,395	76,903	76,903	76,903	76,903	79,445	82,760	84,602	81,107
Recreation facilities, parks & fields	10	10	10	10	10	10	10	10	10	10
Utilities (Water)										
Treatment plants	5	5	5	5	5	5	5	5	5	5
Treatment capacity (MGD)	13.05	13.05	13.05	13.05	13.05	13.05	13.25	13.25	13.25	13.25
Square Footage Occupied by Function										
Education	1,349,379	1,349,379	1,349,379	1,349,379	1,349,379	1,361,379	1,361,379	1,361,379	1,361,379	1,361,379
Community College	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100	70,100
Public Safety	85,240	85,240	85,240	85,240	85,240	85,240	85,240	103,470	103,470	103,470
Human Services	55,263	55,263	55,263	55,263	55,263	55,263	55,263	55,263	55,263	55,263
General Government	73,662	73,662	73,662	73,662	73,662	73,662	73,662	73,662	73,662	73,662
Cultural & Recreational	61,562	61,562	61,562	61,562	61,562	61,562	61,562	61,562	61,562	61,562
Economic & Physical Development	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880	7,880
Environmental Protection	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644	29,644

Source: Budget documents and individual county departments.

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The **Compliance Section** has been prepared in accordance with the Federal Single Audit Act of 1984, the Federal Single Audit Act Amendments of 1996, U.S. Office of Management and Budget Circular A-133, the Audit Manual for Governmental Auditors in North Carolina and North Carolina General Statute 159-34 which established audit requirements for local government units that receive Federal and State financial assistance.



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

**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 County Commissioners
Dare County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Dare County, North Carolina, as of and for the year ended June 30, 2019, which collectively comprises Dare County's basic financial statements, and have issued our report thereon dated November 25, 2019. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Dare County ABC Board and the Dare County Tourism Board. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the, Dare County ABC Board, Dare County Tourism Board, Rodanthe, Waves, Salvo Community Center, Stumpy Point Community Center, Wanchese Community Center and the Hatteras Village Community Center were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Dare County's internal control over financial reporting as a basis for designing our auditing procedures 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 Dare County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or 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 over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. 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.

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dare County, North Carolina's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts and grants, 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 result 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.

Potter & Company, P.A.

November 25, 2019
Mooresville, North Carolina

**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 County Commissioners
Dare County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the compliance of Dare County, North Carolina 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 Dare County's major federal programs for the year ended June 30, 2019. Dare County's major federal programs are identified in the summary of auditor's 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 each of its major federal programs.

Auditor Responsibility

Our responsibility is to express an opinion on compliance for each of the Dare County's 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 Dare County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Dare County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**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**

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control 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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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

Potter & Company, P.A.

November 25, 2019
Mooresville, North Carolina



**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 County Commissioners
Dare County, North Carolina

Report on Compliance for Each Major State Program

We have audited the Dare County, 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 its major State programs for the year ended June 30, 2019. The Dare County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Dare County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the 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 Dare County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Dare County complied, in all material respects, with the types 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, 2019.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Potter & Company, P.A.

November 25, 2019
Mooresville, North Carolina

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant Deficiency(ies) identified that are not considered
 to be material weaknesses. ☐ yes ☒ none reported

Noncompliance material to financial statements noted. ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant Deficiency(ies) identified that are not considered
 to be material weaknesses. ☐ yes ☒ none reported

Noncompliance material to federal awards. ☐ yes ☒ no

Type of auditors' report issued on compliance for major federal programs: Unmodified, for all federal programs.

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

Identification of major federal programs:

CFDA Numbers
 93.778

Names of Federal Programs or Cluster
 Title XIX – Medicaid

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019

Section I. Summary of Auditors' Results - (cont'd)

State Awards

Internal control over major State Programs:

- Material weakness(es) identified? _____ yes X no
- Significant Deficiency(ies) identified that are not considered to be material weaknesses. _____ yes X none reported

Noncompliance material to State awards.

_____ yes X no

Type of auditors' report issued on compliance for major State programs:

Unmodified, for all State programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major State programs:

Program Name

Medical Assistance Program
 Public School Building Fund Capital Fund
 Stream Debris Removal Project
 Rural Operating Assistance Program (ROAP)

Section II. Financial Statement Findings

There were no current year findings.

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019

Section III. Federal Award Findings and Questioned Costs

There were no current year findings.

Section IV. State Award Findings and Questioned Costs

There were no current year findings.

DARE COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For The Year Ended June 30, 2019

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

DARE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended June 30, 2019

None Reported.

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 394,945	\$ -	\$ -
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		146,653	-	-
Total U.S. Department of Agriculture			541,598	-	-
<u>U.S. Department of Commerce</u>					
Passed-through N.C. Department of Environment and Natural Resources: Division of Coastal Management: Minor Permit Program Administration	11.419		1,588	1,587	-
Total U.S. Department of Commerce			1,588	1,587	-
<u>U.S. Department of Health and Human Services</u>					
Administration on Aging: Passed-through N.C. Department of Insurance: SHIIP: CDAP-State Health Insurance Assistance Program	93.324		5,817	-	-
Medicare Improvements for Patients and Providers Act	93.071		2,698	-	-
Division of Aging and Adult Services: Passed-through the Albemarle Commission: <u>Aging Cluster:</u> Special Programs for the Aging-Title III B Grants for Supportive Services and Senior Centers	93.044		109,178	-	-
Special Programs for the Aging-Title III D Health Promotion/Disease Prevention	93.043		3,043	-	-
Total Aging Cluster			112,221	-	-
Social Services Block Grant (SSBG)	93.667		104,731	-	-
Division of Social Services: <u>Temporary Assistance for Needy Families Cluster</u> Temporary Assistance for Needy Families (TANF) / Work First	93.558		358,735	-	-
Total TANF Cluster			358,735	-	-
<u>Foster Care and Adoption Cluster (Note 3)</u> Foster Care-Title IV-E	93.658		199,750	17,529	-
Adoption Assistance	93.659		1,759	-	-
Total Foster Care and Adoption Cluster (Note 3)			201,509	17,529	-
Promoting Safe and Stable Families	93.556		6,254	-	-
Child Support Enforcement	93.563		233,849	-	-
Low-Income Home Energy Assistance: Administration	93.568		16,266	-	-
Energy Assistance Payments	93.568		94,500	-	-
Crisis Intervention Program	93.568		57,812	-	-
Total Low-Income Home Energy Assistance			168,578	-	-
Stephanie Tubbs Jones Child Welfare Services Program: Permanency Planning-Families for Kids	93.645		20,518	-	-
Chafee Foster Care Independent Program	93.674		13,372	2,144	-
Division of Child Development and Early Education: Subsidized Child Care (Note 3) <u>Child Care Development Fund Cluster</u>					
Division of Social Services: Child Care Development Mandatory and Match Fund-Administration	93.596		81,674	-	-
Total Subsidized Child Care (Note 3)			81,674	-	-
Passed-through N.C. Department of Health and Human Services: Division of Social Services: Administration: Medical Assistance Program	93.778		1,930,173	55,854	-
State Children's Insurance Program-N.C. Health Choice	93.767		111,117	-	-

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Public Health:					
Public Health Emergency Preparedness	93.069		3,600		
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		32,399	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-
Family Planning Services	93.217		23,334	-	-
Immunization Grants	93.268		7,976	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		71,922	-	-
Temporary Assistance for Needy Families	93.558		2,351	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		49,425	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		11,730	-	-
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Child Lead Poisoning Prevention Surveillance financed in part by Maternal and Child Health Services Block Grant	93.994		55,033	2,710	-
Total U.S. Department of Health and Human Services			3,609,166	78,237	-
<u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Agency:					
Emergency Food and Shelter National Board Program	97.024		12,761	-	-
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management:					
Disaster Grants - Public Assistance:					
Hurricane Matthew	97.036	FEMA-4285-DR-NC	60,699	20,233	-
Hurricane Florence	97.036	FEMA-4393-DR-NC	105,361	35,120	-
Tropical Storm Michael	97.036	FEMA-4412-DR-NC	92,841	30,947	-
Emergency Management Performance Grant Program (EMPG)	97.042	EMPG-2018-18026	38,524	-	-
Total U.S. Department of Homeland Security			310,186	86,300	-
<u>U.S. Department of Justice</u>					
Direct Program:					
Equitable Sharing Program	16.922	NC0280000	4,859	-	-
Total U.S. Department of Justice			4,859	-	-
<u>U.S. Department of Transportation</u>					
Passed-through N.C. Department of Transportation:					
State and Community Highway Safety	20.600	PT-19-06-11	14,558	-	-
Passed-through N.C. Department of Transportation:					
Public Transportation Division:					
Public Transportation for Nonurbanized Areas	20.509	19-CT-048	99,739	6,232	-
Community Transportation Program-Capital	20.509	19-39-048S	147,804	18,475	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	19-ED-048	47,910	-	-
Total U.S. Department of Transportation			310,011	24,707	-
Total federal awards			4,777,408	190,831	-
State Awards:					
<u>N.C. Department of Administration</u>					
Veterans Service				2,216	-
Total N.C. Department of Administration				2,216	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay/Neuter Program				258	258
Division of Soil & Water Conservation:					
District Matching (General Expense) Funds				3,600	-
Stream Debris Removal Project		17-175-4010		44,000	-
Technical Assistance Funds		18-024-4121		18,843	-
Total N.C. Department of Agriculture and Consumer Services				66,701	258
<u>N.C. Department of Environmental Quality</u>					
2016 Disaster Relief Act		7318		6,623	-
Division of Environmental Assistance and Customer Service:					
Convenience Center Commingled Recycling Collection Grant Program		7342		360	-

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Water Resources:					
Water Resources Development Grant Program:					
Maintaining Hatteras Inlet Navigational Channels		7165		32,554	-
Environmental Permitting Special Purpose Dredging		7177		59,549	-
Hatteras Inlet Maintenance Year 2		7767		5,553	-
Manteo Channel Dredging Project Session Law 2018-97		7781		6,996	-
Hurricane Florence Disaster Recovery Fund				1,400	-
Total N.C. Department of Environmental Quality				113,035	-
<u>N.C. Department of Health and Human Services</u>					
Division of Aging and Adult Services:					
Passed through the Albemarle Commission:					
General Purpose Funding for Senior Centers				17,821	-
Division of Social Services:					
Child Welfare Services Adoption				12,580	-
Smart Start		09		30,421	-
Child Protective Services		10		31,478	-
State Foster Home				16,560	-
Family Preservation Services Program				8,109	-
Division of Child Development:					
Dare County Children & Youth Partnership:					
Smart Start				57,302	-
Division of Public Health:					
Food and Lodging Fees				34,869	-
CHA/CHIP Peer Review				75,625	-
General Communicable Disease Control				927	-
Child Health				2,941	-
HIV/STD State				500	-
STD Drugs				1,408	-
Breast and Cervical Cancer Control				23,460	-
Family Planning-State				7,375	-
Maternal Health				12,400	-
Women Health Service Fund				5,751	-
TB Control				2,079	-
Total N.C. Department of Health & Human Services				341,606	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund-Lottery Proceeds				300,000	-
Total N.C. Department of Public Instruction				300,000	-
<u>N.C. Department of Public Safety</u>					
Division of Emergency Management:					
North Carolina Tier II Grant Non-Competitive		T2-2018-1830		473	-
North Carolina Tier II Grant Competitive		T2-2018-1856		8,582	-
Division of Juvenile Justice:					
JCPC Dare County Community of Juvenile Services		728-10628		65,438	-
JCPC Administration		728-11418		15,500	15,500
JCPC Pathways to Resilience		728-22750		6,989	6,989
Total N.C. Department of Public Safety				96,982	22,489
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP Elderly and Disabled Transportation Assistance Program				48,334	-
ROAP Rural General Public Program				42,762	-
ROAP Employment Transportation Program				4,317	-
Total ROAP Cluster				95,413	-
Total N.C. Department of Transportation				95,413	-
Total State awards			-	1,015,953	22,747
Total federal and State awards			\$ 4,777,408	\$ 1,206,784	\$ 22,747

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
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Notes to the Schedule of Expenditures of Federal and State Financial 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 Dare County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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 Dare County, it is not intended to and does not present the financial position, changes in net position or cash flows of Dare County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Dare County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.