

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

County of Dare, North Carolina

(inside cover)

County of Dare, North Carolina
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Prepared by:
Department of Finance

Dare County, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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INTRODUCTORY SECTION



COUNTY OF DARE

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

(252) 475-5000

November 23, 2020

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 audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

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, 2020. 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 over one-third 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 37,900. 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 39% 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 14.C and 19 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 2021 due to economic unknowns associated with the COVID-19 pandemic. 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 2.00 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 2008 through 2010 great recession, experiencing revenue decreases less than those seen in most of the State. The County's recovery from the recession was slow but exceeded that seen in other areas of the State.

The emergence of the global COVID-19 pandemic in March 2020 disrupted the local economy prior to the traditional Memorial Day weekend "start" of the tourism season for 2020 but that occurred after a strong 2019 tourism season. Due to then unknowns related to the pandemic and due to limited hospital beds and no intensive care unit, the county was closed to non-residents from March 17 through May 16, 2020, the effects of which are reflected in fiscal year 2020 revenue and economic performance. The local economy rebounded quickly with results exceeding those of 2019, which have continued to date during fiscal year 2021, likely due to the county's conduciveness to social distancing, and the rental home inventory available for teleworking and remote schooling.

The table below illustrates the results of three major revenues over the last ten fiscal years. (The State expanded the sales tax base during fiscal year 2015.)

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%
2020	(4.82)%	(0.17)%	3.94%

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 Investment Fund (consolidated into the General Fund) and is used to fund the County's capital improvements plan. Annual revenue changes historically have been volatile with annual increases as high as 50 percent and annual decreases as much as 34 percent. Recent annual changes have been increases of 7.40 percent in 2018, 4.86 percent in 2019, and 0.47% in 2020. Due to the county's tourism based economy, monthly unemployment rates are variable and seasonal. The annual average continued to decrease and was 4.85 percent for 2019. The January 2019 monthly rate of 8.4 percent was the lowest for which the County has records (at least since 1990).

Per capita personal income within Dare County is significantly higher than for the State, at 122 percent of that of the State and increasing from \$39,693 in 2011 to \$56,314 in 2019, a 4.6 percent increase from the prior year. Estimated taxable value of property within the county is \$16.3 billion in 2020 at \$430,094 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 Standard & Poor's (affirmed in May 2016), AA from Fitch Ratings (affirmed in May 2016), and Aa2 from Moody's Investors Service (affirmed in April 2020). The County has a AA water revenue bond rating from Standard & Poor's (affirmed in June 2017). Fitch Ratings affirmed its AA- water revenue bond rating in April 2017 and changed the Rating Outlook to positive from stable.

At the close of fiscal year 2020, the County's governmental activities outstanding debt was 0.25 per cent of estimated actual property value, down from 0.93 per cent in 2011. The County's 2019 governmental activities outstanding debt was 6.5 per cent of personal income, down from 13.25 per cent in 2011.

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund was 31.72 percent of total General Fund expenditures. Unassigned fund balance in the General Fund at year end was 26.94 percent of unconsolidated General Fund revenues, a small decrease from 27.03 percent in the prior year, which exceeds current policy guidelines adopted by the Board of Commissioners for budgetary and planning purposes (a minimum of 21 percent). Exceeding the policy guidelines was the result of conservative budgeting of revenues, and departmental expenditure performance versus budget in reaction to the COVID-19 pandemic.

The available fund balance, comprised of unassigned of \$27,926,254 plus Stabilization per State statute of \$12,235,990 (a measure of fund balance not realized in cash as of the end of the fiscal year), was 35.65 percent of total General Fund expenditures and 28.75 percent of unconsolidated General Fund revenues.

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 Investment 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.

With fiscal year 2020 the County expanded capital planning by implementing 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 is in the process of adding a five-year General Fund operating projection to the model.

The County maintains a multi-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, most recently updated in 2020, 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 continues commitment to a county-wide beach nourishment program with municipal partners. Maintenance projects are currently in the permitting and design process for 2022 construction for Duck, Southern Shores, Kitty Hawk, Kill Devil Hills and Buxton. An initial feasibility study for Avon is nearing completion. A project for Nags Head is planned for 2025 construction. Beach nourishment funding for the related debt service and County support of town debt service comes from the Beach Nourishment Fund.

The fiscal year 2017 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 of Engineers rates. The private partner was selected through a request for qualifications process, all funds have been received from the State, and the dredge is under construction with estimated completion in the spring of 2022.

The County Water system continued a conversion to an automated meter reading system, committing an additional \$5,500,000 over fiscal years 2021 through 2024 in Water CIP, in addition to already incurred expenditures of \$1,400,000.

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 eighteenth consecutive year.

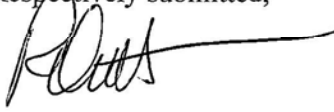
Awards and Acknowledgements

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, 2019. This was the twenty-ninth 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,

A handwritten signature in dark ink, appearing to read 'R. Outten', with a long horizontal flourish extending to the right.

Robert L. Outten
County Manager

A handwritten signature in dark ink, appearing to read 'J. David Clawson', with a long horizontal flourish extending to the right.

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, 2019

Christopher P. Morill

Executive Director/CEO

DARE COUNTY, NORTH CAROLINA

Organizational Chart



DARE COUNTY, NORTH CAROLINA
List of Elected and Appointed Officials
June 30, 2020

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	Jackie Tillett
Clerk to the Board of Commissioners	Cheryl Anby
Director of Health and Human Services	Sheila Davies
Tax Collector	Rebecca Huff

FINANCIAL SECTION



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, 2020, 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, 69% of the net position and 90% 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Beach Nourishment Fund and Inlet Maintenance 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 28, 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 114 to 118, 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 23, 2020 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 23, 2020
Mooreville, North Carolina

Dare County, North Carolina



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2020

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, 2020. 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 \$73,546,962 (*net position*).
- The County's total net position increased by \$17,720,879, primarily due to a decrease in total debt, and the receipt of a State appropriation that must be used for a future third party forgivable loan, offset by increases in pension and other post-employment benefit liabilities.
- As of the close of the current fiscal year, Dare County's governmental funds reported combined ending fund balances of \$97,787,560, an increase of \$7,968,975 in comparison with the prior year. The increase resulted from:
 - A consolidated General Fund increase of \$2,414,316 from favorable expenditure performance and controls of \$7,552,542 under budget (unconsolidated);
 - A planned increase of \$9,949,258 in the Inlet Maintenance Fund from receipt of a State appropriation; and
 - A decrease of \$5,218,062 in the Capital Projects Fund from expending proceeds of debt issued in prior fiscal years and \$3,192,910 of expenditures for capital projects for which the related debt issuance was postponed to the following fiscal year.
- After restrictions, commitments and assignments, approximately 27 percent of the total fund balances, or \$26,129,293, is available for spending at the government's discretion (*unassigned fund balance*) and \$29,553,360 is available for beach nourishment.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$27,926,254 or 26.94 percent of unconsolidated General Fund revenues for the current fiscal year, exceeding the County's policy of 21 percent.
 - Unassigned fund balance plus fund balance restricted for stabilization by State statute (available fund balance) is \$40,162,244 or 38.75 percent of unconsolidated General Fund revenues for the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

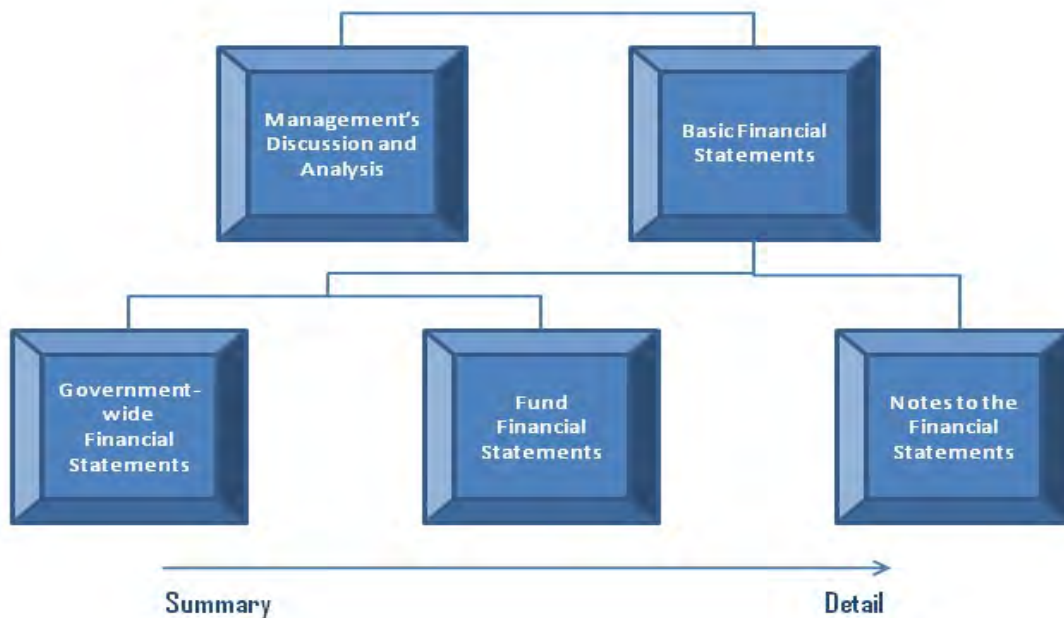
- Dare County's total debt decreased by \$17,325,240 (par value) (13.49 percent) during the current fiscal year. Principal payments for the fiscal year were \$21,831,183 and \$20,980,000 of principle was refunded and defeased. New debt issuances consisted of a direct placement taxable refunding installment financing of \$23,460,000 and a capitalized lease of \$2,025,943.

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 44-45 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, the Inlet Maintenance Fund, and the Capital Projects Fund which are considered major funds. The legally separately budgeted Capital Investment Fund, Disaster Recovery Fund, and the Law Enforcement Officers' Special Separation Allowance Fund are consolidated into the General Fund. Data from the other seven 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 32-37 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 38-41 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 42-43 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 46-112 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 114-118 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 \$73,546,962 as of June 30, 2020. The County's net position increased by \$17,720,879 for the fiscal year ended June 30, 2020.

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 - \$160,390,945. 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 \$42,500,852 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 (\$148,425,012) is negative due to the school debt previously discussed, due to the amount restricted for stabilization by State statute of \$15,972,399, due to the amount restricted by revenue bond covenants of \$17,541,591, due to the amount restricted for beach nourishment of \$27,007,041, 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
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 110,516,331	\$ 98,862,236	\$ 34,268,903	\$ 32,500,964	\$ 144,785,234	\$ 131,363,200
Capital assets	166,284,244	169,011,998	64,222,024	66,906,212	230,506,268	235,918,210
Total assets	<u>\$ 276,800,575</u>	<u>\$ 267,874,234</u>	<u>\$ 98,490,927</u>	<u>\$ 99,407,176</u>	<u>\$ 375,291,502</u>	<u>\$ 367,281,410</u>
Deferred outflows of resources	\$ 42,422,313	\$ 24,767,720	\$ 6,023,247	\$ 5,346,633	\$ 48,445,560	\$ 30,114,353
Long-term liabilities outstanding	\$ 243,738,778	\$ 248,453,058	\$ 40,705,850	\$ 41,208,291	\$ 284,444,628	\$ 289,661,349
Other liabilities	28,479,381	27,486,445	5,285,636	5,004,084	33,765,017	32,490,529
Total liabilities	<u>\$ 272,218,159</u>	<u>\$ 275,939,503</u>	<u>\$ 45,991,486</u>	<u>\$ 46,212,375</u>	<u>\$ 318,209,645</u>	<u>\$ 322,151,878</u>
Deferred inflows of resources	\$ 29,347,311	\$ 17,275,168	\$ 2,633,144	\$ 2,142,634	\$ 31,980,455	\$ 19,417,802
Net position:						
Net investment in capital assets	\$ 120,019,882	\$ 121,152,381	\$ 40,371,063	\$ 38,989,060	\$ 160,390,945	\$ 160,141,441
Restricted	44,039,438	43,077,653	17,541,591	17,102,520	61,581,029	60,180,173
Unrestricted	(146,401,902)	(164,802,751)	(2,023,110)	307,220	(148,425,012)	(164,495,531)
Total net position	<u>\$ 17,657,418</u>	<u>\$ (572,717)</u>	<u>\$ 55,889,544</u>	<u>\$ 56,398,800</u>	<u>\$ 73,546,962</u>	<u>\$ 55,826,083</u>

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 maintaining a high current year collection percentage of 99.25 percent, well above the statewide average for like-sized counties of 98.11 percent (2019);
- Continued low cost of debt due to maintenance of the County's debt ratings, debt principal retirement levels from aggressive principal amortizations, and monitoring and capturing debt refunding opportunities;
- Continuing accumulation of funds for beach nourishment projects of \$29,553,360; 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, 2020 of \$42,500,852, and recognition of increased liability amounts for the pensions (LGERS & LEOSSA) and for retiree healthcare (OPEB).

Dare County Changes in Net Position

Figure 3



	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 12,060,160	\$ 12,834,110	\$ 14,017,051	\$ 13,705,624	\$ 26,077,211	\$ 26,539,734
Operating grants and contributions	19,445,749	11,387,443	-	-	19,445,749	11,387,443
Capital grants and contributions	756,788	241,398	-	-	756,788	241,398
General revenues:						
Property taxes	68,444,452	67,901,581	-	-	68,444,452	67,901,581
Other taxes	40,820,365	42,079,522	-	-	40,820,365	42,079,522
Investment earnings	1,589,916	2,355,310	474,949	719,505	2,064,865	3,074,815
Other	3,828,015	2,032,192	-	-	3,828,015	2,032,192
Total revenues	<u>146,945,445</u>	<u>138,831,556</u>	<u>14,492,000</u>	<u>14,425,129</u>	<u>161,437,445</u>	<u>153,256,685</u>
Expenses:						
General government	14,206,541	12,539,691	-	-	14,206,541	12,539,691
Public safety	39,735,797	34,342,643	-	-	39,735,797	34,342,643
Transportation	847,467	807,753	-	-	847,467	807,753
Economic and physical development	9,571,762	7,662,770	-	-	9,571,762	7,662,770
Human services	19,212,595	17,930,715	-	-	19,212,595	17,930,715
Cultural and recreation	5,738,891	5,454,249	-	-	5,738,891	5,454,249
Education	26,645,392	26,173,140	-	-	26,645,392	26,173,140
Interest on long-term debt	2,575,504	3,530,291	-	-	2,575,504	3,530,291
Environmental protection	10,181,361	10,004,255	-	-	10,181,361	10,004,255
Water	-	-	15,001,256	14,231,560	15,001,256	14,231,560
Total expenses	<u>128,715,310</u>	<u>118,445,507</u>	<u>15,001,256</u>	<u>14,231,560</u>	<u>143,716,566</u>	<u>132,677,067</u>
Increase (decrease) in net position	18,230,135	20,386,049	(509,256)	193,569	17,720,879	20,579,618
Net position, July 1	<u>(572,717)</u>	<u>(20,958,766)</u>	<u>56,398,800</u>	<u>56,205,231</u>	<u>55,826,083</u>	<u>35,246,465</u>
Net position, June 30	<u>\$ 17,657,418</u>	<u>\$ (572,717)</u>	<u>\$ 55,889,544</u>	<u>\$ 56,398,800</u>	<u>\$ 73,546,962</u>	<u>\$ 55,826,083</u>

Governmental activities. Governmental activities increased the County's net position by \$18,230,135. Key elements of this change were:

- Net Position:
 - An increase from the activities of internal service funds of \$1,143,313;
 - An increase from the activities of the General Fund of \$2,414,316 (modified accrual basis);
 - An increase from the activities of the Inlet Maintenance Fund of \$9,949,258 (modified accrual basis).
- Revenues:
 - Increased revenue collections in general from a strong economy despite the effects of COVID-19; and
 - Federal and State financial assistance to help to offset the revenues effects of COVID-19.
- Expenses:
 - Management's proactive stance and emphasis on monitoring spending across departments to ensure budget compliance and promote savings from budget, especially at the onset of COVID-19;
 - Decreased interest on long term debt from debt levels reductions and capturing refunding opportunities; and
 - Federal and State financial assistance to help to offset the expenditure effects of COVID-19.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities: Business-type activities decreased Dare County's net position by \$509,256. Key elements of this increase were:

- Continued growth in the existing customer base of 0.93 percent, now at 20,557;
- Continued reductions in per account and per capita water consumption;
- A 5.00 percent water rate increase effective July 1, 2019;
- A 3.12 percent decrease in gallons billed from March 1, 2020 through June 30, 2020 due to the effects of COVID-19;
- Recognition of pension and OPEB expenses; and
- Prudent management of expenses in efforts to limit the growth of operating 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 \$27,926,254 (a decrease of \$1,629,414), while total fund balance increased by \$2,414,316 to \$48,189,716. If fund balance required to be shown as restricted by State statute for stabilization is included with unassigned fund balance, the amount is \$40,162,244 (available fund balance), a decrease of \$1,028,004, or 38.75 percent of current year unconsolidated revenues. The County's actions to increase the percentage of unassigned fund balance has succeeded, with that measure at 26.94 percent at fiscal year-end, exceeding the County's policy 21 percent of current year unconsolidated General Fund revenues.

At June 30, 2020, the governmental funds of Dare County reported a combined fund balance of \$97,787,560, a \$7,968,975 or 8.87 percent increase from last year. The primary reasons are:

- An increase in the General Fund of \$2,414,316 from expenditure controls and performance in reaction to the COVID-19 pandemic;
- A decrease of \$5,218,062 in the Capital Projects Fund from expending the proceeds of debt issued in the prior fiscal year and \$3,192,190 of expenditures for capital projects for which the related debt issuance was delayed until fiscal year 2021; and
- An increase of \$9,949,258 in the Inlet Maintenance Fund from the receipt of the final \$10 million of a \$15 million State budget appropriation with only a small 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 27 percent of the total fund balances, or \$26,129,293, is available for spending at the government's discretion (*unassigned fund balance*). \$29,553,360 is available for beach nourishment.

General Fund (Unconsolidated) 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 \$699,280.

MANAGEMENT'S DISCUSSION AND ANALYSIS

All budgetary results were affected by the emergence of the global COVID-19 pandemic in March 2020. The disruption to the local economy occurred after a strong 2019 tourism season. Due to then unknowns related to the pandemic, limited hospital beds, no local intensive care unit, and the potential of a surge of visitors, the county was closed to nonresidents from March 16 through May 16. The local economy rebounded quickly from the closure with results exceeding those of 2019 from June to date, likely due to the county's suitability to social distancing and the rental home inventory available for teleworking and remote schooling, as shown in the following table.

Actual Revenue Percentage Change from the Same Period of the Prior Year

Revenue Source	FY2020 Through February	FY2020 Through May	FY2020 Actual	FY2021 To Date	FY2021 Through
Article 39 Sales Tax	+5.72%	<1.99%>	<0.17%>	+6.33%	August
Article 40 Sales Tax	+7.77%	+3.21%	+3.92%	+6.27%	August
Article 42 Sales Tax	+4.37%	<2.63%>	<0.68%>	+6.27%	August
Occupancy Tax	+2.78%	<6.29%>	<4.82%>	+20.59%	September
Land Transfer Tax	+14.58%	<0.31%>	+0.41%	+98.93%	October
Register of Deeds	+14.32%	+0.51%	+4.81%	+79.27%	October

Revenues were \$2,786,800 under budget. Without budgetary offsets (see Sales and services below), revenues were \$1,541,661 under budget.

Ad valorem taxes were \$492,159 under budget due to a small decrease in the current year collection percentage and to a current year vehicle tax revenue decrease. In response to COVID-19, the State extended vehicle registration due dates from March 1 through August 1 by five months. Vehicle property taxes are not due until the vehicle is registered.

Other taxes were \$466,238 under budget due to the effects of COVID-19 as demonstrated in the table above. Sales taxes were under budget by \$309,325. Occupancy tax collections were \$152,669 under budget, which also reflected the impacts of Hurricane Dorian in September 2019.

Unrestricted intergovernmental revenues were \$263,373 over budget due to federal payments in lieu of taxes being \$56,229 over budget from a conservative budget amount due to uncertainty with the federal budget, ABC profits being over budget by \$38,155, and an unexpected and unbudgeted State Medicaid hold-harmless payment of \$169,367.

Restricted intergovernmental revenues were \$376,506 over budget. Social Services administrative revenue was over budget by \$245,050 due to increased administrative reimbursements from increased eligible administrative costs, and Social Services Medicaid transportation reimbursements were \$209,349 over budget from a State delay in the Medicaid Transformation Project, which would have eliminated the revenue. An unbudgeted Medicare Provider Relief Fund (CARES Act) payment of \$235,986 was received to offset revenue decreases in Home Health, Hospice, Health Clinic, and EMS fees (see Sales and Services) due to the effects of COVID-19.

Permits and fees were \$142,515 over budget with Health Department environmental fees \$25,920 over budget and Register of Deeds fees \$78,248 over budget, due to higher than anticipated inspections and recording activity. Building permit fees were \$17,979 over budget due to increased activity prior to COVID-19.

Sales and services revenues were \$2,324,002 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 \$1,078,363 under budget. Programs and services were shut down or reduced due to COVID-19 thus reducing revenues for: Home Health - \$427,568 under budget; Hospice - \$354,760 under budget; and Emergency Medical Services - \$357,750 under budget. Medicaid cost settlements for the Health Department and for Emergency Medical Services were

MANAGEMENT'S DISCUSSION AND ANALYSIS

\$133,039 over budget due to favorable audit resolution of prior year settlements (10 percent is withheld pending audit resolution).

Other revenue was \$287,346 under budget due to \$79,067 of budgetary offsets (budget with no actuals) used to show the amount of indirect costs supplied to support the College of the Albemarle, and due to miscellaneous revenue being \$96,083 under budget from lower than anticipated sales of surplus property, primarily due to COVID-19.

Expenditures were \$7,552,542 under budget (7.59 percent). Without the budgetary offsets mentioned above under Sales and Services of \$1,245,639; without other budgetary offsets of \$79,067; without outstanding purchase orders at year-end of \$398,422; and without a budgetary carryover into fiscal year 2021 for unspent deferred maintenance funds for the Board of Education of \$206,485; expenditures were \$5,622,929 under budget (5.74 percent) as follows. At the onset of COVID-19 in March, all departments were instructed to only fill vacant positions that were essential and to not incur discretionary expenditures.

- Emergency Medical Services (Public Safety) expenditures were \$1,047,396 (7.50 percent) under budget. \$893,575 of that amount related to salaries, overtime and fringes due to unfilled vacancies, turnover resulting in filling positions at a lower salary rate, and a decrease in overtime from decreases of special events, training, and call volumes due to COVID-19. Medical supplies were \$50,112 under budget, mainly due to outstanding purchase orders at fiscal year-end.
- Health Department (Human Services) expenditures were \$692,443 (7.90 percent) under budget. \$458,578 of that amount was from salaries and fringes due to unfilled positions and a vacant nurse practitioner position subsequently reclassified to part-time. Contracted and professional services were \$86,065 under budget from COVID-19 effects upon programs discussed above.
- Social Services (Human Services) expenditures were \$595,495 (6.27 percent) under budget from salaries and fringes under budget of \$194,318 from turnover and unfilled positions, and from Child Welfare and Foster Care expenditures of \$221,141 under budget from decreased caseloads.
- Grants & Waterways (Economic and Physical Development) expenditures were \$356,726 (80.29 percent) under budget due to two dredging project grants budgeted but not received as the projects did not occur.
- Non-departmental (General Government) expenditures were under budget by \$342,449 (17.52 percent) due to unused contingency appropriation of \$191,853, an incomplete contracted service of \$42,650 carried forward to the next fiscal year, and salary and fringe related expenditures for longevity, merit, and cost of living adjustments being \$75,881 under budget.; and
- Other departments with favorable expenditure budget variances of more than \$100,000, primarily from COVID-19 effects and the related instructions for expenditure controls:
 - Detention Center of \$302,789 (6.73 percent);
 - Sheriff of \$246,693 (3.38 percent);
 - Emergency Medical Services Helicopter of \$237,687 (3.62 percent);
 - Information Technology of \$212,588 (13.40 percent);
 - Parks & Recreation of \$201,495 (9.05 percent);
 - Recycling of \$196,286 (21.21 percent);
 - Facilities Maintenance of \$165,547 (11.82 percent);
 - Elections of \$120,689 (23.76 percent); and
 - Transportation of \$114,018 (19.20 percent).

Other Legally Budgeted General Funds

Beginning with fiscal year 2020, the County maintains three legally budgeted separate funds which are consolidated into the General Fund for financial reporting purposes.

Capital Investment Fund. The fund accounts for debt issuances for refundings, debt service, financed capital outlays, pay-as-you-go capital outlays, and funding for the capital improvements plan. The fund uses revenue sources restricted for capital or debt service for capital – the land transfer tax, restricted sales taxes, restricted lottery proceeds, and an annual transfer from the General Fund. Beginning fund balance was that of the former Capital Reserve Capital Projects Fund. Fund balance increased for fiscal year 2020 as planned from an additional, one-time, transfer from the General Fund of \$3,437,104. The additional transfer was from General Fund unassigned fund balance over the policy target as of June 30,

MANAGEMENT'S DISCUSSION AND ANALYSIS

2019. Debt service was reduced during fiscal year 2020 by \$508,243 from the issuance of the Series 2020A taxable refunding limited obligation bonds in May 2020. The same refunding reduced annual debt service by \$612,275 for fiscal year 2021 and by \$532,418 for fiscal year 2022.

Disaster Recovery Fund. The fund accounts for all activities related to natural or other disasters. During fiscal year 2020 the fund accounted activities from Hurricane Dorian (September 2019) and the COVID-19 pandemic (except for Health Department grants and a Medicare Provider Relief Fund payment). Fund balance increased as planned from a one-time transfer from the General Fund of \$413,737. The transfer was from General Fund unassigned fund balance over the policy target as of June 30, 2019.

Law Enforcement Officers' Special Separation Allowance Fund. The fund accounts for all activities related to the State mandated pension plan (Note 7.C).

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 \$2,947,856, an improvement of \$1,143,313.

The Insurance Fund, primarily supported by the General Fund and the Water Fund (proprietary), ended the fiscal year with a net position of \$2,634,295, an improvement of \$1,146,053 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 \$55,783,645 with a decrease in net position of \$638,866. Water sales increased by 3.42 percent due to a 7/1/2019 rate increase. Water usage billed for sales 3/1/2020 through 6/30/2020 was down 3.12 percent compared to the same period of the prior year as a result of COVID-19 effects. Operating income decreased from the prior year due to recognition of OPEB expense of \$301,519 and pension expense of \$565,097. Revenue bond debt service coverage was steady at 4.49 times and 2.01 times without an allowed addback of 20 percent of surplus balance. 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, 2020, total \$230,506,268 (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, Emergency Medical Services and other departments;
- \$3,192,910 of construction in progress expenditures for College of the Albemarle, Health and Human Services, and Animal Shelter projects;
- Capitalization of the County portion of a beach nourishment project covering portions of Nags Head; and
- The continuation 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 26,684,388	\$ 26,556,776	\$ 4,573,941	\$ 4,573,941	\$ 31,258,329	\$ 31,130,717
Buildings	72,946,313	74,419,840	27,557,642	28,853,805	100,503,955	103,273,645
Improvements	48,645,045	20,094,503	28,725,857	31,119,994	77,370,902	51,214,497
Equipment	2,714,773	2,240,954	744,906	755,650	3,459,679	2,996,604
Machinery	13,109,432	13,127,881	346,134	237,519	13,455,566	13,365,400
Construction in progress	2,184,293	32,572,044	2,273,544	1,365,303	4,457,837	33,937,347
Total	<u>\$ 166,284,244</u>	<u>\$ 169,011,998</u>	<u>\$ 64,222,024</u>	<u>\$ 66,906,212</u>	<u>\$ 230,506,268</u>	<u>\$ 235,918,210</u>

Long-term Debt. As of June 30, 2020, 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 \$17,325,240 (par value) or 13.49 percent during the past fiscal year, due to principal payments of \$21,831,183 (par value), refunded debt of \$20,980,000 (par value), and new debt consisting of a direct taxable refunding installment financing of \$23,460,000 and a capitalized lease of \$2,025,943. Total debt stood at \$111,098,440 (par value) at June 30, 2020.

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 Standard and Poor's Global Ratings (affirmed May 2016), AA from Fitch Ratings (affirmed May 2016) and Aa2 from Moody's Investors Service (affirmed May 2020).

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 \$1,002,574,408 as of June 30, 2020. The County had \$86,173,440 of outstanding debt subject to the limitation. Additional information regarding Dare County's long-term debt can be found in note 14 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 4.85 percent, above the State average for calendar year 2019 and down from 5.33 percent of the prior year and 6.20 percent from two years before. The County experiences seasonality in monthly rates with a high of 8.5 percent in January 2020 and a low of 3.7 percent in August 2019. The July 2020 rate was 8.10 percent due to the effects of COVID-19.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The county's per capita income was \$56,314 or 122 percent of that of the State for calendar year 2019.
- Taxable retail sales for fiscal year 2020 totaled \$1.560 billion (down 2.44 percent due to COVID-19) and total sales tax collections (State and local) were \$74,291,149 (down 2.40 percent due to COVID-19).
- Locally collected sales taxes decreased 0.17 percent due to the local COVID-19 shutdown while those collected statewide increased 3.94 percent.
- The local one percent realty transfer tax for fiscal year 2020 increased by 0.41 percent, after being affected by the local COVID-19 shutdown.
- Occupancy tax collections decreased by 4.82 percent with the effects of Hurricane Dorian and COVID-19.
- For calendar year 2019, the number of building permits increased 3.22 percent and the dollar value of the building permits decreased 3.03 percent.
- The sales to assessment ratio as measured by the NC Department of Revenue, decreased to 83.49 percent as of July 2019 (sampled assessed tax values averaged 83.49 percent of sampled actual sales values). A county-wide property revaluation occurred for values as of January 1, 2020 with an 18.64 percent increase to a taxable base of \$16.147 billion.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: The County maintained programs currently in place without service or program changes. The General Fund budget decreased by 1.53 percent based upon then projected revenues decreases from the effects of COVID-19.

With revaluation, the property tax rate was set at the revenue neutral rate of 40.05 cents. Major revenues were budgeted with projected decreases as compared to fiscal year 2019 actual results as follows:

- Local sales taxes – a 2.15 percent decrease;
- Statewide sales tax – a 1.97 percent decrease;
- Occupancy tax – a 15.32 percent decrease;
- Land transfer tax – a 24.18 percent decrease based upon historical reactions to recessions.

Appropriated fund balance was budgeted at \$2,891,045, an increase of \$707,210. Unassigned fund balance at the end of the fiscal year was projected to be equal to the target percentage.

The expenditure budget was generally adopted at the same levels of the prior year except for the following items:

- No employee cost of living adjustment was included;
- No merit pay was included;
- Funding for operations for the Dare County Schools was at the same level as 2020;
- Cost of the Health Plan increased by 5 percent; and
- The General Fund transfer to the Capital Investment Fund was cut from \$10,426,273 to \$8,478,978.

That reduction resulted in minimal capital outlays, no vehicle replacements, and minimal 2021 and 2022 projects within the capital improvements plan. Minimal capital expenditures were able to be maintain as the result of the Series 2020A taxable refunding limited obligation bonds providing a fiscal year 2021 debt service reduction of \$612,275.

Given the positive and better than projected fiscal year 2021 results to date, it is expected that the fiscal year 2021 capital improvements plan and operating budget will be reevaluated mid-year.

Business – type Activities: Budget basis expenditures increased only \$176,954 or 1.51 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 2021 was the sixth year of the new rate structure and per the study and to assist customers with the economic effects of COVID-19, no rate increase was included in the 2021 budget.

Debt Outlook

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

- \$16,359,487 of debt for College of the Albemarle campus consolidation, \$5,738,583 for Health and Human Services facility improvements or consolidation, \$6,596,988 for a new Animal Shelter facility, \$1,012,600 for a roof replacement at Manteo High School, and \$1,110,002 for property acquisitions, with a scheduled sale date of January 21, 2021, over a twenty-year term;
- \$1,498,316 of debt for EMS equipment over a five-year term with the above;
- \$16,345,000 of debt for EMS facilities in fiscal year 2023 over a twenty-year term; and
- \$21,075,000 of debt for replacement of the County public works facilities in fiscal year 2025 over a twenty-year period.

The adopted business-type (water) CIP for 2021 through 2027 includes a revenue bond debt issuance of \$6,650,000 in fiscal year 2025.

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.

Basic Financial Statements

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 77,421,284	\$ 9,876,304	\$ 87,297,588	\$ 20,517,597
Receivables (net of allowance for uncollectibles)	16,559,098	4,151,906	20,711,004	1,613,746
Due from component unit	456,750	-	456,750	-
Internal balances	(105,899)	105,899	-	-
Inventories	502,197	526,095	1,028,292	1,553,685
Prepays	138,138	-	138,138	99,900
Restricted assets:				
Cash and cash equivalents	14,545,389	19,608,382	34,153,771	2,692,359
Cash with fiscal agent	858,234	317	858,551	-
Net pension asset	141,140	-	141,140	-
Capital assets:				
Land and construction in progress	28,868,681	6,847,485	35,716,166	19,762,260
Other capital assets, net of depreciation	137,415,563	57,374,539	194,790,102	17,097,503
Total assets	276,800,575	98,490,927	375,291,502	63,337,050
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	8,690,388	751,026	9,441,414	525,024
OPEB related	29,368,509	2,853,407	32,221,916	479,443
Deferred charge on refunding	4,363,416	2,418,814	6,782,230	-
Total deferred outflows of resources	42,422,313	6,023,247	48,445,560	1,004,467
LIABILITIES				
Accounts payable and current liabilities	4,439,387	257,755	4,697,142	2,072,409
Accrued liabilities	1,930,758	157,573	2,088,331	22,202
Accrued interest payable	242,104	405,187	647,291	-
Due to primary government	-	-	-	456,750
Unearned revenues	67,181	950,066	1,017,247	5,200
Customer deposits	-	2,067,108	2,067,108	14,307
Noncurrent liabilities:				
Due within one year	21,799,951	1,447,947	23,247,898	-
Due in more than one year	243,738,778	40,705,850	284,444,628	5,796,000
Total liabilities	272,218,159	45,991,486	318,209,645	8,366,868
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	2,143,800	-	2,143,800	-
Pension related	113,464	-	113,464	34,904
OPEB related	27,090,047	2,633,144	29,723,191	762,675
Total deferred inflows of resources	29,347,311	2,633,144	31,980,455	797,579
NET POSITION				
Net investment in capital assets	120,019,882	40,371,063	160,390,945	36,859,763
Restricted for:				
Stabilization by State statute	15,972,399	-	15,972,399	4,780,713
Bond covenants	-	17,541,591	17,541,591	-
Economic and physical development	27,007,041	-	27,007,041	-
Public safety	555,213	-	555,213	897,881
Human services	494,110	-	494,110	-
General government	10,675	-	10,675	-
Unrestricted	(146,401,902)	(2,023,110)	(148,425,012)	12,638,713
Total net position	\$ 17,657,418	\$ 55,889,544	\$ 73,546,962	\$ 55,177,070

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, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Total Component Units
Primary government:								
Governmental activities:								
General government	\$ 14,206,541	\$ 1,892,266	\$ 9,820	\$ -	\$ (12,304,455)	\$ -	\$ (12,304,455)	\$ -
Public safety	39,735,797	5,254,952	3,814,193	145,010	(30,521,642)	-	(30,521,642)	-
Economic and physical development	9,571,762	466,839	10,055,676	220,153	1,170,906	-	1,170,906	-
Human services	19,212,595	2,371,650	5,138,588	-	(11,702,357)	-	(11,702,357)	-
Cultural and recreational	5,738,891	305,343	425,311	66,625	(4,941,612)	-	(4,941,612)	-
Environmental protection	10,181,361	1,769,110	2,161	-	(8,410,090)	-	(8,410,090)	-
Education	26,645,392	-	-	325,000	(26,320,392)	-	(26,320,392)	-
Transportation	847,467	-	-	-	(847,467)	-	(847,467)	-
Interest on long-term debt	2,575,504	-	-	-	(2,575,504)	-	(2,575,504)	-
Total governmental activities	128,715,310	12,060,160	19,445,749	756,788	(96,452,613)	-	(96,452,613)	-
Business-type Activities:								
Water	15,001,256	14,017,051	-	-	-	(984,205)	(984,205)	-
Total business-type activities	15,001,256	14,017,051	-	-	-	(984,205)	(984,205)	-
Total primary government	\$ 143,716,566	\$ 26,077,211	\$ 19,445,749	\$ 756,788	(96,452,613)	(984,205)	(97,436,818)	-
Total component units	\$ 27,482,676	\$ 1,102,366	\$ 857,051	\$ 1,164,196				(24,359,063)
General revenues:								
Property taxes					68,444,452	-	68,444,452	588,979
Sales taxes					20,780,654	-	20,780,654	-
Occupancy taxes					14,387,117	-	14,387,117	4,861,143
Alcoholic beverage taxes					221,130	-	221,130	-
Local realty transfer taxes					4,833,635	-	4,833,635	-
Other taxes					597,829	-	597,829	2,346,647
Alcoholic beverage sales					-	-	-	18,067,964
Alcoholic beverage profit distribution from component unit					1,465,105	-	1,465,105	-
Other revenues					2,362,910	-	2,362,910	971
Unrestricted investment earnings					1,589,916	474,949	2,064,865	310,579
Total general revenues					114,682,748	474,949	115,157,697	26,176,283
Change in net position					18,230,135	(509,256)	17,720,879	1,817,220
Net position-beginning					(572,717)	56,398,800	55,826,083	53,359,850
Net position-ending					\$ 17,657,418	\$ 55,889,544	\$ 73,546,962	\$ 55,177,070

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

DARE COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2020

	General	Beach Nourishment	Inlet Maintenance	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 38,984,809	\$ 27,492,532	\$ 37,249	\$ 808,434	\$ 6,606,786	\$ 73,929,810
Cash and cash equivalents - restricted	-	-	14,545,389	-	-	14,545,389
Cash with fiscal agent - restricted	367,233	222	-	261,743	229,036	858,234
Receivables (net of allowance for uncollectibles)	12,251,426	2,084,685	476,538	66,665	608,943	15,488,257
Due from other governments	180,065	31	-	-	16,915	197,011
Due from component unit - ABC	229,484	-	-	-	227,266	456,750
Inventories	12,460	-	-	-	-	12,460
Total assets	<u>\$ 52,025,477</u>	<u>\$ 29,577,470</u>	<u>\$ 15,059,176</u>	<u>\$ 1,136,842</u>	<u>\$ 7,688,946</u>	<u>\$ 105,487,911</u>
LIABILITIES						
Accounts payable	\$ 825,590	\$ 23,604	\$ 11,680	\$ 980,209	\$ 825,097	\$ 2,666,180
Accrued liabilities	1,839,552	-	-	-	46,360	1,885,912
Unearned revenues	1,230	-	-	-	65,951	67,181
Total liabilities	<u>2,666,372</u>	<u>23,604</u>	<u>11,680</u>	<u>980,209</u>	<u>937,408</u>	<u>4,619,273</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned revenues	393,276	-	-	1,691,851	58,673	2,143,800
Taxes receivable	776,113	506	-	-	160,659	937,278
Total deferred inflows of resources	<u>1,169,389</u>	<u>506</u>	<u>-</u>	<u>1,691,851</u>	<u>219,332</u>	<u>3,081,078</u>
FUND BALANCES						
Nonspendable:						
Inventories	12,460	-	-	-	-	12,460
Restricted for:						
Stabilization by State statute	12,235,990	2,546,319	476,543	-	713,547	15,972,399
Beach nourishment	-	27,007,041	-	-	-	27,007,041
Emergency telephone system	-	-	-	-	479,663	479,663
Social services foster care	-	-	-	-	131,388	131,388
Coronavirus relief	-	-	-	-	252,722	252,722
Capital	-	-	-	261,743	229,036	490,779
Future dredge loan	-	-	14,545,389	-	-	14,545,389
Register of deeds	10,675	-	-	-	-	10,675
Sheriff	75,550	-	-	-	-	75,550
Health department	110,000	-	-	-	-	110,000
Committed for:						
Capital or debt service	3,971,103	-	-	-	-	3,971,103
Disaster recovery	543,090	-	-	-	-	543,090
C & D landfill	-	-	-	-	1,733,628	1,733,628
Sanitation	-	-	-	-	1,862,453	1,862,453
Inlet maintenance	-	-	25,564	-	-	25,564
School capital projects	-	-	-	-	1,129,769	1,129,769
Assigned for:						
Subsequent year's expenditures	3,304,594	-	-	-	-	3,304,594
Unassigned:	<u>27,926,254</u>	<u>-</u>	<u>-</u>	<u>(1,796,961)</u>	<u>-</u>	<u>26,129,293</u>
Total fund balances	<u>48,189,716</u>	<u>29,553,360</u>	<u>15,047,496</u>	<u>(1,535,218)</u>	<u>6,532,206</u>	<u>97,787,560</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,025,477</u>	<u>\$ 29,577,470</u>	<u>\$ 15,059,176</u>	<u>\$ 1,136,842</u>	<u>\$ 7,688,946</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.	166,091,134
Net pension asset	141,140
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	3,101,023
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	98,661
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	1,158,369
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.	2,841,957
Pension related deferrals - LGERS and RODSPF	5,071,361
Pension related deferrals - LEOSSA	122,253
OPEB related deferrals	2,278,462
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(261,034,502)
Net position of governmental activities	<u>\$ 17,657,418</u>

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, 2020

	General	Beach Nourishment	Inlet Maintenance	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$ 63,894,209	\$ 107,807	\$ -	\$ -	\$ 4,264,749	\$ 68,266,765
Other taxes	30,388,598	9,722,494	-	-	-	40,111,092
Unrestricted intergovernmental	1,396,873	-	-	-	-	1,396,873
Restricted intergovernmental	8,568,962	-	10,021,395	286,778	1,831,775	20,708,910
Permits and fees	2,684,228	-	-	-	283,065	2,967,293
Sales and services	7,396,401	-	-	-	1,424,613	8,821,014
Investment income	872,563	535,244	4,737	74,446	102,927	1,589,917
Other revenue	915,942	-	-	-	1,301,070	2,217,012
Total revenues	<u>116,117,776</u>	<u>10,365,545</u>	<u>10,026,132</u>	<u>361,224</u>	<u>9,208,199</u>	<u>146,078,876</u>
EXPENDITURES						
Current:						
General government	11,626,734	-	-	490,418	1,850	12,119,002
Public safety	32,740,683	-	-	698,663	992,650	34,431,996
Economic and physical development	1,245,556	2,257,093	913,414	373,983	-	4,790,046
Human services	16,982,812	-	-	-	271,111	17,253,923
Cultural and recreational	4,649,888	-	-	4,915	5,588	4,660,391
Environmental protection	2,358,170	-	-	77,315	5,500,768	7,936,253
Education	24,177,017	-	-	48,917	-	24,225,934
Airport	853,062	-	-	-	-	853,062
Debt service:						
Principal	13,138,412	6,855,000	-	-	507,773	20,501,185
Interest	2,610,208	561,406	-	-	19,208	3,190,822
Capital outlay:						
General government	236,941	-	-	429,336	-	666,277
Public safety	1,614,789	-	-	1,909,963	15,000	3,539,752
Economic and physical development	33,472	-	-	1,870,046	-	1,903,518
Human services	197,671	-	-	447,103	-	644,774
Cultural and recreational	94,608	-	-	83,281	-	177,889
Environmental protection	102,574	-	-	-	499,643	602,217
Education	-	-	-	512,415	2,416,210	2,928,625
Total expenditures	<u>112,662,597</u>	<u>9,673,499</u>	<u>913,414</u>	<u>6,946,355</u>	<u>10,229,801</u>	<u>140,425,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,455,179</u>	<u>692,046</u>	<u>9,112,718</u>	<u>(6,585,131)</u>	<u>(1,021,602)</u>	<u>5,653,210</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	740,000	-	836,540	1,367,069	1,990,000	4,933,609
Transfers to other funds	(3,557,069)	(636,540)	-	-	(740,000)	(4,933,609)
Installment financings issued	24,957,384	-	-	-	528,559	25,485,943
Payment to refunding installment financing escrow agent	(23,259,385)	-	-	-	-	(23,259,385)
Sale of surplus property	78,207	-	-	-	11,000	89,207
Total other financing sources (uses)	<u>(1,040,863)</u>	<u>(636,540)</u>	<u>836,540</u>	<u>1,367,069</u>	<u>1,789,559</u>	<u>2,315,765</u>
Net change in fund balances	2,414,316	55,506	9,949,258	(5,218,062)	767,957	7,968,975
Fund balances-beginning	45,775,400	29,497,854	5,098,238	3,682,844	5,764,249	89,818,585
Fund balances-ending	<u>\$ 48,189,716</u>	<u>\$ 29,553,360</u>	<u>\$ 15,047,496</u>	<u>\$ (1,535,218)</u>	<u>\$ 6,532,206</u>	<u>\$ 97,787,560</u>

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, 2020

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

Net change in fund balances - total governmental funds	\$ 7,968,975
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.	(2,635,875)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(132,296)
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.	18,023,229
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,101,023
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the of resources on the Statement of Net Position	98,661
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.	(9,207,285)
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.	1,013,703
Change in net position of governmental activities	<u>\$ 18,230,135</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 64,386,368	\$ 64,386,368	\$ 63,894,209	\$ (492,159)
Other taxes	21,577,297	21,577,297	21,111,059	(466,238)
Unrestricted intergovernmental	1,133,500	1,133,500	1,396,873	263,373
Restricted intergovernmental	4,806,649	5,343,821	5,720,327	376,506
Permits and fees	2,541,713	2,541,713	2,684,228	142,515
Sales and services	9,717,570	9,720,403	7,396,401	(2,324,002)
Investment income	862,750	862,750	863,301	551
Other revenue	706,437	865,712	578,366	(287,346)
Total revenues	105,732,284	106,431,564	103,644,764	(2,786,800)
EXPENDITURES				
Current:				
General government	13,494,632	12,725,631	11,381,448	1,344,183
Public safety	31,403,983	31,992,389	29,944,442	2,047,947
Economic and physical development	1,450,129	1,755,505	1,245,556	509,949
Human services	17,736,626	18,278,444	16,982,812	1,295,632
Cultural and recreational	5,007,215	5,058,631	4,614,354	444,277
Environmental protection	2,668,854	2,699,816	2,358,170	341,646
Education	25,290,536	25,707,894	24,177,017	1,530,877
Airport	864,377	864,377	853,062	11,315
Capital outlay:				
General government	5,494	5,494	5,494	-
Public safety	12,000	206,760	186,306	20,454
Economic and physical development	-	4,777	-	4,777
Human services	-	103,717	103,716	1
Cultural and recreational	-	76,055	66,420	9,635
Environmental protection	-	37,157	45,308	(8,151)
Total expenditures	97,933,846	99,516,647	91,964,105	7,552,542
Excess of revenues over expenditures	7,798,438	6,914,917	11,680,659	4,765,742
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	740,000	740,000	740,000	-
Transfers to other funds	(10,802,273)	(14,874,979)	(14,874,979)	-
Sale of surplus property	80,000	80,000	78,207	(1,793)
Total other financing sources (uses)	(9,982,273)	(14,054,979)	(14,056,772)	(1,793)
Net change in fund balances*	(2,183,835)	(7,140,062)	(2,376,113)	4,763,949
Fund balance -- beginning	43,979,477	39,471,602	43,979,477	(4,507,875)
Fund balance -- ending	\$ 41,795,642	\$ 32,331,540	41,603,364	\$ 256,074

A legally budgeted Capital Investment Fund is consolidated into the General Fund for reporting purposes:

Other taxes	9,277,539
Restricted intergovernmental	325,000
Transfer from general fund	13,863,377
Installment financing proceeds	24,957,384
Expenditures	(17,665,240)
Transfers to other funds	(3,156,504)
Payment to refunding installment financing escrow agent	(23,259,385)
Fund balance -- beginning Capital Investment Fund	938,573

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

Restricted intergovernmental	2,523,635
Investment income	9,157
Other revenue	337,576
Transfer from general fund	413,437
Expenditures	(2,828,690)
Fund balance -- beginning Disaster Recovery Fund	857,350

A legally budgeted Law Enforcement Officers Special Separation Allowance Fund is consolidated into the General Fund for reporting purposes:

Investment income	105
Transfer from general fund	197,600
Expenditures	(204,562)
Fund balance -- ending consolidated General Fund	\$ 48,189,716

*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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 105,000	\$ 105,000	\$ 107,807	\$ 2,807
Other taxes	9,952,000	9,952,000	9,722,494	(229,506)
Investment income	550,000	550,000	535,244	(14,756)
Total revenues	10,607,000	10,607,000	10,365,545	(241,455)
EXPENDITURES				
Current:				
Economic & physical development	2,237,253	2,812,902	2,257,093	555,809
Debt service:				
Principal	6,855,000	6,855,000	6,855,000	-
Interest	561,406	561,406	561,406	-
Total expenditures	9,653,659	10,229,308	9,673,499	555,809
Excess of revenues over expenditures	953,341	377,692	692,046	314,354
OTHER FINANCING USES				
Transfers to other funds	(3,000,000)	(2,969,500)	(636,540)	2,332,960
Total other financing uses	(3,000,000)	(2,969,500)	(636,540)	2,332,960
Net change in fund balances*	(2,046,659)	(2,591,808)	55,506	2,647,314
Fund balance -- beginning	24,387,333	24,387,333	29,497,854	-
Fund balance -- ending	\$ 22,340,674	\$ 21,795,525	\$ 29,553,360	\$ 2,647,314

*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
Inlet Maintenance Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ -	\$ 10,003,750	\$ 10,021,395	\$ 17,645
Investment income	-	-	4,737	4,737
Total revenues	-	10,003,750	10,026,132	22,382
EXPENDITURES				
Current:				
Economic & physical development	3,250,000	13,277,805	913,414	12,364,391
Total expenditures	3,250,000	13,277,805	913,414	12,364,391
Excess (deficiency) of revenues over (under) expenditures	(3,250,000)	(3,274,055)	9,112,718	12,386,773
OTHER FINANCING SOURCES				
Transfers from other funds	3,200,000	3,200,000	836,540	(2,363,460)
Total other financing sources	3,200,000	3,200,000	836,540	(2,363,460)
Net change in fund balances*	(50,000)	(74,055)	9,949,258	10,023,313
Fund balance -- beginning	24,387,333	24,387,333	5,098,238	-
Fund balance -- ending	\$ 24,337,333	\$ 24,313,278	\$ 15,047,496	\$ 10,023,313

*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, 2020

	Business-type Activities	Governmental Activities
	Major	
	Enterprise Fund- Water	Internal Service Funds
ASSETS		
Current assets:		
Cash and equivalents	\$ 9,876,304	\$ 3,491,474
Restricted cash and cash equivalents:		
Customer deposits	2,067,108	-
Revenue bond covenant accounts:		
Extension & replacement	14,911,573	-
Restricted surplus	2,629,701	-
Debt service account	317	-
Total revenue bond covenant accounts	17,541,591	-
Total restricted cash and cash equivalents	19,608,699	-
Interest receivable	23,269	-
Accounts receivable (net of allowance for uncollectibles)	4,128,637	652,739
Due from other funds	-	51,677
Inventories	526,095	489,737
Prepaid items	-	138,138
Total current assets	34,163,004	4,823,765
Noncurrent assets:		
Capital assets:		
Land	4,573,941	-
Buildings	56,852,042	117,042
Improvements other than buildings	52,567,267	28,050
Equipment	5,465,222	511,581
Machinery	1,269,555	514,732
Construction in progress	2,273,544	-
Less accumulated depreciation	(58,779,547)	(978,295)
Total capital assets (net of accumulated depreciation)	64,222,024	193,110
Total noncurrent assets	64,222,024	193,110
Total assets	98,385,028	5,016,875
DEFERRED OUTFLOWS OF RESOURCES	6,023,247	183,626

(continued)

DARE COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities	Governmental Activities
	Major Enterprise Fund- Water	Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	257,755	137,814
Accrued liabilities	157,573	44,846
Accrued claims incurred but not reported:		
Health insurance	-	1,635,393
Compensated absences	97,947	23,228
Unearned revenues	27,025	-
Due to other funds	-	51,677
Accrued interest payable	405,187	-
Current liabilities payable from restricted assets:		
Customer utility deposits	2,067,108	-
Revenue bonds payable	1,350,000	-
Total current liabilities	<u>4,362,595</u>	<u>1,892,958</u>
Noncurrent liabilities:		
Unearned revenues	923,041	-
Compensated absences	264,819	62,819
Net pension liability	1,214,188	296,868
Other postemployment benefits	14,306,751	-
Revenue bonds payable (net of unamortized premium)	<u>24,920,092</u>	<u>-</u>
Total noncurrent liabilities	<u>41,628,891</u>	<u>359,687</u>
Total liabilities	<u>45,991,486</u>	<u>2,252,645</u>
DEFERRED INFLOWS OF RESOURCES	2,633,144	-
NET POSITION		
Net investment in capital assets	40,371,063	193,110
Restricted for bond covenants	17,541,591	-
Unrestricted	<u>(2,129,009)</u>	<u>2,754,746</u>
Total net position	55,783,645	<u>\$ 2,947,856</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	105,899	
Net position of business-type activities	<u>\$ 55,889,544</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, 2020

	Business-type Activities		Governmental Activities
	Major	Total	Internal Service
	Water	Enterprise Funds	Funds
Operating revenues:			
Charges for sales and services:			
Water sales	\$ 12,194,191	\$ 12,194,191	\$ -
Wastewater charges	64,338	64,338	-
Connection fees	64,682	64,682	-
System development fees	432,557	432,557	-
Water assessments	340,012	340,012	-
Penalties	116,687	116,687	-
Service revenue	-	-	2,707,437
Internal funding	-	-	17,183,200
Other revenue	804,584	804,584	302,658
Total operating revenues	<u>14,017,051</u>	<u>14,017,051</u>	<u>20,193,295</u>
Operating expenses:			
Hatteras water system	2,209,463	2,209,463	-
Joseph "Mac" Midgett water plant	846,990	846,990	-
North water plant	1,710,697	1,710,697	-
Skyco water plant	1,734,803	1,734,803	-
Water distribution system	3,323,244	3,323,244	-
Stumpy Point water and sewer system	243,518	243,518	-
Insurance	-	-	16,280,420
Fleet maintenance	-	-	2,685,751
Depreciation	4,014,437	4,014,437	76,850
Total operating expenses	<u>14,083,152</u>	<u>14,083,152</u>	<u>19,043,021</u>
Operating income (loss)	<u>(66,101)</u>	<u>(66,101)</u>	<u>1,150,274</u>
Nonoperating revenues (expenses):			
Investment income	474,949	474,949	-
Interest expense	(1,011,063)	(1,011,063)	-
Amortization of net original issue discount	(36,651)	(36,651)	-
Loss on disposal of capital assets	-	-	(8,575)
Total nonoperating revenue (expenses)	<u>(572,765)</u>	<u>(572,765)</u>	<u>(8,575)</u>
Income (loss) before contributions	(638,866)	(638,866)	1,141,699
Capital contributions	<u>-</u>	<u>-</u>	<u>1,614</u>
Change in net position	(638,866)	(638,866)	1,143,313
Net position-beginning	56,422,511		1,804,543
Net position-ending	<u>\$ 55,783,645</u>		<u>\$ 2,947,856</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		129,610	
Change in net position of business-type activities		<u>\$ (509,256)</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, 2020

	Business-type Activities	Governmental Activities
	Major	
	Enterprise Fund- Water	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 13,061,868	\$ 2,757,714
Receipts from interfund charges for insurance services	-	15,718,368
Receipts from interfund charges for fleet maintenance services	-	1,464,832
Other receipts	796,849	-
Payments to suppliers and service providers	(4,533,147)	(17,719,034)
Payments to employees for salaries and benefits	(4,700,591)	(1,283,520)
Net cash provided by operating activities	<u>4,624,979</u>	<u>938,360</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,304,804)	(124,228)
Principal paid on capital debt	(1,330,000)	-
Interest paid on capital debt	(1,026,175)	-
Net cash used for capital and related financing activities	<u>(3,660,979)</u>	<u>(124,228)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	480,407	-
Net cash provided by investing activities	<u>480,407</u>	<u>-</u>
Net increase in cash and cash equivalents	1,444,407	814,132
Cash and cash equivalents, July 1	<u>28,040,596</u>	<u>2,677,342</u>
Cash and cash equivalents, June 30	<u><u>\$ 29,485,003</u></u>	<u><u>\$ 3,491,474</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	<u>\$ (66,101)</u>	<u>\$ 1,150,274</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	4,014,437	76,850
(Increase) in accounts receivable	(162,713)	(252,381)
(Increase) decrease in inventories	143,488	(32,634)
(Increase) in prepaid items	-	(138,138)
Decrease in deferred outflows of resources-pensions	86,616	21,178
Increase in net pension liability	198,568	48,550
(Decrease) in deferred inflows of resources-pensions	(5,258)	(1,285)
Increase in deposits payable	47,414	-
Increase in accounts payable	33,784	747
Increase in accrued liabilities	16,863	7,289
Increase in accrued claims incurred but not reported:		
Health insurance	-	39,129
Increase in compensated absences payable	59,397	18,781
(Decrease) in unearned revenues	(7,735)	-
(Decrease) in deferred revenues	(35,300)	-
(Increase) in deferred outflows of resources-other postemployment benefits	(1,650,240)	-
Increase in net other postemployment benefits liability	922,691	-
Increase in deferred inflows of resources-other postemployment benefits	1,029,068	-
Total adjustments	<u>4,691,080</u>	<u>(211,914)</u>
Net cash provided by operating activities	<u><u>\$ 4,624,979</u></u>	<u><u>\$ 938,360</u></u>
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 1,614
Loss on disposal of capital assets	-	(8,575)

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, 2020

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,016,520
Cash and cash equivalents with fiscal agent - restricted	1,698,903	-
Accounts receivable (net of allowance for uncollectibles)	-	3,693,616
Due from component unit	-	71,790
Total assets	1,698,903	5,781,926
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable	-	57,192
Intergovernmental payable - other agencies	-	3,425,075
Due to component unit	-	1,793,819
Total liabilities	-	5,276,086
Net position		
Postemployment benefits other than pensions	1,698,903	-
Individuals, organizations, and other governments	-	505,840
Total net position	\$ 1,698,903	\$ 505,840

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, 2020

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 4,759,024	\$ -
Total contributions	<u>4,759,024</u>	<u>-</u>
Investment earnings:		
Interest	17,885	-
Net increase in the fair value of investments	50,105	-
Total investment earnings	<u>67,990</u>	<u>-</u>
Less investment expense	184	-
Net investment earnings	<u>67,806</u>	<u>-</u>
Collections for participants or beneficiaries	-	876,571
Taxes collected for other governments	-	48,016,598
Grants collected for other agencies	-	24,272
Fines and forfeitures collected for the Board of Education	-	404,034
Total additions	<u>4,826,830</u>	<u>49,321,475</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	4,697,117	523,332
Payments on behalf of beneficiaries	-	364,425
Taxes distributed to other governments	-	48,016,598
Grant payments to other agencies	-	24,272
Fines and forfeitures distributed to the Board of Education	-	404,034
Total deductions	<u>4,697,117</u>	<u>49,332,661</u>
Net increase (decrease) in fiduciary net position	129,713	(11,186)
NET POSITION		
Beginning of year	1,569,190	517,026
End of year	<u>\$ 1,698,903</u>	<u>\$ 505,840</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, 2020

	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	\$ 5,233,546	\$ 6,481,718	\$ 7,262,999	\$ 1,049,746	\$ 31,759	\$ 69,287	\$ 388,542	\$ 20,517,597
Receivables (net of allowance for uncollectibles)	50,428	-	1,408,708	9,340	877	5,469	138,924	1,613,746
Inventories	47,523	1,480,726	25,436	-	-	-	-	1,553,685
Prepays	-	44,200	-	-	-	-	55,700	99,900
Restricted assets:								
Cash and cash equivalents	-	-	2,692,359	-	-	-	-	2,692,359
Capital assets:								
Land and construction in progress	5,938,531	302,012	12,911,110	553,007	-	-	57,600	19,762,260
Other capital assets, net of depreciation	3,885,738	3,394,625	7,278,697	879,093	2,753	119,498	1,537,099	17,097,503
Total assets	15,155,766	11,703,281	31,579,309	2,491,186	35,389	194,254	2,177,865	63,337,050
DEFERRED OUTFLOWS OF RESOURCES								
Pension related	99,158	237,215	188,651	-	-	-	-	525,024
OPEB related	375,215	38,932	65,296	-	-	-	-	479,443
Total deferred outflows of resources	474,373	276,147	253,947	-	-	-	-	1,004,467
LIABILITIES								
Accounts payable and current liabilities	76,063	1,785,363	149,518	754	368	12,511	47,832	2,072,409
Accrued liabilities	21,513	689	-	-	-	-	-	22,202
Due to primary government	-	456,750	-	-	-	-	-	456,750
Unearned revenue	-	-	5,200	-	-	-	-	5,200
Customer deposits	11,682	-	-	-	-	-	2,625	14,307
Noncurrent liabilities:								
Due in more than one year	2,859,949	1,821,550	1,115,501	-	-	-	-	5,796,000
Total liabilities	2,968,207	4,064,352	1,270,219	754	368	12,511	50,457	8,366,868
DEFERRED INFLOWS OF RESOURCES								
Pension related	-	16,072	18,832	-	-	-	-	34,904
OPEB related	249,052	467,931	45,692	-	-	-	-	762,675
Total inflows outflows of resources	249,052	484,003	64,524	-	-	-	-	797,579
NET POSITION								
Net investment in capital assets	9,824,269	3,696,637	20,189,807	1,432,100	2,753	119,498	1,594,699	36,859,763
Restricted for:								
Stabilization by state statute	-	-	4,589,280	3,630	111	442	187,250	4,780,713
Law enforcement	-	897,881	-	-	-	-	-	897,881
Capital improvements	-	1,340,963	-	-	-	-	-	1,340,963
Working capital	-	531,781	-	-	-	-	-	531,781
Unrestricted	2,588,611	983,811	5,719,426	1,054,702	32,157	61,803	345,459	10,765,969
Total net position	\$ 12,412,880	\$ 7,431,073	\$ 30,498,513	\$ 2,490,432	\$ 35,021	\$ 181,743	\$ 2,127,408	\$ 55,177,070

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, 2020

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	\$ 1,893,894	\$ 851,098	\$ 853,062	\$ 464,196	\$ 274,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,462
Dare County ABC Board	17,755,682	-	-	-	-	(17,755,682)	-	-	-	-	-	(17,755,682)
Dare County Tourism Board	7,388,372	248,693	-	700,000	-	-	(6,439,679)	-	-	-	-	(6,439,679)
Rodanthe, Waves, Salvo Community Center	139,820	-	416	-	-	-	-	(139,404)	-	-	-	(139,404)
Stumpy Point Community Center	6,536	-	1,422	-	-	-	-	-	(5,114)	-	-	(5,114)
Wanchese Community Center	58,868	-	2,151	-	-	-	-	-	-	(56,717)	-	(56,717)
Hatteras Village Community Center	239,504	2,575	-	-	-	-	-	-	-	-	(236,929)	(236,929)
Total component units	<u>\$ 27,482,676</u>	<u>\$ 1,102,366</u>	<u>\$ 857,051</u>	<u>\$ 1,164,196</u>	<u>\$ 274,462</u>	<u>\$ (17,755,682)</u>	<u>\$ (6,439,679)</u>	<u>\$ (139,404)</u>	<u>\$ (5,114)</u>	<u>\$ (56,717)</u>	<u>\$ (236,929)</u>	<u>\$ (24,359,063)</u>
General revenues:												
Property taxes					-	-	-	203,901	6,963	48,489	329,626	588,979
Occupancy taxes					-	-	4,861,143	-	-	-	-	4,861,143
Other taxes					-	-	2,346,647	-	-	-	-	2,346,647
Alcoholic beverage sales					-	18,067,964	-	-	-	-	-	18,067,964
Other revenues					-	-	-	-	-	-	971	971
Unrestricted investment earnings					82,182	31,167	184,154	8,522	507	-	4,047	310,579
Total general revenues					82,182	18,099,131	7,391,944	212,423	7,470	48,489	334,644	26,176,283
Change in net position					356,644	343,449	952,265	73,019	2,356	(8,228)	97,715	1,817,220
Net position-beginning					12,056,236	7,087,624	29,546,248	2,417,413	32,665	189,971	2,029,693	53,359,850
Net position-ending					<u>\$ 12,412,880</u>	<u>\$ 7,431,073</u>	<u>\$ 30,498,513</u>	<u>\$ 2,490,432</u>	<u>\$ 35,021</u>	<u>\$ 181,743</u>	<u>\$ 2,127,408</u>	<u>\$ 55,177,070</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, 2020

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 three other legally budgeted funds, the Capital Investment Fund, the Disaster Recovery Fund, and the Law Enforcement Officers Special Separation Allowance Fund, which are 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.

Inlet Maintenance. This fund accounts for grants and transfers for the maintenance of two waterway inlets within the County. Expenditures consists of the local cost share of dredging projects performed by the U.S. Army Corps of Engineers and cost shared by the State Shallow Draft Navigation Fund. This fund also accounts for the pass-through of a State grant providing a forgivable construction loan to a private contractor for a dredge to be used for the dredging of Oregon Inlet per Senate Bill 99, 2017 Session, Section 13.7 (Note 11.F).

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 Donations Fund, and the Coronavirus Relief Fund, and one legally budgeted capital projects fund—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. 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 (NCCMT) consists of two SEC registered funds authorized by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund which invests in treasuries and governmental agencies and is rated AAAM by Standard & Poors. The NCCMT Term Portfolio is a short term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S.159-30. The Term Portfolio has no rating. 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, 2020 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 7.97 years at June 30, 2020.

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, 2020 the fair value of the funds was \$23.107392 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 2012B, Series 2012C, Series 2012D, Series 2013, Series 2014, Series 2015, Series 2016A, Series 2016B, Series 2016C, Series 2018, and Series 2020A Limited Obligation Bonds (LOBs) are classified as restricted assets as their use is limited by applicable contract provisions (Note 14).

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 14).

Certain assets of the Capital Investment Fund (General 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 2011 and Series 2017 utilities (water) system revenue bonds (Note 14). 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 20), 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 2011 and Series 2017 utilities (water) system revenue bonds (Note 14), 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, 2020 were based on assessed values as of January 1, 2019. The taxes were collected throughout 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 Future Dredge Loan – portion of fund balance that is restricted by revenue source (Senate Bill 99, Section 13.7(a-h) of the 2018 Session Laws) for a future forgivable loan which is a component of a public-private partnership for the dredging of Oregon Inlet.

Restricted for Coronavirus Relief – portion of fund balance that is restricted by revenue source (federal and state grants) for coronavirus relief expenditures.

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 Capital or Debt Service – portion of fund balance that can only be used for capital or debt service for capital projects.

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.

Committed for School Capital Projects – portion of fund balance that can only be used for school capital projects.

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 21% of actual revenues for the then completed fiscal year of the unconsolidated General Fund (General Fund excluding the Capital Investment Fund, the Disaster Recovery Fund and the Law Enforcement Officers Special Separation Allowance Fund) (Note 1.B) (Note 16). Fund balance may be purposefully drawn down below the target percentage for emergencies. 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 transferred to the Capital Investment Fund, to the Disaster Recovery Fund, to the Law Enforcement Officers Special Separation Allowance Fund (Note 7.C), to the Post-employment Healthcare Benefits Plan (Note 8.A), or to an irrevocable trust fund for the Law Enforcement Special Separation Allowance liability (not currently established).

P. Defined Benefit Pension Plans

The County participates in two-cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees’ Retirement System (LGERS) and the Register of Deeds’ Supplemental Pension Fund (RODSPF) (collectively, the “state-administered defined benefit pension plans”). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, 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 8.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. 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 \$(80,130,142) 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)	\$ 249,544,730
Less accumulated depreciation	<u>(83,453,596)</u>
Net capital assets	166,091,134
Net pension asset - RODSPF	141,140
Contributions to the pension plan in the current fiscal year - LGERS	3,093,656
Contributions to the pension plan in the current fiscal year - RODSPF	7,367
Benefit payments and pension administrative costs for LEOSSA in the current fiscal year	98,661
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.	2,841,957
Pension related deferrals - LGERS	5,053,780
Pension related deferrals - RODSPF	17,581
Pension related deferrals - LEOSSA	122,253
OPEB related deferrals	2,278,462
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	\$ (86,173,440)
Issuance premium (to be amortized against interest expense)	(2,389,145)
Deferred charges on refunding	4,363,416
Compensated absences	(4,473,005)
Net OPEB liability	(147,993,314)
Accrued landfill closure and post-closure costs	(8,473,384)
Net pension liability - LGERS	(13,172,014)
Total pension liability - LEOSSA	(2,481,512)
Accrued interest payable	<u>(242,104)</u>
	(261,034,502)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	<u>1,158,369</u>
Net adjustment	<u>\$ (80,130,142)</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 \$10,261,160 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	\$ 8,046,842
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>(10,682,717)</u>
	\$ (2,635,875)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(132,296)
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	(23,460,000)
Capitalized lease financing	(2,025,943)
Amortization of deferred charge on refunding	(693,684)
Amortization of premiums and discounts	1,199,326
Accrued interest payable	109,678
Accrued landfill closure and post-closure costs	(380,722)
Compensated absences	<u>(485,994)</u>
	\$ (25,737,339)
Principal payments	20,501,183
Principal refunded and defeased	<u>23,259,385</u>
	18,023,229
Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities	3,101,023
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	98,661
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	\$ 177,688
County's portion of collective pension expense - LGERS and RODSPF	(6,153,087)
Pension expense - LEOSSA	(112,873)
OPEB expense	<u>(3,119,013)</u>
	(9,207,285)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds.	<u>1,013,703</u>
Net adjustment	<u>\$ 10,261,160</u>

Note 2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

Expenditures of the Courts department (General Fund) exceeded appropriations by \$21,591 (3.7%) due to overestimated electric utility meter readings by the provider during the COVID-19 lock-down and insufficient monitoring by the responsible department head. The department head will more closely monitor expenditure levels during the new year.

Expenditures of the Law Enforcement Officers Special Separation Allowance Fund (General Fund) exceeded appropriations by \$6,962 (3.5%). Appropriations were increased during the year but the increase was insufficient to cover an increase of individuals receiving benefits from 10 to 14. Expenditure levels will be more closely monitored during the new year.

B. Deficit Fund Equity

At June 30, 2020, the Capital Projects Fund, a major fund, had a deficit fund balance of \$1,535,218. The deficit fund balance was the result of \$3,192,910 of expenditures for budgeted capital projects for the College of the Albemarle, Health and Human Services, the Animal Shelter, Emergency Medical Services, and two property acquisitions. The budgeted funding source for the projects are financing installment proceeds originally planned to be issued prior to June 30, 2020 but delayed with a scheduled sale date of January 21, 2021. The fund balance deficit will be eliminated in fiscal year 2021 with the issuance of the limited obligations bonds.

Note 3. 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 \$24,982,237 and a bank balance of \$25,052,902. Of the bank balance, \$904,556 was covered by federal depository insurance; \$207,557 in non-interest bearing deposits and \$23,940,789 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2020 the County had \$3,023 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 \$6,476,118 and a bank balance of \$6,589,720. Of the bank balance, \$337,094 was covered by federal depository insurance and \$6,252,626 was covered by collateral held under the Pooling Method.

At June 30, 2020 the Tourism Board's deposits had a carrying value of \$6,760,718 and a bank balance of \$7,528,770. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$6,278,770 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 \$1,049,746 and a bank balance of \$1,049,746. Of the bank balance, \$250,000 was covered by federal depository insurance and \$799,746 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, 2020:

Governmental Activities

General Fund	Unexpended capitalized lease proceeds	\$ 131,925
General Fund	Unexpended debt service funds	34,693
General Fund	Unexpended debt proceeds	200,615
Beach Nourishment Fund	Unexpended debt service funds	222
Inlet Maintenance	State grant funds for loan	14,545,389
Capital Projects Fund	Unexpended installment financing proceeds	261,743
<u>Non-major Funds</u>		
Sanitation Fund	Unexpended capitalized lease proceeds	62,955
School Capital Projects Fund	Unexpended installment financing proceeds	166,081
Total Governmental Activities		<u>\$ 15,403,623</u>

Business-type Activities

Restricted per bond covenants	\$ 17,541,591
Customer deposits	2,067,108
Total Business-type Activities	<u>\$ 19,608,699</u>

C. Investments

The net increase in the fair value of investments during fiscal year 2020 was \$81,857. 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 \$105,513. During fiscal year 2020, the County sold no investments prior to maturity.

During fiscal year 2020, investment income of \$1,960,220 was realized. When combined with the \$81,857 increase in the fair value of investments, total investment income for the year 2020 was \$2,042,077.

As of June 30, 2020, the County had the following investments and maturities. This schedule assumes that callable investments remain outstanding until maturity.

Investment Type	Fair Value	Investment Maturities (in Years)						
		<= 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	\$20,071,270	\$ 16,024,750	\$ 2,001,580	\$ 1,029,740	\$ 1,015,200			
Commercial Paper	\$9,864,247	9,864,247						
Municipal Bonds	\$1,033,080				1,033,080			
US Treasury Bills	\$5,493,961	5,493,961						
NC Capital Management Trust Term Portfolio ¹	\$16,137,842	16,137,842						
NC Capital Management Trust Cash Portfolio ²	\$51,181,264	51,181,264						
Investment Totals	\$103,781,664	98,702,064	2,001,580	1,029,740	2,048,280			
For policy compliance add items shown as deposits:								
Certificates of Deposit	\$ 331,707	331,707						
Money Market Accounts	\$ 87,549	87,549						
Policy Totals	\$104,200,920	\$99,121,320	\$2,001,580	\$1,029,740	\$2,048,280	\$ -	\$ -	\$ -
Actual % of portfolio		95.13%	1.92%	0.99%	1.97%	0.00%	0.00%	0.00%
Actual cumulative % of portfolio		98.03%			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 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

² Includes \$5,233,246 held for the Airport and \$31,759 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, 2020, the County had the following investments and maturities of debt proceeds:

Investment type	Investment Maturities (in years)
North Carolina Capital Management Trust Cash Portfolio	\$ 824,511

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, 2020, 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 \$1,383,567 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 issuer, 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 Farm Credit Bank Securities (10.6%), Federal Home Loan Bank securities (5.8%) and the NC Capital Management Trust portfolios (64.7%).

Other Post-employment Benefit Fund. At June 30, 2020 the County's Healthcare Benefits Plan, accounted for as a Pension (and Other Employee Benefit) Trust Fund, had \$1,698,903 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) 19.37%; State Treasurer's Bond Index Fund (BIF) 25.77%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 54.85%.

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, 2020.

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 7.97 years at June 30, 2020.

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, 2020 the fair value of the funds was \$23.11 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, 2020 the ABC Board had no investments.

At June 30, 2020 the Tourism Board's investments consisted of \$616,024 in the NC Capital Management Trust Government Portfolio and \$2,578,216 in the NC Capital Management Trust Term Portfolio.

At June 30, 2020 the Airport's investment consisted of \$5,233,246 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, 2020 is as follows:

Governmental activities:

Cash and cash equivalents	\$ 77,421,284
Cash and cash equivalents - restricted	14,545,389
Cash with fiscal agent - restricted	858,234

Business-Type activities:

Cash and cash equivalents	9,876,304
Cash and cash equivalents - restricted	19,608,382
Cash with fiscal agent - restricted	317

Fiduciary:

OPEB Trust Fund - cash with fiscal agent -restricted	1,698,903
Custodial funds - cash and cash equivalents	2,016,520

Total cash and cash equivalents, and cash with fiscal agents	<u>\$ 126,025,333</u>
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Deposits	\$ 24,982,237
Cash on hand	3,023
Investments - net of DCAA & SPCC	98,516,659
OPEB Trust Fund	1,698,903
Debt proceeds held by trustee	824,511

Total cash and investments	<u>\$ 126,025,333</u>
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Note 4. 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, 2020 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>
2017	\$ 9,091,025	\$ 42,728	\$ 11,750	\$ 54,478
2018	\$ 10,403,225	48,895	9,046	57,941
2019	\$ 11,596,825	54,511	5,178	59,689
2020	\$ 17,684,350	70,826	-	70,826
		<u>\$ 216,960</u>	<u>\$ 25,974</u>	<u>\$ 242,934</u>

C. Receivables

Receivables at the government-wide level at June 30, 2020 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Forgivable Dredge Loan Receivable</u>	<u>Other</u>	<u>Total</u>
Governmental activities	\$ 2,952,207	\$ 10,569,034	\$ 2,863,642	\$ 57,397	\$ 459,267	\$ 191,894	\$ 17,093,441
Allowance for doubtful accounts	<u>(224,343)</u>	<u>(310,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(534,343)</u>
Total governmental activities	<u>\$ 2,727,864</u>	<u>\$ 10,259,034</u>	<u>\$ 2,863,642</u>	<u>\$ 57,397</u>	<u>\$ 459,267</u>	<u>\$ 191,894</u>	<u>\$ 16,559,098</u>
Business-type activities (Water)	\$ 3,311,942	\$ -	\$ 280,750	\$ 23,269	\$ -	\$ 741,040	\$ 4,357,001
Allowance for doubtful accounts	<u>(205,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(205,095)</u>
Total business-type activities (Water)	<u>\$ 3,106,847</u>	<u>\$ -</u>	<u>\$ 280,750</u>	<u>\$ 23,269</u>	<u>\$ -</u>	<u>\$ 741,040</u>	<u>\$ 4,151,906</u>

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

The forgivable dredge loan receivable is not expected to be collected within one year of the reporting date (Note 11.F).

Note 5. Capital Assets

A. Capital asset activities

Capital asset activity for the year ended June 30, 2020 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	\$ 26,556,776	\$ 127,612	\$ -	\$ 26,684,388
Construction in progress	32,572,044	6,946,354	(37,334,105)	2,184,293
Total capital assets, not being depreciated	<u>59,128,820</u>	<u>7,073,966</u>	<u>(37,334,105)</u>	<u>28,868,681</u>
Capital assets, being depreciated:				
Buildings	99,901,210	754,431	(529,352)	100,126,289
Improvements other than buildings	35,818,964	33,676,766	(33,086)	69,462,644
Equipment	21,066,799	1,545,629	(1,159,924)	21,452,504
Machinery	29,982,730	2,543,848	(1,720,561)	30,806,017
Total capital assets, being depreciated	<u>186,769,703</u>	<u>38,520,674</u>	<u>(3,442,923)</u>	<u>221,847,454</u>
Less accumulated depreciation for:				
Buildings	(25,481,370)	(2,061,750)	363,144	(27,179,976)
Improvements other than buildings	(15,724,459)	(5,093,140)		(20,817,599)
Equipment	(18,825,844)	(1,022,087)	1,110,200	(18,737,731)
Machinery	(16,854,850)	(2,582,590)	1,740,855	(17,696,585)
Total accumulated depreciation	<u>(76,886,523)</u>	<u>(10,759,567)</u>	<u>3,214,199</u>	<u>(84,431,891)</u>
Total capital assets, being depreciated, net	<u>109,883,180</u>	<u>27,761,107</u>	<u>(228,724)</u>	<u>137,415,563</u>
Governmental activities capital assets, net	<u>\$ 169,012,000</u>	<u>\$ 34,835,073</u>	<u>\$ (37,562,829)</u>	<u>\$ 166,284,244</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,573,941	\$ -	\$ -	\$ 4,573,941
Construction in progress	1,365,304	1,028,240	(120,000)	2,273,544
Total capital assets, not being depreciated	<u>5,939,245</u>	<u>1,028,240</u>	<u>(120,000)</u>	<u>6,847,485</u>
Capital assets, being depreciated:				
Buildings	56,852,042	-	-	56,852,042
Improvements other than buildings	52,567,267	-	-	52,567,267
Equipment	5,275,158	215,749	(25,685)	5,465,222
Machinery	1,140,507	206,262	(77,214)	1,269,555
Total capital assets, being depreciated	<u>115,834,974</u>	<u>422,011</u>	<u>(102,899)</u>	<u>116,154,086</u>
Less accumulated depreciation for:				
Buildings	(27,998,230)	(1,296,170)	-	(29,294,400)
Improvements other than buildings	(21,447,283)	(2,394,127)	-	(23,841,410)
Equipment	(4,519,509)	(226,492)	25,685	(4,720,316)
Machinery	(902,987)	(97,648)	77,214	(923,421)
Total accumulated depreciation	<u>(54,868,009)</u>	<u>(4,014,437)</u>	<u>102,899</u>	<u>(58,779,547)</u>
Total capital assets, being depreciated, net	<u>60,966,965</u>	<u>(3,592,426)</u>	<u>-</u>	<u>57,374,539</u>
Business-type activities capital assets, net	<u>\$ 66,906,210</u>	<u>\$ (2,564,186)</u>	<u>\$ (120,000)</u>	<u>\$ 64,222,024</u>

The governmental activities section of the preceding schedule includes \$193,110 of net capital assets of Internal Service Funds consisting of \$1,171,405 of capital assets and \$978,295 of accumulated depreciation.

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

Governmental activities:	
General government	\$ 936,893
Public safety	3,006,559
Economical and physical development	4,370,911
Human services	375,385
Culture and recreation	722,801
Education	2,224
Environmental protection	1,267,944
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>76,850</u>
Total depreciation expense - governmental activities	<u>\$ 10,759,567</u>
Business-type activities:	
Water	<u>\$ 4,014,437</u>

B. Construction Commitments

The County has active construction and equipment projects as of June 30, 2020 as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Rodanthe Beach Access and Park	\$ 808,730	\$ 75,123
Construction & Demolition Landfill Cell #5	\$ 311,777	\$ 37,780
EMS Facilities	\$ 258,891	\$ 108,109
EMS Equipment	\$ 402,013	\$ 67,135
Outer Banks Scenic Byway- Interpretive and Wayshowing	\$ 174,104	\$ 114,583
Facilities Maintenance Projects	\$ 298,383	\$ 22,398
Detention Center HVAC Units	\$ 159,097	\$ 28,403
Voting Machines	\$ 137,292	\$ 96,168
Oblique Aerial Photography	\$ 156,694	\$ 13,400
Health & Human Services Facility	\$ 482,103	\$ 5,306,480
Animal Shelter	\$ 977,166	\$ 5,619,822
Manteo & Buxton Property Acquisition	\$ 1,099,417	\$ 2,585
Beach Nourishment - Buxton 2016	\$ 23,687,451	\$ 499,374
Beach Nourishment - Nags Head 2019	\$ 9,573,356	\$ 248,923
Beach Nourishment - Buxton 2021	\$ 88,708	\$ 1,900,909
EMS Equipment 2020	\$ 1,370,646	\$ 127,670
Detention Center Sewer	\$ -	\$ 276,000
Detention Center Camera System	\$ -	\$ 250,000
Building Security Upgrades	\$ -	\$ 150,000
HVAC Replacements	\$ 24,598	\$ 7,402
Manteo High School Improvements	\$ 516,125	\$ 97,896
Dare County Schools Capital Improvements Program	\$ 78,136	\$ 1,196,864
College of the Albemarle Expansion	\$ 500,515	\$ 1,202,888
Water - Hatteras Wellfield	\$ 413,561	\$ 1,836,439
Water - Automated Meter Reading System	\$ 1,399,787	\$ 213
Water - Colington Road Relocations	\$ 280,305	\$ 494,640
Water - North Reverse Osmosis Plant Replacement and Expansion	\$ 17,480	\$ 2,482,520

C. Discretely Presented Component Units

Airport

Capital asset activity for the Airport for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 5,444,538	\$ 339,900	\$ -	\$ 5,784,438
Construction in Progress	30,800	123,293	-	154,093
Total capital assets not being depreciated	<u>5,475,338</u>	<u>463,193</u>	<u>-</u>	<u>5,938,531</u>
Capital assets being depreciated:				
Buildings and improvements	4,362,215	-	-	4,362,215
Equipment	673,707	-	-	673,707
Runway improvements	10,316,409	-	-	10,316,409
Land improvements	670,521	-	-	670,521
Vehicles	89,393	21,176	-	110,569
Total capital assets being depreciated	<u>16,112,245</u>	<u>21,176</u>	<u>-</u>	<u>16,133,421</u>
Less accumulated depreciation for:				
Buildings and improvements	2,773,504	139,646	-	2,913,150
Equipment	572,469	19,480	-	591,949
Runway improvements	8,028,236	321,949	-	8,350,185
Land improvements	259,878	34,369	-	294,247
Vehicles	67,422	30,730	-	98,152
Total accumulated depreciation	<u>11,701,509</u>	<u>546,174</u>	<u>-</u>	<u>12,247,683</u>
Total capital assets being depreciated, net	<u>4,410,736</u>	<u>(524,998)</u>	<u>-</u>	<u>3,885,738</u>
Capital assets, net	<u>\$ 9,886,074</u>	<u>\$ (61,805)</u>	<u>\$ -</u>	<u>\$ 9,824,269</u>

ABC Board

Capital asset activity for the ABC Board as of June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	<u>\$ 302,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,012</u>
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	3,478	-	690,803
Vehicles	<u>151,732</u>	<u>-</u>	<u>-</u>	<u>151,732</u>
Total capital assets being depreciated	<u>5,590,202</u>	<u>3,478</u>	<u>-</u>	<u>5,593,680</u>
Less accumulated depreciation for:				
Buildings and improvements	1,294,446	119,273	-	1,413,719
Furniture/Equipment	622,631	34,143	-	656,774
Vehicles	<u>119,593</u>	<u>8,969</u>	<u>-</u>	<u>128,562</u>
Total accumulated depreciation	<u>2,036,670</u>	<u>162,385</u>	<u>-</u>	<u>2,199,055</u>
Total capital assets being depreciated, net	<u>3,553,532</u>	<u>(158,907)</u>	<u>-</u>	<u>3,394,625</u>
Capital assets, net	<u>\$ 3,855,544</u>	<u>\$ (158,907)</u>	<u>\$ -</u>	<u>\$ 3,696,637</u>

Tourism Board

Capital asset activity for the Tourism Board for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 11,317,382	\$ 1,593,728	\$ -	\$ 12,911,110
Total capital assets not being depreciated	<u>11,317,382</u>	<u>1,593,728</u>	<u>-</u>	<u>12,911,110</u>
Capital assets being depreciated:				
Buildings	3,432,060	2,224,318	-	5,656,378
Event Site	3,252,420	-	-	3,252,420
Intangible assets	85,950	-	-	85,950
Computer equipment	159,300	21,840	-	181,140
Furniture and equipment	<u>312,552</u>	<u>90,239</u>	<u>-</u>	<u>402,791</u>
Total capital assets being depreciated	<u>7,242,282</u>	<u>2,336,397</u>	<u>-</u>	<u>9,578,679</u>
Less accumulated depreciation for:				
Buildings	833,359	117,543	-	950,902
Event Site	669,865	237,231	-	907,096
Intangible assets	56,635	13,890	-	70,525
Computer equipment	132,683	11,450	-	144,133
Furniture and equipment	<u>229,862</u>	<u>21,326</u>	<u>-</u>	<u>251,188</u>
Total accumulated depreciation	<u>1,922,404</u>	<u>401,440</u>	<u>-</u>	<u>2,323,844</u>
Total capital assets being depreciated, net	<u>5,319,878</u>	<u>1,934,957</u>	<u>-</u>	<u>7,254,835</u>
Capital assets, net	<u>\$ 16,637,260</u>	<u>\$ 3,528,685</u>	<u>\$ -</u>	<u>\$ 20,165,945</u>

Note 6. Payables and Current Liabilities

Payables at the government-wide level at June 30, 2020, were as follows:

	Vendors	CARES Act Unearned Revenue	Retainage	Claims Incurred But Not Reported	Total
Governmental activities	<u>\$ 2,758,648</u>	<u>\$ 65,951</u>	<u>\$ 45,346</u>	<u>\$ 1,635,393</u>	<u>\$ 4,505,338</u>
Business-type activities (Water)	<u>\$ 257,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,755</u>

ABC Board

Payables and current liabilities for the ABC Board at June 30, 2020, were as follows:

	<u>Vendors</u>	<u>Taxes</u>	<u>Distributions</u>	<u>Accrued Liabilities</u>	<u>Total</u>
ABC Board	<u>\$ 1,020,641</u>	<u>\$ 692,932</u>	<u>\$ 528,540</u>	<u>\$ 689</u>	<u>\$ 2,242,802</u>

Note 7. 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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$3,448,551 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$14,683,070 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability 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, 2019 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, 2019, the County's proportion was .53725%, which was an increase of .0199% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$6,833,697. At June 30, 2020, 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	\$ 2,514,114	\$ -
Changes of assumptions	2,393,097	-
Net difference between projected and actual earnings on pension plan investments	358,141	-
Changes in proportion and differences between County contributions and proportionate share of contributions	368,183	-
County contributions subsequent to the measurement date	3,448,551	-
Total	<u>\$ 9,082,086</u>	<u>\$ -</u>

The \$3,448,551 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, 2021.

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>	
2021	\$ 2,734,402
2022	\$ 912,851
2023	\$ 1,522,002
2024	\$ 464,280
2025	\$ -

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2015.

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, 2020 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:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 33,582,870	\$ 14,683,070	\$ (1,026,490)

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, 2020 was 8.95% of compensation. Contributions to the pension plan from the Airport were \$37,651.

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

At June 30, 2020, the Airport reported a net pension liability of \$160,308 for its proportionate share of the net pension liability, and the Airport's proportion of the total pension liability was 0.00628%, which was an increase of 0.00023% from the prior year.

For the year ended June 30, 2020, the Airport recognized pension expense of \$74,610 and deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,449	\$ -
Changes of assumptions	26,128	-
Net difference between projected and actual earnings on pension plan investments	3,910	-
Changes in proportion and differences between Airport contributions and proportionate share of contributions	4,020	-
Airport contributions subsequent to the measurement date	37,651	-
Totals	<u>\$ 99,158</u>	<u>\$ -</u>

The \$37,651 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, 2021. 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>	
2021	\$ 29,854
2022	\$ 9,966
2023	\$ 16,617
2024	\$ 5,070
2025	\$ -

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)	\$ 366,655	\$ 160,308	\$ (11,207)

II. The ABC Board

Contributions

The ABC Board's contractually required contribution rates for the year ended June 30, 2020 were 9.70% of compensation for law enforcement officials and 9.05% for general employees. Contributions to the pension plan from the ABC Board were \$88,969.

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

At June 30, 2020, the ABC Board reported a total pension liability of \$389,703 for its proportionate share of the net pension liability, and the ABC Board's proportion of the total pension liability was 0.01427% which was a decrease of 0.00072% from the prior year.

For the year ended June 30, 2020, the ABC Board recognized pension expense of \$174,132 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	\$ 66,727	\$ -
Changes of assumptions	63,515	-
Net difference between projected and actual earnings on pension plan investments	9,505	-
Changes in proportion and differences between ABC Board contributions and proportionate share of contributions	4,663	15,239
ABC Board contributions subsequent to the measurement date	88,969	-
Totals	<u>\$ 233,379</u>	<u>\$ 15,239</u>

The \$88,969 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, 2021. 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>	
2021	\$ 66,853
2022	\$ 17,458
2023	\$ 36,483
2024	\$ 8,377
2025	\$ -

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)	\$ 891,321	\$ 389,703	\$ (27,244)

III. The Tourism Board

Contributions

The Tourism Board's contractually required contribution rate for the year ended June 30, 2020 was 7.75% of compensation. Contributions to the pension plan from the Tourism Board were \$71,330.

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

At June 30, 2020, the Tourism Board reported a total pension liability of \$327,164 for its proportionate share of the net pension liability, and the Tourism Board/s proportion of the total pension liability was 0.01198%, which was a decrease of .00082% from the prior year.

For the year ended June 30, 2020, the Tourism Board recognized pension expense of \$137,019 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	\$ 56,019	\$ -
Changes of assumptions	53,322	-
Net difference between projected and actual earnings on pension plan investments	7,980	-
Changes in proportion and differences between Tourism Board contributions and proportionate share of contributions	-	18,832
Tourism Board contributions subsequent to the measurement date	71,330	-
Totals	<u>\$ 188,651</u>	<u>\$ 18,832</u>

The \$71,330 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, 2021. 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>	
2021	\$ 51,047
2022	\$ 12,855
2023	\$ 27,975
2024	\$ 6,612
2025	\$ -

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)	\$ 748,285	\$ 327,164	\$ (22,872)

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, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	65
Total	<u>79</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, 2018 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	3.26 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, 2018 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 MP-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 MP-2015.

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

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-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 \$197,622 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, 2020, the County reported a total pension liability of \$2,481,512. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$196,240.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,447	\$ 36,284
Changes of assumptions	118,464	70,374
County benefit payments and plan administrative expense made subsequent to the measurement date	98,661	-
Total	<u>\$ 327,572</u>	<u>\$ 106,658</u>

\$98,661 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, 2021. 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>	
2021	\$ 26,428
2022	\$ 27,403
2023	\$ 30,296
2024	\$ 35,292
2025	\$ 2,834

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 3.26 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 (2.26) or 1 percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 2,674,543	\$ 2,481,512	\$ 2,305,006

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

Total pension liability as of December 31, 2019	\$ 2,304,686
Service cost	88,715
Interest	80,294
Change in benefit terms	-
Difference between expected and actual experience	136,473
Changes of assumptions and other inputs	68,966
Benefit payments	(197,622)
Total pension liability as of December 31, 2020	<u>\$ 2,481,512</u>

Changes in Assumptions and Benefit Terms

The discount rate changed from 3.64 percent at December 31, 2018 to 3.26 percent at December 31, 2019 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, 2020 were \$264,411, which consisted of \$176,299 from the County and \$88,112 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, 2020 consisted \$728,867 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 \$7,367 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$141,140 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was .71492% which was a decrease of .13601% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$22,653. At June 30, 2020, 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	\$ -	\$ 6,806
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,444	-
Changes in proportion and differences between ABC Board contributions and proportionate share of contributions	22,943	-
County contributions subsequent to the measurement date	7,367	-
Totals	<u>\$ 31,754</u>	<u>\$ 6,806</u>

The \$7,367 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, 2021.

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>	
2021	\$ 7,022
2022	\$ 7,981
2023	\$ 5,366
2024	\$ (2,788)
2025	\$ -

Actuarial Assumptions

The total pension liability in the December 31, 2018 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, 2020 is 2.39%.

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)	\$ (116,668)	\$ (141,140)	\$ (161,829)

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, 2018 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, 2019 with an actuarial valuation date of December 31, 2018.

Following is information related to proportionate shares, pension liabilities and pension expense as of June 30, 2020 and for the year ended that same date:

	LGERS	LEOSSA	RODSPF	Totals
Proportionate share of net pension liability (asset)	\$ 14,683,070	n/a	\$ (141,140)	\$ 14,541,930
Proportion of the net pension liability (asset)	0.53725%	n/a	0.71492%	n/a
Total pension liability	n/a	\$ 2,481,512	n/a	\$ 2,481,512
Pension expense	\$ 6,833,697	\$ 196,240	\$ 22,653	\$ 7,052,590

At June 30, 2020 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	\$ 2,514,114	\$ 110,447	\$ -	\$ 2,624,561
Changes of assumptions	2,393,097	118,464	-	2,511,561
Net difference between projected and actual earnings on pension plan investments	358,141	-	1,444	359,585
Changes in proportion and differences between County contributions and proportionate share of contributions	368,183	-	22,943	391,126
County contributions subsequent to the measurement date	3,448,551	-	7,367	3,455,918
County benefit payments and administration costs subsequent to the measurement date	-	98,661	-	98,661
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 36,284	\$ 6,806	\$ 43,090
Changes of assumptions	-	70,374	-	70,374
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	-	-

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 a Custodial fund. The balance held in trust for County and Airport participants as of June 30, 2020 was \$911,854.

Note 8. 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 a master irrevocable trust agreement dated June 15, 2020. 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, 2020, the HCB Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	491
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	<u>653</u>
	1,144

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 member 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 \$4,697,117 of pay-as-you-go funding and an additional \$61,907 for a total of \$4,759,024.

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, 2020:

	<u>Target Allocation</u>	<u>Actual Allocation</u>
Equity Index Fund	55%	54.85%
Bond Index Fund	25%	25.77%
STIF Fund	20%	19.37%

Net OPEB Liability

The County's annual net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation of January 1, 2020

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	2.00 %
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-2019

The actuarial assumptions used in the January 1, 2020 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, 2020 is 8.02%. The money-weighted rate of return for the year ended June 30, 2020 was 4.16%. 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 2.21%. 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 for 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, 2020 and 2019 were 2.21% and 3.50%.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2019	\$ 153,401,968	\$ 1,569,190	\$ 151,832,778
Changes for the year:			
Service cost	4,562,074	-	4,562,074
Interest	5,446,542	-	5,446,542
Difference between expected and actual experience	(23,262,620)	-	(23,262,620)
Contributions - employer and employees	-	4,759,024	(4,759,024)
Net investment income	-	67,806	(67,806)
Benefit payments	(4,697,117)	(4,697,117)	-
Changes in assumptions	28,548,121	-	28,548,121
Balances as of June 30, 2020	<u>\$ 163,998,968</u>	<u>\$ 1,698,903</u>	<u>\$ 162,300,065</u>

Changes of Assumptions

Since the last valuation the following assumptions were changed: the discount rate was updated from 3.50% to 2.21%; the health care trend rate was updated from 7.50% in calendar year 2019 trending down to 4.50% in calendar year 2039 and beyond to 7.50% in calendar year 2020 trending down to 4.50% in calendar year 2040 and beyond; and annual salary increase was updated from 4.0% to 2.0%.

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 (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability (asset)	\$ 194,008,262	\$ 162,300,065	\$ 137,683,800

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	\$ 135,777,119	\$ 162,300,065	\$ 196,807,618

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

For the year ended June 30, 2020 the County recognized OPEB expense of \$8,179,557. At June 30, 2020, 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	\$ -	\$ 19,321,129
Changes of assumptions	32,170,559	10,393,510
Net differences between projected and actual earnings on OPEB investments	51,357	8,552
	<u>\$ 32,221,916</u>	<u>\$ 29,723,191</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>	
2021	\$ (1,717,048)
2022	\$ (1,570,768)
2023	\$ 3,480,664
2024	\$ 2,254,520
2025	\$ -

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, 2020, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive plan members entitled to but not yet receiving benefit payments	-
Active employees	<u>8</u>
	15

Contributions. The Airport contributes on a pay-as-you-go basis, contributing \$59,099 for the current year.

Total OPEB Liability

The Airport's total OPEB liability of \$2,636,266 was measured as of January 1, 2019 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	2.00 percent, average, including inflation
Discount rate	2.21 percent
Healthcare cost trend:	
Pre-Medicare	6.50 percent

The discount rate was based on the S&P 20 Year High Grade rate as of the measurement date.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	\$ 2,333,247
Service cost	83,830
Interest	83,564
Changes of benefit terms	-
Differences between expected and actual experience	(181,223)
Changes in assumptions or other inputs	375,947
Benefit payments	(59,099)
Net change	<u>303,019</u>
Balance at June 30, 2020	<u>\$ 2,636,266</u>

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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.

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:

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB liability	\$ 3,082,304	\$ 2,636,266	\$ 2,282,319

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	\$ 2,240,294	\$ 2,636,266	\$ 3,144,856

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

For the year ended June 30, 2020, the Airport recognized OPEB expense of \$155,313. At June 30, 2020, 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	\$ -	\$ 158,570
Changes of assumptions	351,521	90,482
Benefit payments made subsequent to the measurement date	23,694	-
	<u>\$ 375,215</u>	<u>\$ 249,052</u>

\$23,694 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, 2021. 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>	
2021	\$ 16,746
2022	\$ (5,821)
2023	\$ (5,820)
2024	\$ 24,340
2025	\$ 73,024

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, 2020 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	10
	<hr/> 14

Contributions. The Board contributes on a pay-as-you-go basis, contributing \$32,737 for the current year.

Total OPEB Liability

The Board's total OPEB liability of \$1,408,908 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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	3.50-7.75 percent, average, including inflation
Discount rate, prior to measurement date	3.89 percent
Discount rate, at measurement date	3.50 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent for 2019 decreasing to an ultimate rate of 5.00 percent by 2026
Medicare	5.50 percent for 2019 decreasing to an ultimate rate of 5.00 percent by 2021

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, 2019	\$ 1,673,078
Service cost	53,771
Interest	64,452
Changes of benefit terms	(7,855)
Differences between expected and actual experience	(353,836)
Changes in assumptions or other inputs	12,035
Benefit payments	<hr/> (32,737)
Net change	<hr/> (264,170)
Balance at June 30, 2020	<hr/> \$ 1,408,908

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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, 2019 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 (2.50 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	\$ 1,660,556	\$ 1,408,908	\$ 1,209,012

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	\$ 1,185,867	\$ 1,408,908	\$ 1,697,076

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

For the year ended June 30, 2020, the Board recognized OPEB expense of \$20,135. At June 30, 2020 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	\$ -	\$ 303,117
Changes of assumptions	10,169	164,814
Benefit payments made subsequent to the measurement date	28,763	-
	<u>\$ 38,932</u>	<u>\$ 467,931</u>

\$28,763 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, 2021.

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	
2021	\$ (90,233)
2022	\$ (90,233)
2023	\$ (90,233)
2024	\$ (90,233)
2025	\$ (70,589)
Thereafter	\$ (26,241)

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, 2020, 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 \$16,704 for the current year.

Total OPEB Liability

The Board's total OPEB liability of \$719,191 was measured as of June 30, 2019 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	3.89 percent
Discount rate, at measurement date	3.50 percent
Healthcare cost trend:	
Pre-Medicare	7.50 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2026
Medicare	5.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2021

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, 2019	\$ 626,924
Service cost	31,129
Interest	24,066
Changes of benefit terms	-
Differences between expected and actual experience	29,054
Changes in assumptions or other inputs	24,722
Benefit payments	<u>(16,704)</u>
Balance at June 30, 2020	<u>\$ 719,191</u>

Changes in Assumptions

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

The actuarial assumptions used in the June 30, 2019 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$ 808,462	\$ 719,191	\$ 643,014

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:

	<u>1% Decrease</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 678,478	\$ 719,191	\$ 765,620

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

For the year ended June 30, 2020, the Board recognized OPEB expense of \$55,100. At June 30, 2020, 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	\$ 24,535	\$ 5,500
Changes of assumptions	20,877	40,192
Benefit payments made subsequent to the measurement date	19,884	-
	<u>\$ 65,296</u>	<u>\$ 45,692</u>

\$19,884 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, 2021.

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>	
2021	\$ (2,465)
2022	\$ (2,465)
2023	\$ (2,465)
2024	\$ (1,499)
2025	\$ 5,022
Thereafter	\$ 3,592

Note 9. 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 10. 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 \$8,473,384 reported as Facility closure and post-closure care liability as of June 30, 2020 represents a cumulative amount reported to date based upon the use of 71.44% of the estimated capacity of cells #1 through #5. The County will recognize the remaining estimated cost of closure and post closure care of \$3,387,456 as the remaining capacity is filled, estimated to end in 2030. 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 is now building fund balance in the C&D Landfill (Special Revenue) Fund. The balance at June 30, 2020 was \$1,792,549. The County has on deposit \$98,133 in an interest bearing account, assigned to the NC State Department of Environmental Quality, per that department’s requirements.

Note 11. 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, 2020 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	\$ 227,149	\$ 1,691,851
Hazard Mitigation Home Elevation Grant Program	\$ 1,940,722	\$ 610,138

B. Contingent Liabilities

At June 30, 2020, 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, 2020, total expense expenditures were \$157,150.

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

<u>Year</u>	
2021	\$ 37,463
2022	39,331
2023	41,293
2024	43,351
2025	45,514
Thereafter	<u>24,439</u>
Totals	<u>\$ 231,391</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, 2020 were \$604,907 in the General Fund, \$8,337,446 in the Capital Projects Fund, \$594,857 in the Water Fund and \$483,197 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).

F. State Dredge Loan

Senate Bill 99, Section 13.7, of the 2017 session of the State General Assembly included an appropriation of \$15,000,000 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 a private partner which will design, permit, construct, operate, and own a dredge vessel. Loan forgiveness will occur over a ten-year period, extendable by five additional years, as inlet dredging is performed based upon the difference between the private partner rates and the Army Corps of Engineers rates. Loan amounts not forgiven and repaid to the County must be returned to the State. The County has no liability to the State for any unforgiven and unpaid loan amounts. The private partner was selected through a request for qualifications process, the dredge has been designed, and is under construction. As of June 30, 2020, all funds were received from the State and \$459,267 were loaned. This transaction does not qualify as a service concession arrangement for the County.

Note 12. 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 Joint Risk Management Agency. Through these pools, the County and the Airport obtain property coverage equal to replacement cost of owned property subject to total insured values with sub-limits on coverage for specified perils at \$227.2 million for any one occurrence; general, auto, professional, employment practices, and law enforcement 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 seventy buildings, five water production wells and two water pump stations at a total coverage level of \$21,177,800. 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, 2020, the County has accrued a provision and reported a liability for incurred but not reported claims of \$1,635,393 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>2020</u>	<u>2019</u>	<u>2018</u>
Estimate of unpaid claims incurred, but not reported, beginning of fiscal year	\$ 1,569,264	\$ 1,477,223	\$ 1,441,367
Incurred but not reported	<u>66,129</u>	<u>92,041</u>	<u>35,856</u>
Estimate of unpaid claims incurred, but not reported, end of fiscal year	<u>\$ 1,635,393</u>	<u>\$ 1,569,264</u>	<u>\$ 1,477,223</u>

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

Note 13. Deferred Outflows and Inflows of Resources

On the Statement of Net Position, deferred outflows of resources at June 30, 2020 consist of:

	Governmental Activities	Business-type Activities
Deferred charge on refunding of debt	\$ 4,363,416	\$ 2,418,814
Pensions - differences between expected and actual experience - RODSPF	-	-
Pensions - changes of assumptions - RODSPF	-	-
Pensions - net difference between projected and actual earnings on investments - RODSPF	1,444	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	22,943	-
Pensions - County contributions subsequent to measurement date - RODSPF	7,367	-
Pensions - differences between expected and actual experience - LGERS	2,306,215	207,900
Pensions - changes of assumptions - LGERS	2,195,205	197,893
Pensions - net difference between projected and actual earnings on investments - LGERS	328,525	29,616
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - LGERS	337,737	30,446
Pensions - County contributions subsequent to measurement date - LGERS	3,163,380	285,171
Pensions - differences between expected and actual experience - LEOSSA	110,447	-
Pensions - changes of assumptions - LEOSSA	118,464	-
Pensions - benefit payments and administrative costs subsequent to measurement date - LEOSSA	98,661	-
OPEB - net difference between expected and actual experience	134,939	13,045
OPEB - changes of assumptions	29,334,724	2,835,835
OPEB - net difference between projected and actual earnings on OPEB plan investments	46,830	4,527
	<u>\$ 42,570,297</u>	<u>\$ 6,023,247</u>

On the Statement of Net Position, deferred inflows of resources at June 30, 2020 consist of:

	Governmental Activities	Business-type Activities
Medicaid revenue subject to final audit	\$ 253,779	\$ -
Unearned grants	1,718,412	-
Donations received but not yet earned	58,673	-
Prepaid taxes	112,936	-
Pensions - net differences between expected and actual experience - RODSPF	6,806	-
Pensions - changes in proportion and differences between County contributions and proportionate share of contributions - RODSPF	-	-
Pensions - net differences between expected and actual experience - LGERS	-	-
Pensions - net differences between expected and actual experience - LEOSSA	36,284	-
Pensions - changes of assumptions - LEOSSA	70,374	-
OPEB - net differences between expected and actual experience	17,752,911	1,716,202
OPEB - changes of assumptions	9,477,322	916,188
OPEB - net differences between projected and actual earnings on OPEB plan investments	7,798	754
	<u>\$ 29,495,295</u>	<u>\$ 2,633,144</u>

On the Governmental funds Balance Sheet, deferred inflows of resources of \$3,147,029 at June 30, 2020 consist of:

	Unavailable Revenue	Unearned Revenue
Taxes receivable, net (General)	\$ 776,113	\$ -
Prepaid taxes (General)	-	112,936
Medicaid cost settlement subject to final audit (General)	-	253,779
Grants not yet earned	-	1,784,363
Taxes receivable, net (Beach Nourishment)	506	-
Taxes receivable, net (Special Revenue)	160,659	-
Donations not yet earned (Special Revenue)	-	58,673
	<u>\$ 937,278</u>	<u>\$ 2,209,751</u>

Note 14. 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. Payments were completed during the fiscal year ended June 30, 2020.

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): 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): 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 \$1,345,092, and unamortized deferred amount on refunding per GASB Statement No. 23 of \$2,418,813, at June 30, 2020 were \$23,851,279. The total par amount of revenue bonds outstanding at June 30, 2020 was \$24,925,000.

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, 2020 as follows:

Revenues as defined per Revenue Bond Order:	
Operating revenues	\$ 13,677,039
Collections of assessments & other income	340,012
Interest income, excluding capital projects	<u>474,949</u>
	\$ 14,492,000
Current Expenses as defined per Revenue Bond Order:	
Operating expenses	\$ 14,083,152
Non-operating expenses	1,011,063
Add back interest expense & amortization	(1,011,063)
Add back depreciation	(4,014,437)
Add back OPEB expense	(301,519)
Add 20% of Surplus Fund	<u>(5,867,227)</u>
Total adjustment	<u>3,899,969</u>
Net Revenues, as defined per Revenue Bond Order	<u>\$ 10,592,031</u>
Debt service on Series 2009 and Series 2011 Revenue Bonds	\$ 2,356,175
Debt service coverage	4.49
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
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	785,000	725,788
2026-2030	4,565,000	2,998,440
2031-2035	5,690,000	1,864,640
2036-2040	6,685,000	868,283
2041	<u>1,465,000</u>	<u>45,782</u>
	<u>\$ 24,925,000</u>	<u>\$ 10,090,023</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, 2020 was \$2,418,813.

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 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). Payments were completed during fiscal year ended June 30, 2020.

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).

In March 2020, the County entered into a lease agreement with a financial institution for \$2,025,943 payable quarterly over 36 months at 1.5663%. 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:

	2020	2019
Equipment	\$ 2,254,375	\$ 2,288,444
Transportation Equipment	7,700,941	7,002,498
	<u>\$ 9,955,316</u>	<u>\$ 9,290,942</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2020, are as follows (Governmental Activities) (Direct Borrowings and Direct Placements):

<u>Year Ending June 30</u>	
2021	\$ 2,529,172
2022	1,673,033
2023	<u>603,185</u>
Total minimum lease payments	4,805,390
Less: amount representing interest	<u>(112,469)</u>
Present value of minimum lease payments	<u>\$ 4,692,921</u>

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

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 2013A, 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). 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. The June 1, 2025 maturity was refunded by the Series 2020A Limited Obligation Bonds on May 13, 2020. (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 of 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. This agreement was fully refunded by the Series 2020A Limited Obligation Bonds on May 13, 2020.

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).

In May 2020, 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 \$23,460,000 over 9 years at an interest rate of 1.27%. This agreement, the County of Dare, NC, Taxable Limited Obligation Bonds Series 2020A, advanced refunded \$20,980,000 of debt consisting of \$14,620,000 of the County's 2012D Limited Obligations Bonds (the June 1, 2023 through 2029 maturities), \$2,825,000 of the County's 2013A Limited Obligations Bonds (June 1, 2025 maturity), and \$3,535,000 of the County's Series 2015 Limited Obligations Bonds (all maturities, June 1, 2020 through 2027). The refunding reduced total debt service by \$1,897,518 and resulted in an economic gain of \$1,877,007 (General Fund). The limited obligation bonds were privately placed with a financial institution. This agreement was issued as Supplemental Indenture #1 to the 2012D Indenture and is secured by the same deed of trust granted on Manteo Middle School, Nags Head Elementary School and the community college campus. (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, 2020 are as follows (Governmental Activities):

Year Ending June 30	Bonds		Bonds and Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 9,965,000	\$ 1,502,791	\$ 8,152,519	\$ 824,024
2022	8,720,000	1,023,541	7,460,000	661,446
2023	6,610,000	656,040	9,865,000	503,732
2024	4,120,000	332,939	3,575,000	309,501
2025	1,105,000	149,550	6,530,000	259,834
2026-2030	1,575,000	478,050	11,918,000	420,826
2031-2035	1,575,000	191,400	-	-
2036	310,000	9,300	-	-
	<u>\$ 33,980,000</u>	<u>\$ 4,343,611</u>	<u>\$ 47,500,519</u>	<u>\$ 2,979,363</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, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion of Balance
Government activities:					
Installment financing contracts	\$ 61,420,000	\$ -	\$ 27,440,000	\$ 33,980,000	\$ 9,965,000
Deferred amounts:					
For issuance premiums	3,588,471	-	1,199,326	2,389,145	-
Installment financing contracts from direct borrowings and direct placements	35,633,038	23,460,000	11,592,519	47,500,519	8,152,519
Capitalized leases from direct borrowings and direct placements	5,115,642	2,025,943	2,448,664	4,692,921	2,451,488
Compensated absences	4,054,276	1,595,295	1,090,519	4,559,052	1,230,944
Total pension liability (LEOSSA)	2,304,686	374,448	197,622	2,481,512	-
Net pension liability (LGRS)	11,266,178	2,202,704	-	13,468,882	-
Net OPEB liability	138,448,719	13,884,111	4,339,516	147,993,314	-
C&D landfill closure and post-closure costs	8,092,662	380,722	-	8,473,384	-
Total governmental activities	<u>\$ 269,923,672</u>	<u>\$ 43,923,223</u>	<u>\$ 48,308,166</u>	<u>\$ 265,538,729</u>	<u>\$ 21,799,951</u>
Business-type activities:					
Revenue bonds	\$ 26,255,000	\$ -	\$ 1,330,000	\$ 24,925,000	\$ 1,350,000
Deferred amounts:					
For issuance premiums	1,662,152	-	317,060	1,345,092	-
Compensated absences	303,370	156,343	96,947	362,766	97,947
Net pension liability (LGRS)	1,015,620	198,568	-	1,214,188	-
Net OPEB liability	13,384,059	1,342,200	419,508	14,306,751	-
Total business-type activities	<u>\$ 42,620,201</u>	<u>\$ 1,697,111</u>	<u>\$ 2,163,515</u>	<u>\$ 42,153,797</u>	<u>\$ 1,447,947</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, \$86,047 of internal service funds compensated absences and \$296,868 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, 2020, the RODSPF had a net pension asset.

At June 30, 2020, the County had no bonds authorized but unissued and had a legal debt margin of \$1,002,574,408.

E. Airport

The following is a summary of the changes in general long-term debt for the Airport for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion of Balance
Government activities:					
Compensated absences	\$ 56,267	\$ 6,108	\$ -	\$ 62,375	\$ -
Total OPEB liability	2,333,247	303,019	-	2,636,266	-
Net pension liability (LGERS)	134,092	26,216	-	160,308	-
Total long-term liabilities	<u>\$ 2,523,606</u>	<u>\$ 335,343</u>	<u>\$ -</u>	<u>\$ 2,858,949</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, 2020

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion of Balance
Government activities:					
Total OPEB liability	\$ 1,673,078	\$ -	\$ 264,170	\$ 1,408,908	\$ -
Total pension liability (LEOSSA)	\$ 18,419	\$ 4,520	\$ -	\$ 22,939	-
Net pension liability (LGERS)	355,614	34,089	-	389,703	-
Total long-term liabilities	<u>\$ 2,047,111</u>	<u>\$ 38,609</u>	<u>\$ 264,170</u>	<u>\$ 1,821,550</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, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion of Balance
Government activities:					
Compensated absences	\$ 49,411	\$ 19,976	\$ 241	\$ 69,146	\$ -
Net pension liability (LGERS)	303,660	23,504	-	327,164	-
Total OPEB liability	626,924	108,971	16,704	719,191	-
Total long-term liabilities	<u>\$ 979,995</u>	<u>\$ 152,451</u>	<u>\$ 16,945</u>	<u>\$ 1,115,501</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, 2020:

Net capital assets (Note 5.A)		\$ 166,284,244
Outstanding debt (Note 14.D)		
Installment financing contracts	\$ 33,980,000	
Deferred amounts for issuance premiums on installment financing contracts	2,389,145	
Installment financing contracts from direct borrowings and direct placements	47,500,519	
Capitalized leases	4,692,921	
Deferred charges on refunding of debt	<u>(4,363,415)</u>	
	\$ 84,199,170	
Less outstanding debt issued for education to which the County does not hold title to the pledged property (Note 14.C)		
Series 2012B Limited Obligation Bonds	\$ 5,875,000	
Series 2012D Limited Obligation Bonds	3,250,892	
Series 2013 Limited Obligation Bonds	11,305,000	
Series 2014 Limited Obligation Bonds	2,048,000	
Series 2016B Limited Obligation Bonds	295,000	
Series 2018 Limited Obligation Bonds	355,000	
Series 2020A Limited Obligation Bonds	15,971,665	
Deferred amounts for issuance premiums related to the above debt issuances	1,630,136.00	
Deferred charges on refunding of debt related to the above debt issuances	<u>(3,620,079)</u>	
		37,110,614
Less unexpended debt proceeds from debt issued for County capital purposes		<u>824,194</u>
Total capital debt		<u>46,264,362</u>
Net investment in capital assets		<u>\$ 120,019,882</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, 2020 for Business-type Activities:

Net capital assets (Note 5.A)	\$ 64,222,024
Outstanding debt (Note 14.D)	
Revenue bonds	\$ 24,925,000
Deferred amounts for issuance premiums	1,345,092
Deferred charge on refunding of debt	(2,418,814)
Less unexpended debt proceeds	<u>(317)</u>
Total Capital Debt	<u>23,850,961</u>
Net investment in capital assets	<u><u>\$ 40,371,063</u></u>

Note 15. Interfund Transactions**A. Interfund Receivables and Payables**

The following is a schedule of interfund receivables and payables as of June 30, 2020:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
Proprietary Fund Types		
Non-major		
<u>Fleet Maintenance Fund</u> (Internal Service) to Insurance Fund	\$ -	\$ 51,677
<u>Insurance Fund</u> (Internal Service) from Fleet Maintenance Fund	<u>51,677</u>	<u>-</u>
	<u><u>\$ 51,677</u></u>	<u><u>\$ 51,677</u></u>

B. Component Unit Receivables and Payables

The following is a schedule of component unit receivables and payables as of June 30, 2020:

	<u>Receivable</u>	<u>Payable</u>
Tax and ABC Pass-through Fund:		
from ABC Board – discretely presented	\$ 71,790	\$ -
Social Services Foster Home Fund:		
from ABC Board – discretely presented	227,266	-
General Fund:		
from ABC Board – discretely presented	229,484	-
Tax and ABC Pass-through Fund:		
to Tourism Board – discretely presented	-	1,793,819
ABC Board – discretely presented:		
to Tax and ABC Pass-through Fund	-	71,790
to Social Services Foster Home Fund	-	227,266
to General Fund	-	229,484
Tourism Board – discretely presented:		
from Tax and ABC Pass-through Fund	<u>1,793,819</u>	<u>-</u>
	<u><u>\$ 2,322,359</u></u>	<u><u>\$ 2,322,359</u></u>

C. Interfund Transfers

The following is a schedule of interfund transfers for the year ended June 30, 2020:

	<u>Transfer</u>	
	<u>From</u>	<u>To</u>
Governmental Fund Types		
Major		
<u>General Fund</u>		
from Social Services Foster Care Fund	\$ 740,000	\$ -
to Capital Projects Fund	-	1,367,069
to School Capital Projects Fund	-	1,990,000
to Inlet Maintenance Fund		200,000
<u>Beach Nourishment Fund</u>		
to Inlet Maintenance Fund	-	636,540
<u>Capital Projects Fund</u>		
from General Fund	1,367,069	-
<u>Inlet Maintenance Fund</u>		
from General Fund	200,000	-
from Beach Nourishment Fund	636,540	-
Non-major		
<u>Social Services Foster Care Fund</u>		
to General Fund	-	740,000
<u>School Capital Projects Fund</u>		
from General Fund	1,990,000	-
Total Governmental Funds	<u>\$ 4,933,609</u>	<u>\$ 4,933,609</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, to move funds per the Beach Nourishment and Inlet Maintenance plans and budgets, and to support operations of the funds.

Note 16. Fund Balance

The following is a schedule of the calculation of fund balance available for appropriation in General Fund as of June 30, 2020:

Total fund balance	\$ 48,189,716
Less:	
Inventories	12,460
Stabilization by State statute	12,235,990
Register of Deeds	10,675
Sheriff	75,550
Health Department	110,000
Capital or debt service	3,971,103
Disaster Recovery	543,090
Appropriated fund balance in	
fiscal year 2021 budget	3,304,594
Fund Balance policy	21,765,400
Available for appropriation	<u>\$ 6,160,854</u>

The governing board has adopted a policy to maintain a minimum level of unassigned fund balance in the General Fund on a consolidated basis. The target level is 21 percent of current year revenues of the unconsolidated General Fund.

The governing board has adopted a policy to maintain a minimum level of total fund balance in the Disaster Recovery Fund (consolidated into the General Fund). The target level is 1.0 percent of current year expenditures of the unconsolidated General Fund. The target percentage was set at the State damage and cost threshold for a State disaster declaration in the absence of a Federal disaster declaration.

The governing board has adopted a policy to maintain a level of total fund balance in the Capital Investment Fund (consolidated into the General Fund). The target level is a minimum of 0.33 times and goal of 0.50 times annual debt service.

Note 17 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, 2020. 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 \$164,273 to the Authority during the fiscal year ended June 30, 2020. 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, 2020. 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, 2020, expenditures were \$473,681. 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, 2020. 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. The County also provided \$250,000 to the College of the Albemarle Foundation under an agreement for the Foundation to provide scholarships to Dare County students.

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, 2020 expenditures were \$1,031,523. 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, 2020. 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 18. 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 \$25,705 to the Commission during the fiscal year ended June 30, 2020.

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, 2020.

Note 19. 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 20. 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 21. 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 22. 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 increased 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.

Note 23. Subsequent Events

The global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization is affecting national economic and capital markets and has caused significant disruptions to national and world economics. The threats from COVID-19 are being addressed on national, state, and local levels in various forms including executive orders and legislative actions. The County's operations are heavily dependent upon property taxes, sales taxes, State distributions, and water sales. To date, negative impacts upon the County's financial position have not been significant, having been mitigated during fiscal year 2020 by recognition of federal grants and a significant state and local economic recovery during the month of June 2020. The Pandemic may have a continued and material adverse impact on economic and market conditions, triggering a period of global economic slowdown. Those factors were incorporated into the development and adoption of the County's fiscal year 2021 budget through projected revenue and expenditure reductions. To date, those reductions have been mitigated by awards of additional federal and State grants and a local economic recovery and expansion from an extension of the traditional tourism season and real estate market activity. However, the exact impacts of the Pandemic upon fiscal year 2021 cannot be predicted.

On October 19, 2020, the County was awarded a grant award from the North Carolina Office of Recovery and Resiliency. The grant program provides aid and economic relief to units of local government which were declared FEMA eligible for Hurricane Florence or Hurricane Dorian. The Grant provides \$55,000 for an emergency management vehicle, \$166,456 for debris cost from Hurricane Dorian not reimbursed by FEMA, and \$778,544 for economic relief to the General Fund.

On October 20, 2020, the County was awarded a grant of \$1,557,607 by the North Carolina Department of Environmental Quality, Division of Water Resources for the Buxton Beach Nourishment Maintenance project (Note 5.B).

Required Supplementary Information

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 Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered 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%	91.98%
2020	0.54%	\$14,683,070	\$37,815,297	38.83%	90.02%

Schedule of County Contributions

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered 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%
2020	\$3,448,551	\$3,448,551	\$ -	\$38,798,413	8.89%

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)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	(0.96%)	(\$205,097)	190.50%
2015	(0.94%)	(\$212,945)	193.88%
2016	(0.91%)	(\$211,284)	197.29%
2017	(0.95%)	(\$177,215)	160.17%
2018	(0.90%)	(\$152,773)	153.77%
2019	(0.85%)	(\$140,940)	160.23%
2020	(0.72%)	(\$141,140)	162.52%

Schedule of County Contributions

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)
2014	\$7,671	\$7,671	\$ -
2015	\$7,197	\$7,197	\$ -
2016	\$7,774	\$7,774	\$ -
2017	\$7,777	\$7,777	\$ -
2018	\$7,282	\$7,282	\$ -
2019	\$6,795	\$6,795	\$ -
2020	\$7,376	\$7,376	\$ -

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	2020
Total OPEB Liability				
Service Cost	\$ 4,491,358	\$ 3,876,642	\$ 4,942,736	\$ 4,562,074
Interest	4,213,329	4,865,606	4,784,377	5,446,542
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	451,536	(3,512,677)	-	(23,262,620)
Changes of assumptions	(16,840,511)	18,690,280	(9,748,703)	28,548,121
Benefit payments	(4,401,077)	(4,081,013)	(4,366,566)	(4,697,117)
Net change in total OPEB liability	(12,085,365)	19,838,838	(4,388,156)	10,597,000
Total OPEB liability - beginning	150,036,651	137,951,286	157,790,124	153,401,968
Total OPEB liability - ending	<u>\$ 137,951,286</u>	<u>\$ 157,790,124</u>	<u>\$ 153,401,968</u>	<u>\$ 163,998,968</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,457,542	\$ 4,142,367	\$ 4,428,114	\$ 4,759,024
Net investment income	122,069	79,627	83,427	67,806
Benefit payments	(4,401,077)	(4,081,013)	(4,366,566)	(4,697,117)
Net change in plan fiduciary net position	178,534	140,981	144,975	129,713
Plan fiduciary net position - beginning	1,104,700	1,283,234	1,424,215	1,569,190
Plan fiduciary net position - ending	<u>\$ 1,283,234</u>	<u>\$ 1,424,215</u>	<u>\$ 1,569,190</u>	<u>\$ 1,698,903</u>
County's net OPEB liability - ending	<u>\$ 136,668,052</u>	<u>\$ 156,365,909</u>	<u>\$ 151,832,778</u>	<u>\$ 162,300,065</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.93%	0.90%	1.02%	1.04%
Covered payroll	\$ 33,052,220	\$ 34,110,392	\$ 36,881,300	\$ 39,511,298
County's net OPEB liability as a percentage of covered payroll	410.77%	411.68%	458.41%	413.49%

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.

2020: The discount rate was updated from 3.50% to 2.21%, the salary increase rate was updated from 4.0% to 2.0%, 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>	<u>2020</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Actual employer contribution	4,457,542	4,142,367	4,428,114	4,697,117
Contribution deficiency (excess)	<u>\$ (56,465)</u>	<u>\$ (61,354)</u>	<u>\$ (61,548)</u>	<u>\$ (61,907)</u>
Covered employee payroll	\$ 33,052,220	\$ 34,110,392	\$ 36,881,300	\$ 39,511,298
Contributions as a percentage of covered payroll	13.66%	12.32%	12.17%	12.04%
Annual money-weighted rate of return, net of investment expense	10.80%	6.18%	5.74%	4.24%

Notes to Schedule:

Valuation date:	As of January 1, six months prior to the end of the year for which the eligibility is reported.
<u>Methods and assumptions:</u>	
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	2.00 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.
Changes in assumptions	2020: The discount rate was updated from 3.50% to 2.21%, the salary increase rate was updated from 4.0% to 2.0%, 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	2020
Beginning balance	\$ 2,390,611	\$ 2,347,298	\$ 2,405,458	\$ 2,304,686
Service Cost	87,974	80,972	93,803	88,715
Interest on the total pension liability	82,460	87,348	73,117	80,294
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(79,307)	1,428	136,473
Changes of assumptions	(52,131)	137,924	(85,867)	68,966
Benefit payments	(161,616)	(168,777)	(183,253)	(197,622)
Ending balance of the total pension liability	<u>\$ 2,347,298</u>	<u>\$ 2,405,458</u>	<u>\$ 2,304,686</u>	<u>\$ 2,481,512</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	2020
Total pension liability	\$ 2,347,298	\$ 2,405,458	\$ 2,304,686	\$ 2,481,512
Covered payroll	\$ 3,360,441	\$ 3,279,825	\$ 3,184,725	\$36,231,535
Total pension liability as a percentage of covered payroll	73.84%	70.27%	75.53%	72.64%

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.

Combining and Individual Fund Financial Statements and Schedules

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General Fund

General Fund - 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 County maintains three other legally budgeted funds, the Capital Investment Fund, the Disaster Recovery Fund, and the Law Enforcement Officers Special Separation Allowance Fund, which are consolidated into the General Fund in accordance with GASB statement No. 54. The General Fund is a major fund.

Capital Investment Fund - accounts for the accumulation of funds from the land transfer tax that funds the County's capital acquisitions and related debt service.

Disaster Recovery Fund - accounts for revenues and disbursements for the recovery from natural disasters.

Law Enforcement Officers Special Separation Allowance Fund - accounts for the single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers.

DARE COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ 63,523,868	\$ 62,991,409	\$ (532,459)	\$ 62,643,448
Prior years taxes	728,500	771,522	43,022	772,816
Penalties, interest and advertising	134,000	131,278	(2,722)	157,733
Total	<u>64,386,368</u>	<u>63,894,209</u>	<u>(492,159)</u>	<u>63,573,997</u>
Other taxes:				
Local option sales taxes	16,645,797	16,336,542	(309,255)	20,899,007
Occupancy tax	4,817,500	4,664,831	(152,669)	4,900,969
Video programming distribution	114,000	109,686	(4,314)	110,887
Total	<u>21,577,297</u>	<u>21,111,059</u>	<u>(466,238)</u>	<u>25,910,863</u>
Unrestricted intergovernmental:				
State Medicaid hold harmless	-	169,367	169,367	145,964
Beer and wine tax	80,000	78,094	(1,906)	77,848
Payments in lieu of taxes	195,000	251,229	56,229	277,885
ABC mixed beverage tax	41,500	34,970	(6,530)	43,448
ABC law enforcement	12,000	12,000	-	12,000
ABC rehabilitation	94,000	96,066	2,066	97,933
ABC profits	635,000	673,155	38,155	662,410
Game and wildlife fees	14,000	14,444	444	14,405
Scrap tire tax distribution	48,000	50,311	2,311	51,091
Solid waste disposal tax	14,000	17,237	3,237	16,734
Total	<u>1,133,500</u>	<u>1,396,873</u>	<u>263,373</u>	<u>1,399,718</u>
Restricted intergovernmental:				
State and federal grants	5,157,721	5,556,833	399,112	5,501,167
Equitable sharing of federally forfeited property	12,350	28,125	15,775	16,286
ABC bottle tax	44,000	43,510	(490)	44,327
Controlled substance tax	16,750	12,271	(4,479)	16,662
Court facility fees	110,000	77,427	(32,573)	91,512
Electronics management program reimbursement	3,000	2,161	(839)	2,293
Total	<u>5,343,821</u>	<u>5,720,327</u>	<u>376,506</u>	<u>5,672,247</u>
Permits and fees:				
Environmental fees	440,400	466,110	25,710	403,760
Tax collections fees	549,313	541,454	(7,859)	531,256
Register of deeds fees	1,098,000	1,176,248	78,248	1,122,280
Sheriff fees	14,000	18,278	4,278	22,973
Building permits	425,000	442,979	17,979	484,277
Planning and development fees	15,000	23,859	8,859	12,085
Rubble transfer fees	-	15,300	15,300	-
Total	<u>2,541,713</u>	<u>2,684,228</u>	<u>142,515</u>	<u>2,576,631</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sales and services:				
Social services revenues	148,664	156,347	7,683	162,545
Health fees	3,062,034	1,657,774	(1,404,260)	2,223,780
Election fees	28,224	29,200	976	-
Tax mapping fees	100	2	(98)	140
Sheriff fees	710,881	97,121	(613,760)	109,870
Jail fees	483,600	548,951	65,351	592,595
Emergency medical services fees	4,852,500	4,569,975	(282,525)	4,899,268
Recreation fees	232,000	182,383	(49,617)	244,922
Dare County Center revenues	42,300	31,568	(10,732)	34,866
Thomas A. Baum Senior Center revenues	29,100	10,185	(18,915)	14,068
Transportation revenues	66,000	66,763	763	70,439
Recycling revenues	65,000	46,132	(18,868)	71,897
Total	<u>9,720,403</u>	<u>7,396,401</u>	<u>(2,324,002)</u>	<u>8,424,390</u>
Investment income:				
Interest	-	836,103	-	1,086,347
Net increase in the fair value of investments	-	27,198	-	74,421
Total	<u>862,750</u>	<u>863,301</u>	<u>551</u>	<u>1,160,768</u>
Other revenue:				
Grants, donations and contributions	349,561	251,668	(97,893)	454,976
Miscellaneous	516,151	326,698	(189,453)	328,994
Total	<u>865,712</u>	<u>578,366</u>	<u>(287,346)</u>	<u>783,970</u>
Total revenues	<u>106,431,564</u>	<u>103,644,764</u>	<u>(2,786,800)</u>	<u>109,502,584</u>
EXPENDITURES				
General government:				
Governing body:				
Salaries and employee benefits	-	178,852	-	226,403
Other operating expenditures	-	41,810	-	33,193
Administration	-	(56,712)	-	(56,048)
Total	<u>195,320</u>	<u>163,950</u>	<u>31,370</u>	<u>203,548</u>
County manager:				
Salaries and employee benefits	-	298,025	-	394,378
Other operating expenditures	-	24,020	-	26,190
Administration	-	(50,946)	-	(46,316)
Total	<u>277,526</u>	<u>271,099</u>	<u>6,427</u>	<u>374,252</u>
Public relations:				
Salaries and employee benefits	-	247,074	-	195,427
Other operating expenditures	-	45,999	-	44,034
Administration	-	(33,672)	-	(33,430)
Government Access Committee	-	55,705	-	55,054
Total	<u>403,362</u>	<u>315,106</u>	<u>88,256</u>	<u>261,085</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Elections:				
Salaries and employee benefits	-	296,200	-	240,370
Other operating expenditures	-	90,960	-	79,996
Total	<u>507,849</u>	<u>387,160</u>	<u>120,689</u>	<u>320,366</u>
Finance:				
Salaries and employee benefits	-	979,918	-	877,543
Other operating expenditures	-	84,381	-	96,020
Administration	-	(163,810)	-	(165,302)
Total	<u>918,124</u>	<u>900,489</u>	<u>17,635</u>	<u>808,261</u>
Human resources:				
Salaries and employee benefits	-	453,610	-	362,450
Other operating expenditures	-	105,177	-	91,921
Administration	-	(68,568)	-	(64,015)
Total	<u>540,091</u>	<u>490,219</u>	<u>49,872</u>	<u>390,356</u>
Information technology:				
Salaries and employee benefits	-	879,741	-	897,456
Other operating expenditures	-	648,123	-	534,606
Administration	-	(159,297)	-	(156,559)
Capital outlay	-	4,620	-	-
Total	<u>1,585,775</u>	<u>1,373,187</u>	<u>212,588</u>	<u>1,275,503</u>
Tax mapping:				
Salaries and employee benefits	-	312,586	-	299,512
Other operating expenditures	-	22,475	-	19,592
Capital outlay	-	-	-	6,908
Total	<u>342,088</u>	<u>335,061</u>	<u>7,027</u>	<u>326,012</u>
Revaluation:				
Salaries and employee benefits	-	1,050,468	-	1,031,452
Other operating expenditures	-	197,411	-	150,323
Capital outlay	-	-	-	25,982
Total	<u>1,341,965</u>	<u>1,247,879</u>	<u>94,086</u>	<u>1,207,757</u>
Business personal tax:				
Salaries and employee benefits	-	215,165	-	232,598
Other operating expenditures	-	51,033	-	61,372
Total	<u>312,448</u>	<u>266,198</u>	<u>46,250</u>	<u>293,970</u>
Tax collections and listings:				
Salaries and employee benefits	-	303,431	-	298,965
Other operating expenditures	-	208,444	-	186,555
Total	<u>537,991</u>	<u>511,875</u>	<u>26,116</u>	<u>485,520</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		2019
	Final Budget	Actual	Variance Positive (Negative) Actual
Realty transfer tax:			
Salaries and employee benefits	-	80,128	- 77,815
Other operating expenditures	-	9	- 6
Total	80,741	80,137	604 77,821
Occupancy tax:			
Salaries and employee benefits	-	39,097	- 37,265
Other operating expenditures	-	2,656	- 3,922
Total	42,793	41,753	1,040 41,187
Prepared foods tax:			
Salaries and employee benefits	-	47,678	- 45,038
Other operating expenditures	-	1,491	- 2,803
Total	50,520	49,169	1,351 47,841
Register of deeds:			
Salaries and employee benefits	-	438,761	- 457,695
Other operating expenditures	-	179,264	- 63,487
Total	662,850	618,025	44,825 521,182
Facilities maintenance:			
Salaries and employee benefits	-	949,009	- 879,370
Other operating expenditures	-	376,757	- 347,691
Administration	-	(91,969)	- (84,851)
Capital outlay	-	874	- 218,705
Total	1,400,218	1,234,671	165,547 1,360,915
Grounds maintenance:			
Salaries and employee benefits	-	747,145	- 747,775
Other operating expenditures	-	168,116	- 123,946
Capital outlay	-	-	- 74,471
Total	981,361	915,261	66,100 946,192
General services:			
Salaries and employee benefits	-	248,306	- 306,740
Other operating expenditures	-	344,760	- 309,126
Administration	-	(19,494)	- (17,291)
Capital outlay	-	-	- 60,481
Total	595,523	573,572	21,951 659,056
Non-departmental:			
Salaries and employee benefits-retiree health	-	819,750	- 819,750
Salaries and employee benefits-longevity	-	406,841	- 398,441
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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Other operating expenditures	-	702,167	-	696,418
Administration	-	(316,627)	-	(326,372)
Total	1,954,580	1,612,131	342,449	2,097,067
Total general government	12,731,125	11,386,942	1,344,183	11,697,891
Public safety:				
Sheriff:				
Salaries and employee benefits	-	5,854,059	-	5,817,960
Other operating expenditures	-	1,147,212	-	1,114,469
Capital outlay	-	49,800	-	381,293
Total	7,297,764	7,051,071	246,693	7,313,722
Detention Center:				
Salaries and employee benefits	-	3,050,815	-	3,044,283
Other operating expenditures	-	1,143,068	-	1,173,552
Total	4,496,672	4,193,883	302,789	4,217,835
Communications:				
Salaries and employee benefits	-	1,768,759	-	1,761,544
Other operating expenditures	-	827,451	-	803,663
Total	2,720,228	2,596,210	124,018	2,565,207
Courts:				
Salaries and employee benefits	-	102,273	-	100,076
Other operating expenditures	-	507,389	-	452,670
Total	588,071	609,662	(21,591)	552,746
Emergency medical services:				
Salaries and employee benefits	-	11,128,059	-	10,664,984
Other operating expenditures	-	1,716,190	-	1,558,192
Capital outlay	-	70,006	-	749,514
Total	13,961,651	12,914,255	1,047,396	12,972,690
Emergency medical helicopter:				
Salaries and employee benefits	-	1,048,961	-	1,036,301
Other operating expenditures	-	458,397	-	477,756
Total	1,745,045	1,507,358	237,687	1,514,057
Emergency management:				
Salaries and employee benefits	-	338,595	-	310,148
Other operating expenditures	-	228,285	-	206,361
Assistance to local fire department	-	26,100	-	-
Capital outlay	-	66,500	-	-
Total	749,603	659,480	90,123	516,509

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Emergency operations center:				
Other operating expenditures	-	195,523	-	181,516
Total	230,258	195,523	34,735	181,516
Animal shelter:				
Other operating expenditures	-	13,306	-	9,742
Outer Banks SPCA	-	390,000	-	384,293
Total	409,857	403,306	6,551	394,035
Total public safety	32,199,149	30,130,748	2,068,401	30,228,317
Economic and physical development:				
Planning:				
Salaries and employee benefits	-	824,322	-	779,176
Other operating expenditures	-	95,958	-	131,167
Capital outlay	-	-	-	28,252
Total	1,011,260	920,280	90,980	938,595
Grants and waterways:				
Salaries and employee benefits	-	79,350	-	22,093
Other operating expenditures	-	8,186	-	3,036
Total	444,262	87,536	356,726	25,129
Cooperative extension service:				
Personnel	-	155,513	-	159,758
Other operating expenditures	-	31,021	-	39,563
Total	220,043	186,534	33,509	199,321
Soil and water conservation:				
Salaries and employee benefits	-	47,132	-	50,394
Other operating expenditures	-	4,074	-	6,164
Total	84,717	51,206	33,511	56,558
Total economic and physical development	1,760,282	1,245,556	514,726	1,219,603
Human services:				
Health:				
Administration:				
Salaries and employee benefits	-	325,714	-	375,164
Other operating expenditures	-	258,314	-	380,635
Capital outlay	-	98,157	-	67,640
Total	-	682,185	-	823,439
Adult health:				
Salaries and employee benefits	-	229,792	-	225,277
Other operating expenditures	-	132,008	-	127,808
Capital outlay	-	-	-	2,707
Total	-	361,800	-	355,792

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Communicable disease:				
Salaries and employee benefits	-	262,716	-	266,694
Other operating expenditures	-	11,687	-	12,063
Total	-	274,403	-	278,757
COVID-19 crisis response:				
Salaries and employee benefits	-	281,899	-	-
Other operating expenditures	-	21,845	-	-
Total	-	303,744	-	-
Public health emergency preparedness:				
Salaries and employee benefits	-	28,244	-	39,331
Other operating expenditures	-	2,813	-	2,635
Total	-	31,057	-	41,966
CPR:				
Salaries and employee benefits	-	7,393	-	11,890
Other operating expenditures	-	1,361	-	1,492
Total	-	8,754	-	13,382
Environmental health:				
Salaries and employee benefits	-	371,272	-	359,126
Other operating expenditures	-	32,904	-	31,740
Capital outlay	-	5,559	-	22,303
Total	-	409,735	-	413,169
Food and lodging inspections:				
Salaries and employee benefits	-	245,880	-	303,912
Other operating expenditures	-	18,294	-	25,516
Total	-	264,174	-	329,428
Private well program:				
Salaries and employee benefits	-	-	-	161
Other operating expenditures	-	-	-	335
Total	-	-	-	496
Maternal health:				
Salaries and employee benefits	-	307,020	-	324,387
Other operating expenditures	-	17,157	-	35,388
Capital outlay	-	-	-	3,048
Total	-	324,177	-	362,823
Pregnancy care management:				
Salaries and employee benefits	-	75,127	-	82,526
Other operating expenditures	-	1,060	-	1,778
Total	-	76,187	-	84,304

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Community Care Plan of Eastern Carolina:				
Salaries and employee benefits	-	8,201	-	82,508
Other operating expenditures	-	30	-	2,442
Total	-	8,231	-	84,950
Mammograms/ultrasounds:				
Salaries and employee benefits	-	488	-	2
Other operating expenditures	-	28,544	-	23,202
Capital outlay	-	-	-	2,000
Total	-	29,032	-	25,204
Community health:				
Salaries and employee benefits	-	171,750	-	42,612
Other operating expenditures	-	28,269	-	93,010
Total	-	200,019	-	135,622
Family planning:				
Salaries and employee benefits	-	388,313	-	385,219
Other operating expenditures	-	51,261	-	56,266
Total	-	439,574	-	441,485
Peer Power:				
Salaries and employee benefits	-	131,515	-	135,263
Other operating expenditures	-	2,330	-	3,923
Total	-	133,845	-	139,186
Care coordination for children:				
Salaries and employee benefits	-	88,487	-	76,633
Other operating expenditures	-	923	-	2,782
Total	-	89,410	-	79,415
Child health:				
Salaries and employee benefits	-	149,748	-	142,440
Other operating expenditures	-	21,890	-	18,252
Total	-	171,638	-	160,692
Health check:				
Salaries and employee benefits	-	27,131	-	42,583
Other operating expenditures	-	440	-	1,336
Total	-	27,571	-	43,919
School health:				
Salaries and employee benefits	-	676,958	-	757,335
Other operating expenditures	-	3,544	-	4,750
Total	-	680,502	-	762,085

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Dental:				
Salaries and employee benefits	-	-	-	12,200
Other operating expenditures	-	-	-	612
Total	-	-	-	12,812
Telepsychiatry consultation services:				
Other operating expenditures	-	24,679	-	27,002
Women, infants, and children client services:				
Salaries and employee benefits	-	145,960	-	131,266
Other operating expenditures	-	3,789	-	7,504
Total	-	149,749	-	138,770
Women, infants, and children nutrition education:				
Salaries and employee benefits	-	40,955	-	42,593
Other operating expenditures	-	875	-	259
Total	-	41,830	-	42,852
Women, infants, and children general administration:				
Salaries and employee benefits	-	13,425	-	18,274
Other operating expenditures	-	235	-	325
Total	-	13,660	-	18,599
Women, infants, and children breastfeeding promotion:				
Salaries and employee benefits	-	36,335	-	25,626
Other operating expenditures	-	1,312	-	1,303
Total	-	37,647	-	26,929
Smart Start baby link:				
Salaries and employee benefits	-	93,844	-	97,250
Other operating expenditures	-	3,730	-	3,979
Total	-	97,574	-	101,229
Breast and cervical cancer program:				
Salaries and employee benefits	-	50,722	-	45,306
Other operating expenditures	-	28,700	-	20,583
Total	-	79,422	-	65,889
Healthy communities:				
Salaries and employee benefits	-	69,765	-	48,244
Other operating expenditures	-	9,701	-	9,673
Total	-	79,466	-	57,917

(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, 2020

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

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Diabetes:				
Salaries and employee benefits	-	108,268	-	120,415
Other operating expenditures	-	5,568	-	1,626
Total	-	113,836	-	122,041
Home health:				
Salaries and employee benefits	-	1,225,063	-	1,098,004
Other operating expenditures	-	201,410	-	215,497
Total	-	1,426,473	-	1,313,501
Hospice:				
Salaries and employee benefits	-	515,934	-	467,607
Other operating expenditures	-	177,512	-	189,893
Total	-	693,446	-	657,500
Respite care:				
Other operating expenditures	-	4,649	-	-
Hospice donations:				
Salaries and employee benefits	-	41,681	-	51,681
Other operating expenditures	-	2,380	-	2,120
Total	-	44,061	-	53,801
Partnerships to improve community health:				
Other operating expenditures	-	-	-	5,550
Substance abuse program:				
Salaries and employee benefits	-	131,046	-	158,991
Other operating expenditures	-	11,027	-	11,166
Trillium Health Resources	-	340,000	-	340,000
Total	-	482,073	-	510,157
Drug court diversion program:				
Other operating expenditures	-	8,426	-	-
NC Administrative Office of the Courts	-	81,112	-	20,370
Total	-	89,538	-	20,370
Trillium projects:				
Salaries and employee benefits	-	-	-	44,225
Other operating expenditures	-	33,211	-	40,666
Total	-	33,211	-	84,891
Opioid crisis:				
Salaries and employee benefits	-	22,791	-	48,071
Other operating expenditures	-	20,318	-	33,305
Total	-	43,109	-	81,376

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Gaddy endowment fund:				
Other operating expenditures	-	7,500	-	-
Outer Banks Hospital development grant:				
Salaries and employee benefits	-	10,158	-	-
Other operating expenditures	-	7,500	-	-
Total	-	17,658	-	-
Drug overdose prevention:				
Salaries and employee benefits	-	65,533	-	-
Other operating expenditures	-	9,814	-	-
Total	-	75,347	-	-
Total health	8,763,409	8,070,966	692,443	7,917,300
Social services:				
Administration:				
Salaries and employee benefits	-	5,833,673	-	5,555,094
Other operating expenditures	-	536,801	-	616,342
Capital outlay	-	-	-	118,826
Total	-	6,370,474	-	6,290,262
Family services:				
Other operating expenditures	-	559,832	-	412,396
Economic independence:				
Other operating expenditures	-	207,124	-	264,243
Child welfare:				
Other operating expenditures	-	402,946	-	439,501
Aged, blind, and disabled:				
Other operating expenditures	-	44,719	-	44,627
Employment:				
Other operating expenditures	-	179	-	564
Child support services:				
Other operating expenditures	-	262,537	-	254,543
In-home services:				
Salaries and employee benefits	-	1,004,891	-	912,491
Other operating expenditures	-	50,297	-	49,108
Total	-	1,055,188	-	961,599
Total social services	9,498,494	8,902,999	595,495	8,667,735

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Health and human services central administration:				
Salaries and employee benefits	-	-	-	150,649
Other operating expenditures	-	-	-	113,783
Total central administration	-	-	-	264,432
Mental health:				
Other operating expenditures	-	7,618	-	10,958
Trillium Health Resources	-	71,040	-	71,040
Total mental health	85,040	78,658	6,382	81,998
Veterans service:				
Salaries and employee benefits	-	31,389	-	31,379
Other operating expenditures	-	1,014	-	766
Veterans Advisory Committee	-	1,502	-	1,457
Total veterans service	35,218	33,905	1,313	33,602
Total human services	18,382,161	17,086,528	1,295,633	16,965,067
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	-	1,367,321	-	1,401,931
Other operating expenditures	-	590,286	-	710,772
Capital outlay	-	66,420	-	64,183
Total	2,225,522	2,024,027	201,495	2,176,886
Libraries:				
Salaries and employee benefits	-	863,266	-	851,685
Other operating expenditures	-	168,257	-	169,709
Total	1,062,973	1,031,523	31,450	1,021,394
Dare County Center:				
Salaries and employee benefits	-	338,598	-	335,853
Other operating expenditures	-	160,277	-	151,092
Total	546,228	498,875	47,353	486,945
Thomas A. Baum Senior Center:				
Salaries and employee benefits	-	384,499	-	375,360
Other operating expenditures	-	42,976	-	58,651
Capital outlay	-	-	-	5,821
Total	463,071	427,475	35,596	439,832
Transportation:				
Salaries and employee benefits	-	353,810	-	386,250
Other operating expenditures	-	125,961	-	155,365
Capital outlay	-	-	-	190,017
Total	593,789	479,771	114,018	731,632

(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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Youth services:				
Salaries and employee benefits	-	132,524	-	148,386
Other operating expenditures	-	86,579	-	73,953
Total	<u>243,103</u>	<u>219,103</u>	<u>24,000</u>	<u>222,339</u>
Total cultural and recreational	<u>5,134,686</u>	<u>4,680,774</u>	<u>453,912</u>	<u>5,079,028</u>
Environmental protection:				
Recycling:				
Salaries and employee benefits	-	460,372	-	500,833
Other operating expenditures	-	293,897	-	290,892
Capital outlay	-	20,608	-	44,826
Total	<u>971,163</u>	<u>774,877</u>	<u>196,286</u>	<u>836,551</u>
Solid waste management:				
Salaries and employee benefits	-	339,930	-	332,121
Other operating expenditures	-	40,889	-	79,384
Total	<u>391,962</u>	<u>380,819</u>	<u>11,143</u>	<u>411,505</u>
Landfill dirt pit:				
Salaries and employee benefits	-	58,893	-	57,671
Other operating expenditures	-	42,727	-	43,676
Capital outlay	-	-	-	43,628
Total	<u>108,078</u>	<u>101,620</u>	<u>6,458</u>	<u>144,975</u>
Rubble transfer and transport:				
Salaries and employee benefits	-	359,357	-	381,817
Other operating expenditures	-	326,059	-	275,567
Capital outlay	-	-	-	5,800
Total	<u>744,192</u>	<u>685,416</u>	<u>58,776</u>	<u>663,184</u>
Wastewater treatment:				
Other operating expenditures	-	38,506	-	45,928
Capital outlay	-	-	-	28,249
Total	<u>69,648</u>	<u>38,506</u>	<u>31,142</u>	<u>74,177</u>
Mosquito control:				
Salaries and employee benefits	-	175,097	-	172,548
Other operating expenditures	-	222,443	-	237,242
Capital outlay	-	24,700	-	32,270
Total	<u>451,930</u>	<u>422,240</u>	<u>29,690</u>	<u>442,060</u>
Total environmental protection	<u>2,736,973</u>	<u>2,403,478</u>	<u>333,495</u>	<u>2,572,452</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Education:				
Dare County Board of Education:				
Other operating expenditures	-	1,632	-	1,538
Local current expense	-	23,230,449	-	22,533,002
Deferred maintenance	-	210,872	-	585,981
Total	<u>24,895,146</u>	<u>23,442,953</u>	<u>1,452,193</u>	<u>23,120,521</u>
College of the Albemarle:				
Other operating expenditures	-	62,556	-	44,563
Local current expense	-	421,508	-	427,578
Dare County Guarantee Scholarship Program	-	250,000	-	-
Total	<u>812,748</u>	<u>734,064</u>	<u>78,684</u>	<u>472,141</u>
Total education	<u>25,707,894</u>	<u>24,177,017</u>	<u>1,530,877</u>	<u>23,592,662</u>
Transportation:				
Dare County Airport Authority:				
Contribution to regional airport	-	853,062	-	813,859
Total transportation	<u>864,377</u>	<u>853,062</u>	<u>11,315</u>	<u>813,859</u>
Debt service:				
Principal retirement	-	-	-	13,435,633
Interest and other charges	-	-	-	3,531,561
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,967,194</u>
Total expenditures	<u>99,516,647</u>	<u>91,964,105</u>	<u>7,552,542</u>	<u>109,136,073</u>
Revenues over expenditures	<u>6,914,917</u>	<u>11,680,659</u>	<u>4,765,742</u>	<u>366,511</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special revenue funds	740,000	740,000	-	750,000
Capital projects funds	-	-	-	2,083,473
Transfers to other funds:				
Capital investment fund	(13,863,377)	(13,863,377)	-	-
Disaster recovery fund	(413,437)	(413,437)	-	-
Law enforcement officers special separation allowance fund	(197,600)	(197,600)	-	-
Special revenue funds	(200,000)	(200,000)	-	(100,000)
Capital projects funds	(200,565)	(200,565)	-	-
School capital project fund	-	-	-	(300,000)
Installment financing proceeds	-	-	-	1,528,866
Sale of surplus property	80,000	78,207	(1,793)	179,025
Appropriated fund balance	<u>7,140,062</u>	<u>-</u>	<u>(7,140,062)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,914,917)</u>	<u>(14,056,772)</u>	<u>(7,141,855)</u>	<u>4,141,364</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,376,113)</u>	<u>\$ (2,376,113)</u>	<u>4,507,875</u>
Fund balance-beginning		43,979,477		39,471,602
Fund balance-ending		<u>\$ 41,603,364</u>		<u>\$ 43,979,477</u>

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

For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Other taxes:				
Local option sales taxes	\$ 4,492,164	\$ 4,443,904	\$ (48,260)	\$ -
Realty transfer tax	4,651,614	4,833,635	182,021	4,811,021
Total	9,143,778	9,277,539	133,761	4,811,021
Restricted intergovernmental:				
Lottery proceeds	300,000	325,000	25,000	-
Total	300,000	325,000	25,000	-
Investment income:				
Interest	-	-	-	35,868
Net increase in the fair value of investments	-	-	-	2,494
Total	-	-	-	38,362
Total revenues	9,443,778	9,602,539	158,761	4,849,383
EXPENDITURES				
General government:				
Public relations:				
Capital outlay	-	29,676	-	-
Total	30,300	29,676	624	-
Information technology:				
Other operating expenditures	-	18,546	-	-
Capital outlay	-	94,433	-	-
Total	120,000	112,979	7,021	-
Revaluation:				
Capital outlay	-	26,419	-	-
Total	26,750	26,419	331	-
Facilities maintenance:				
Other operating expenditures	-	71,534	-	-
Capital outlay	-	37,925	-	-
Total	109,459	109,459	-	-
Grounds maintenance:				
Other operating expenditures	-	1,000	-	-
Capital outlay	-	42,994	-	-
Total	45,723	43,994	1,729	-
Non-departmental:				
Bond issuance costs	-	154,206	-	-
Total	4,110,554	154,206	3,956,348	-
Total general government	4,442,786	476,733	3,966,053	-

(continued)

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

For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Public safety:				
Sheriff:				
Other operating expenditures	-	989	-	-
Capital outlay	-	428,333	-	-
Total	446,280	429,322	16,958	-
Emergency medical services:				
Capital outlay	-	762,150	-	-
Total	929,300	762,150	167,150	-
Total public safety	1,375,580	1,191,472	184,108	-
Economic and physical development:				
Planning:				
Capital outlay	-	-	-	-
Total	30,300	-	30,300	-
Cooperative extension service:				
Capital outlay	-	33,472	-	-
Total	33,472	33,472	-	-
Total economic and physical development	63,772	33,472	30,300	-
Human services:				
Health:				
Environmental health:				
Capital outlay	-	24,000	-	-
Total	24,000	24,000	-	-
Social services:				
Administration:				
Capital outlay	-	69,955	-	-
Total	72,000	69,955	2,045	-
Total human services	96,000	93,955	2,045	-
Cultural and recreational:				
Parks and recreation:				
Other operating expenditures	-	30,845	-	-
Capital outlay	-	28,188	-	-
Total	59,946	59,033	913	-
Libraries:				
Other operating expenditures	-	4,689	-	-
Total	4,689	4,689	-	-
Total cultural and recreational	64,635	63,722	913	-

(continued)

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

For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
Environmental protection:				
Mosquito control:				
Capital outlay	-	57,266	-	-
Total	57,674	57,266	408	-
Total environmental protection	57,674	57,266	408	-
Debt service:				
Principal retirement	-	13,138,412	-	-
Interest and other charges	-	2,610,208	-	-
Total debt service	15,748,203	15,748,620	(417)	-
Total expenditures	21,848,650	17,665,240	4,183,410	-
Revenues over (under) expenditures	(12,404,872)	(8,062,701)	4,342,171	4,849,383
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General fund	13,863,377	13,863,377	-	-
Transfers to other funds:				
General fund	-	-	-	(2,083,473)
Capital projects funds	(1,166,504)	(1,166,504)	-	(1,055,944)
School capital project fund	(1,990,000)	(1,990,000)	-	(1,591,000)
Installment financings proceeds	24,957,384	24,957,384	-	-
Payment to refunding installment financing escrow agent	(23,259,385)	(23,259,385)	-	-
Total other financing sources (uses)	12,404,872	12,404,872	-	(4,730,417)
Net change in fund balance	\$ -	4,342,171	\$ 4,342,171	118,966
Fund balance-beginning		938,573		819,607
Fund balance-ending		<u>\$ 5,280,744</u>		<u>\$ 938,573</u>

2019 amounts are shown for the former Capital Reserve Capital Projects Fund.

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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
State and federal aid	\$ 2,404,175	\$ 2,523,635	\$ 119,460	\$ 346,602
Total	<u>2,404,175</u>	<u>2,523,635</u>	<u>119,460</u>	<u>346,602</u>
Investment income:				
Interest	-	8,865	-	11,578
Net increase in the fair value of investments	-	292	-	805
Total	<u>5,000</u>	<u>9,157</u>	<u>4,157</u>	<u>12,383</u>
Other revenue:				
Insurance recoveries	340,729	326,761	(13,968)	37,817
Miscellaneous	-	10,815	10,815	45,938
Total	<u>340,729</u>	<u>337,576</u>	<u>(3,153)</u>	<u>83,755</u>
Total revenues	<u>2,749,904</u>	<u>2,870,368</u>	<u>120,464</u>	<u>442,740</u>
EXPENDITURES				
Public safety:				
Hurricane Matthew	19,913	19,913	-	5,513
Rainwater pumping	-	-	-	46,683
Hurricane Florence	-	-	-	92,346
Tropical storm Michael	19,000	-	19,000	38,043
Hurricane Dorian	2,819,798	2,799,159	20,639	-
COVID-19 pandemic	65,000	-	65,000	-
Emergency operations	413,437	-	413,437	-
Other operating expenditures	9,619	9,618	1	9,160
Total public safety	<u>3,346,767</u>	<u>2,828,690</u>	<u>518,077</u>	<u>191,745</u>
Total expenditures	<u>3,346,767</u>	<u>2,828,690</u>	<u>518,077</u>	<u>191,745</u>
Revenues over (under) expenditures	<u>(596,863)</u>	<u>41,678</u>	<u>638,541</u>	<u>250,995</u>
OTHER FINANCING SOURCES				
Transfers from other funds:				
General fund	413,437	413,437	-	-
Appropriated fund balance	183,426	-	(183,426)	-
Total other financing sources	<u>596,863</u>	<u>413,437</u>	<u>(183,426)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>455,115</u>	<u>\$ 455,115</u>	<u>250,995</u>
Fund balance-beginning		857,350		606,355
Fund balance-ending		<u>\$ 1,312,465</u>		<u>\$ 857,350</u>

DARE COUNTY, NORTH CAROLINA
Law Enforcement Officers Special Separation Allowance Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Investment income:				
Interest	\$ -	\$ 102	\$ -	\$ -
Net increase in the fair value of investments	-	3	-	-
Total	-	105	105	-
Total revenues	-	105	105	-
EXPENDITURES				
Public safety:				
Benefit payments	197,600	204,562	(6,962)	-
Total public safety	197,600	204,562	(6,962)	-
Total expenditures	197,600	204,562	(6,962)	-
Revenues (under) expenditures	(197,600)	(204,457)	(6,857)	-
OTHER FINANCING SOURCES				
Transfers from other funds:				
General fund	197,600	197,600	-	-
Total other financing sources	197,600	197,600	-	-
Net change in fund balance	\$ -	(6,857)	\$ (6,857)	-
Fund balance-beginning		-		-
Fund balance-ending		\$ (6,857)		\$ -

Other Major Governmental Funds

Beach Nourishment Fund – accounts for the revenues and expenditures for the support of the County’s beach nourishment projects, including the proceeds of a 2% occupancy tax restricted to that purpose.

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

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, 2020

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

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ -	\$ 107,245	\$ -	\$ 107,175
Prior years taxes	-	449	-	3,577
Penalties and interest	-	113	-	454
Total ad valorem taxes	<u>105,000</u>	<u>107,807</u>	<u>2,807</u>	<u>111,206</u>
Other taxes:				
Sales taxes	-	208	-	45
Occupancy taxes	-	9,722,286	-	10,214,436
Total other taxes	<u>9,952,000</u>	<u>9,722,494</u>	<u>(229,506)</u>	<u>10,214,481</u>
Investment income:				
Interest	-	518,165	-	738,474
Net increase in the fair value of investments	-	17,079	-	51,244
Total investment income	<u>550,000</u>	<u>535,244</u>	<u>(14,756)</u>	<u>789,718</u>
Other revenue:				
Miscellaneous	-	-	-	35,137
Total revenues	<u>10,607,000</u>	<u>10,365,545</u>	<u>(241,455)</u>	<u>11,150,542</u>
EXPENDITURES				
Economic and physical development:				
Payments to municipalities	-	2,234,503	-	1,818,948
Other operating expenditures	-	20,311	-	72,562
Administration	-	2,279	-	2,988
Total economic and physical development	<u>2,812,902</u>	<u>2,257,093</u>	<u>555,809</u>	<u>1,894,498</u>
Debt service:				
Principal retirement	-	6,855,000	-	6,855,000
Interest and other charges	-	561,406	-	652,870
Total debt service	<u>7,416,406</u>	<u>7,416,406</u>	<u>-</u>	<u>7,507,870</u>
Total expenditures	<u>10,229,308</u>	<u>9,673,499</u>	<u>555,809</u>	<u>9,402,368</u>
Revenues over expenditures	<u>377,692</u>	<u>692,046</u>	<u>314,354</u>	<u>1,748,174</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Capital projects fund	-	-	-	1,297,596
Transfers to other funds:				
Inlet maintenance fund	(2,969,500)	(636,540)	2,332,960	(864)
Appropriated fund balance	<u>2,591,808</u>	<u>-</u>	<u>(2,591,808)</u>	<u>-</u>
Total other financing sources (uses)	<u>(377,692)</u>	<u>(636,540)</u>	<u>(258,848)</u>	<u>1,296,732</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>55,506</u>	<u>\$ 55,506</u>	<u>3,044,906</u>
Fund balance-beginning		29,497,854		26,452,948
Fund balance-ending		<u>\$ 29,553,360</u>		<u>\$ 29,497,854</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, 2020

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

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
NCDEQ for maintenance-Hatteras Inlet	\$ 3,750	\$ 18,492	\$ 14,742	\$ 38,107
NCDEQ for permitting-special purpose dredge	-	2,903	2,903	59,549
NCDEQ for special purpose dredge	10,000,000	10,000,000	-	5,000,000
Total restricted intergovernmental	10,003,750	10,021,395	17,645	5,097,656
Investment income:				
Interest	-	4,734	-	2,291
Net increase in the fair value of investments	-	3	-	157
Total investment income	-	4,737	4,737	2,448
Total revenues	10,003,750	10,026,132	22,382	5,100,104
EXPENDITURES				
Economic and physical development:				
Contracted services-Oregon Inlet	-	636,530	-	864
Contracted services-permitting-special purpose dredge	-	4,398	-	90,226
Contracted services-Hatteras Inlet	-	272,486	-	283,851
Total economic development	13,277,805	913,414	12,364,391	374,941
Total expenditures	13,277,805	913,414	(12,364,391)	374,941
Revenues over expenditures	(3,274,055)	9,112,718	12,386,773	4,725,163
OTHER FINANCING SOURCES				
Transfers from other funds:				
General fund	200,000	200,000	-	100,000
Beach nourishment fund	3,000,000	636,540	(2,363,460)	864
Appropriated fund balance	74,055	-	(74,055)	-
Total other financing sources	3,274,055	836,540	(2,437,515)	100,864
Revenues and other financing sources over expenditures	\$ -	9,949,258	\$ 9,949,258	4,826,027
Fund balance-beginning		5,098,238		272,211
Fund balance-ending		<u>\$ 15,047,496</u>		<u>\$ 5,098,238</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, 2020

	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	220,153	227,149	(1,691,851)
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	66,625	136,639	(75,361)
Other revenues	53,000	26,500	-	26,500	(26,500)
Total	<u>265,000</u>	<u>96,514</u>	<u>66,625</u>	<u>163,139</u>	<u>(101,861)</u>
Salvo cemetery improvements:					
Restricted intergovernmental	162,000	111,185	-	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	52,972	450,168	74,446	524,614	471,642
Total revenues	<u>36,089,191</u>	<u>33,566,996</u>	<u>361,224</u>	<u>33,928,220</u>	<u>(2,160,971)</u>
EXPENDITURES					
Capital outlay:					
General government:					
Computer aided mass appraisal system:					
Software and equipment	390,000	338,411	33,930	372,341	17,659
Rodanthe beach access:					
Land improvements	883,853	808,731	-	808,731	75,122
Buildings and grounds projects:					
Maintenance and improvements	320,781	297,383	1,000	298,383	22,398
Election voting machines:					
Equipment	233,460	137,292	-	137,292	96,168
Oblique aerial photography:					
Professional services	170,094	113,730	42,965	156,695	13,399
Information technology Vsan servers:					
Equipment	275,000	247,993	21,703	269,696	5,304
Downtown Manteo redevelopment:					
Demolition and improvements	341,248	-	333,158	333,158	8,090
Manteo property:					
Acquisition	712,338	712,337	-	712,337	1
Maintenance and improvements	69,621	18,400	48,637	67,037	2,584
Total	<u>781,959</u>	<u>730,737</u>	<u>48,637</u>	<u>779,374</u>	<u>2,585</u>
Buxton property:					
Acquisition	320,043	-	320,043	320,043	-
Information technology remote support:					
Software	55,000	-	47,399	47,399	7,601
Facilities maintenance building security:					
Equipment	150,000	-	-	-	150,000

(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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Facilities maintenance roof replacements:					
Maintenance and improvements	32,000	-	24,598	24,598	7,402
Facilities maintenance HVAC replacements:					
Maintenance and improvements	140,500	-	46,321	46,321	94,179
Total general government	4,093,938	2,674,277	919,754	3,594,031	499,907
Public safety:					
Regional emergency communications center and emergency operations center:					
Architect	686,293	704,197	-	704,197	(17,904)
Facility costs	14,428,821	14,267,734	151,266	14,419,000	9,821
Financing costs	162,141	154,058	-	154,058	8,083
Total	15,277,255	15,125,989	151,266	15,277,255	-
Emergency medical services helicopter:					
Equipment	9,263,800	9,247,110	13,875	9,260,985	2,815
Financing costs	86,633	86,633	-	86,633	-
Total	9,350,433	9,333,743	13,875	9,347,618	2,815
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	3,389	57,184	-
Detention center HVAC units:					
Equipment	187,500	86,555	72,542	159,097	28,403
Emergency medical services portable radios:					
Equipment	226,298	215,287	2,125	217,412	8,886
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	2,951	55,179	52,821
Salvo community cemetery:					
Land improvements	162,000	109,651	-	109,651	52,349
Emergency medical services facilities:					
Maintenance and improvements	367,000	184,166	74,725	258,891	108,109
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	14,050	141,114	8,886
Animal shelter building:					
Architect	245,740	65,534	133,068	198,602	47,138
Facility costs	6,351,248	8,575	769,989	778,564	5,572,684
Total	6,596,988	74,109	903,057	977,166	5,619,822
Emergency medical services mobile data computers:					
Equipment	365,200	-	244,668	244,668	120,532
Detention center sewer:					
Maintenance and improvements	276,000	-	-	-	276,000
Emergency medical services cardiac monitors and equipment:					
Equipment	1,133,116	-	1,125,978	1,125,978	7,138
Detention center camera system:					
Equipment	250,000	-	-	-	250,000
Hazard mitigation grant program phase I:					
Home elevation	2,550,860	1,940,722	-	1,940,722	610,138
Total public safety	39,204,152	29,441,999	2,608,626	32,050,625	7,153,527

(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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Economic and physical development:					
Dredging local costs:					
Dredging and public access	120,000	26,244	77,528	103,772	16,228
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	220,153	227,149	1,691,851
Duck beach nourishment:					
Design and construction	14,227,701	13,530,778	-	13,530,778	696,923
Kill Devil Hills beach nourishment:					
Design and construction	9,039,168	8,927,679	24,000	8,951,679	87,489
Kitty Hawk beach nourishment:					
Design and construction	19,237,310	18,757,220	-	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	23,639,594	47,857	23,687,451	499,374
Financing costs	168,175	162,094	1,945	164,039	4,136
Total	<u>24,355,000</u>	<u>23,801,688</u>	<u>49,802</u>	<u>23,851,490</u>	<u>503,510</u>
Nags Head beach nourishment:					
Construction	9,573,356	7,792,018	1,781,338	9,573,356	-
Other costs	248,923	-	-	-	248,923
Financing costs	126,644	114,644	2,500	117,144	9,500
Total	<u>9,948,923</u>	<u>7,906,662</u>	<u>1,783,838</u>	<u>9,690,500</u>	<u>258,423</u>
Buxton beach nourishment 2021:					
Design and permitting	1,989,617	-	88,708	88,708	1,900,909
Total economic and physical development	<u>82,080,107</u>	<u>73,999,070</u>	<u>2,244,029</u>	<u>76,243,099</u>	<u>5,837,008</u>
Human services:					
Health and human services facilities:					
Architect	547,991	35,000	417,898	452,898	95,093
Facility costs	<u>5,240,592</u>	<u>-</u>	<u>29,205</u>	<u>29,205</u>	<u>5,211,387</u>
Total	<u>5,788,583</u>	<u>35,000</u>	<u>447,103</u>	<u>482,103</u>	<u>5,306,480</u>
Total human services	<u>5,788,583</u>	<u>35,000</u>	<u>447,103</u>	<u>482,103</u>	<u>5,306,480</u>
Cultural and recreational:					
Roanoke trails project:					
Construction	377,407	372,330	4,915	377,245	162
Outer banks scenic byway pathways:					
Maintenance and improvements	23,687	3,303	-	3,303	20,384
Outer banks scenic byway interpretive:					
Kiosks and exhibits	<u>265,000</u>	<u>87,519</u>	<u>83,281</u>	<u>170,800</u>	<u>94,200</u>
Total cultural and recreational	<u>666,094</u>	<u>463,152</u>	<u>88,196</u>	<u>551,348</u>	<u>114,746</u>
Environmental protection:					
C&D landfill cell #5:					
Construction	349,557	234,461	77,315	311,776	37,781
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	<u>241,250</u>	<u>227,450</u>	<u>-</u>	<u>227,450</u>	<u>13,800</u>
Total environmental protection	<u>957,707</u>	<u>822,911</u>	<u>77,315</u>	<u>900,226</u>	<u>57,481</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Education:					
College of the albemarle renovations:					
Maintenance and improvements	96,250	34,199	60,817	95,016	1,234
College of the albemarle building:					
Architect	947,969	-	478,364	478,364	469,605
Facility costs	755,434	-	22,151	22,151	733,283
Total	1,703,403	-	500,515	500,515	1,202,888
Total education	1,799,653	34,199	561,332	595,531	1,204,122
Total expenditures	134,590,234	107,470,608	6,946,355	114,416,963	20,173,271
Revenues under expenditures	(98,501,043)	(73,903,612)	(6,585,131)	(80,488,743)	(22,334,242)
OTHER FINANCING SOURCES					
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	-
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	457,142	457,143	-	457,143	1
Transfer from general fund	200,565	-	200,565	200,565	-
Transfer from capital reserve capital projects fund	292,793	292,793	-	292,793	-
Total	9,344,781	9,144,216	200,565	9,344,781	-
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	-
Emergency medical services power stretchers:					
Transfer from capital reserve capital projects fund	57,184	57,184	-	57,184	-
Detention center HVAC units:					
Transfer from capital reserve capital projects fund	187,500	187,500	-	187,500	-
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	320,781	-	320,781	-
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	-
College of the albemarle renovations:					
Transfer from capital reserve capital projects fund	96,250	96,250	-	96,250	-
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, 2020

	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	-
Total	20,492,097	20,492,097	-	20,492,097	-
Buxton beach nourishment:					
Installment financing proceeds	24,355,000	24,355,000	-	24,355,000	-
Nags Head beach nourishment:					
Installment financing proceeds	9,948,923	9,700,000	-	9,700,000	(248,923)
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 investment fund	100,000	-	100,000	100,000	-
Transfer from capital reserve capital projects fund	267,000	267,000	-	267,000	-
Total	367,000	267,000	100,000	367,000	-
College of the albemarle building:					
Installment financing proceeds	1,703,403	-	-	-	(1,703,403)
Health and human services facilities:					
Installment financing proceeds	5,738,583	-	-	-	(5,738,583)
Animal shelter building:					
Installment financing proceeds	6,596,988	-	-	-	(6,596,988)
Manteo property:					
Installment financing proceeds	781,959	-	-	-	(781,959)
Buxton property:					
Installment financing proceeds	320,043	-	-	-	(320,043)
Emergency medical services mobile data computers:					
Installment financing proceeds	365,200	-	-	-	(365,200)
Emergency medical services cardiac monitors and equipment:					
Installment financing proceeds	1,133,116	-	-	-	(1,133,116)
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 investment fund	163,004	-	163,004	163,004	-
Transfer from capital reserve capital projects fund	178,244	178,244	-	178,244	-
Total	341,248	178,244	163,004	341,248	-
Detention center sewer:					
Transfer from capital investment fund	276,000	-	276,000	276,000	-
Detention center camera system:					
Transfer from capital investment fund	250,000	-	250,000	250,000	-
Information technology remote support:					
Transfer from capital investment fund	55,000	-	55,000	55,000	-
Facilities maintenance building security:					
Transfer from capital investment fund	150,000	-	150,000	150,000	-
Facilities maintenance roof replacements:					
Transfer from capital investment fund	32,000	-	32,000	32,000	-
Facilities maintenance HVAC replacements:					
Transfer from capital investment fund	140,500	-	140,500	140,500	-
Total other financing sources	98,501,043	78,256,142	1,367,069	79,623,211	(18,877,832)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 4,352,530	(5,218,062)	\$ (865,532)	\$ (865,532)
Fund balance-beginning			3,682,844		
Fund balance-ending			<u>\$ (1,535,218)</u>		

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures 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.

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

Coronavirus Relief Fund – accounts for revenues from financial assistance and disbursements in response to the coronavirus disease.

Capital Projects Funds

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.

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

DARE COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue		
	C & D Landfill	Emergency Telephone System	Social Services Foster Care
ASSETS			
Cash and cash equivalents	\$ 1,813,564	\$ 481,276	\$ 131,388
Cash with fiscal agent-restricted	-	-	-
Receivables (net of allowance for uncollectibles)	58,921	379	105
Due from other governments	-	-	-
Due from component unit	-	-	227,266
Total assets	<u>\$ 1,872,485</u>	<u>\$ 481,655</u>	<u>\$ 358,759</u>
LIABILITIES			
Accounts payable	\$ 67,227	\$ 1,613	\$ -
Accrued liabilities	12,709	-	-
Unearned revenues	-	-	-
Total liabilities	<u>79,936</u>	<u>1,613</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	-	-	-
Taxes receivable	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Stabilization by State statute	58,921	379	227,371
Emergency telephone system	-	479,663	-
Social services	-	-	131,388
Coronavirus relief	-	-	-
Capital	-	-	-
Committed for:			
C & D landfill	1,733,628	-	-
Sanitation	-	-	-
School capital projects	-	-	-
Total fund balances	<u>1,792,549</u>	<u>480,042</u>	<u>358,759</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,872,485</u>	<u>\$ 481,655</u>	<u>\$ 358,759</u>

Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
Sanitation	Donations	Coronavirus Relief	School Capital Projects	
\$ 2,108,122	\$ 59,249	\$ 719,101	\$ 1,294,086	\$ 6,606,786
62,955	-	-	166,081	229,036
295,245	-	254,293	-	608,943
16,915	-	-	-	16,915
-	-	-	-	227,266
<u>\$ 2,483,237</u>	<u>\$ 59,249</u>	<u>\$ 973,394</u>	<u>\$ 1,460,167</u>	<u>\$ 7,688,946</u>
\$ 212,018	\$ 576	\$ 379,346	\$ 164,317	\$ 825,097
33,651	-	-	-	46,360
-	-	65,951	-	65,951
<u>245,669</u>	<u>576</u>	<u>445,297</u>	<u>164,317</u>	<u>937,408</u>
-	58,673	-	-	58,673
160,659	-	-	-	160,659
<u>160,659</u>	<u>58,673</u>	<u>-</u>	<u>-</u>	<u>219,332</u>
151,501	-	275,375	-	713,547
-	-	-	-	479,663
-	-	-	-	131,388
-	-	252,722	-	252,722
62,955	-	-	166,081	229,036
-	-	-	-	1,733,628
1,862,453	-	-	-	1,862,453
-	-	-	1,129,769	1,129,769
<u>2,076,909</u>	<u>-</u>	<u>528,097</u>	<u>1,295,850</u>	<u>6,532,206</u>
<u>\$ 2,483,237</u>	<u>\$ 59,249</u>	<u>\$ 973,394</u>	<u>\$ 1,460,167</u>	<u>\$ 7,688,946</u>

DARE COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue		
	C & D Landfill	Emergency Telephone System	Social Services Foster Care
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	791,950
Permits and fees	-	-	-
Sales and services	748,895	-	-
Investment income	28,292	13,132	5,294
Other revenue	-	-	-
Total revenues	<u>777,187</u>	<u>13,132</u>	<u>797,244</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	667,525	-
Human services	-	-	-
Cultural and recreational	-	-	-
Environmental protection	828,847	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay:			
Public safety	-	-	-
Environmental protection	-	-	-
Education	-	-	-
Total expenditures	<u>828,847</u>	<u>667,525</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,660)</u>	<u>(654,393)</u>	<u>797,244</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds:			
Capital investment fund	-	-	-
Transfers to other funds:			
General fund	-	-	(740,000)
Installment financings issued	-	-	-
Sale of capital assets	11,000	-	-
Total other financing sources (uses)	<u>11,000</u>	<u>-</u>	<u>(740,000)</u>
Net change in fund balances	(40,660)	(654,393)	57,244
Fund balance-beginning	1,833,209	1,134,435	301,515
Fund balance-ending	<u>\$ 1,792,549</u>	<u>\$ 480,042</u>	<u>\$ 358,759</u>

Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
Sanitation	Donations	Coronavirus Relief	School Capital Projects	
\$ 4,264,749	\$ -	\$ -	\$ -	\$ 4,264,749
-	-	1,039,825	-	1,831,775
283,065	-	-	-	283,065
675,718	-	-	-	1,424,613
37,451	-	2,827	15,931	102,927
-	104,119	-	1,196,951	1,301,070
5,260,983	104,119	1,042,652	1,212,882	9,208,199
-	1,850	-	-	1,850
-	79,594	245,531	-	992,650
-	2,087	269,024	-	271,111
-	5,588	-	-	5,588
4,671,921	-	-	-	5,500,768
507,773	-	-	-	507,773
19,208	-	-	-	19,208
-	15,000	-	-	15,000
499,643	-	-	-	499,643
-	-	-	2,416,210	2,416,210
5,698,545	104,119	514,555	2,416,210	10,229,801
(437,562)	-	528,097	(1,203,328)	(1,021,602)
-	-	-	1,990,000	1,990,000
-	-	-	-	(740,000)
528,559	-	-	-	528,559
-	-	-	-	11,000
528,559	-	-	1,990,000	1,789,559
90,997	-	528,097	786,672	767,957
1,985,912	-	-	509,178	5,764,249
\$ 2,076,909	\$ -	\$ 528,097	\$ 1,295,850	\$ 6,532,206

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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Sales and services:				
C & D landfill tipping fees	\$ 890,000	\$ 748,895	\$ (141,105)	\$ 934,576
Investment income:				
Interest	-	27,410	-	40,707
Net increase in the fair value of investments	-	882	-	2,757
Total investment income	<u>32,000</u>	<u>28,292</u>	<u>(3,708)</u>	<u>43,464</u>
Total revenues	<u>922,000</u>	<u>777,187</u>	<u>(144,813)</u>	<u>978,040</u>
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	487,299	-	505,890
Other operating expenditures	-	286,511	-	371,838
Administration	-	55,037	-	42,270
Total environmental protection	<u>951,219</u>	<u>828,847</u>	<u>122,372</u>	<u>919,998</u>
Total expenditures	<u>951,219</u>	<u>828,847</u>	<u>122,372</u>	<u>919,998</u>
Revenues over (under) expenditures	<u>(29,219)</u>	<u>(51,660)</u>	<u>(22,441)</u>	<u>58,042</u>
OTHER FINANCING SOURCES				
Sale of surplus property	-	11,000	11,000	-
Appropriated fund balance	<u>29,219</u>	<u>-</u>	<u>(29,219)</u>	<u>-</u>
Total other financing sources	<u>29,219</u>	<u>11,000</u>	<u>(18,219)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(40,660)</u>	<u>\$ (40,660)</u>	<u>58,042</u>
Fund balance-beginning		1,833,209		1,775,167
Fund balance-ending		<u>\$ 1,792,549</u>		<u>\$ 1,833,209</u>

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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other taxes:				
E-911 system subscriber fees	\$ -	\$ -	\$ -	\$ 420,255
Investment income:				
Interest	-	12,713	-	23,272
Net increase in the fair value of investments	-	419	-	1,618
Total investment income	<u>15,000</u>	<u>13,132</u>	<u>(1,868)</u>	<u>24,890</u>
Total revenues	<u>15,000</u>	<u>13,132</u>	<u>(1,868)</u>	<u>445,145</u>
EXPENDITURES				
Public safety:				
Operations	-	662,526	-	283,741
Training	-	4,999	-	4,671
Total public safety	<u>737,659</u>	<u>667,525</u>	<u>70,134</u>	<u>288,412</u>
Total expenditures	<u>737,659</u>	<u>667,525</u>	<u>70,134</u>	<u>288,412</u>
Revenues over (under) expenditures	<u>(722,659)</u>	<u>(654,393)</u>	<u>68,266</u>	<u>156,733</u>
OTHER FINANCING SOURCES				
Appropriated fund balance	<u>722,659</u>	-	<u>(722,659)</u>	-
Total other financing sources	<u>722,659</u>	-	<u>(722,659)</u>	-
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(654,393)</u>	<u>\$ (654,393)</u>	<u>156,733</u>
Fund balance-beginning		1,134,435		977,702
Fund balance-ending		<u>\$ 480,042</u>		<u>\$ 1,134,435</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Restricted intergovernmental:				
ABC profits	\$ 745,000	\$ 791,950	\$ 46,950	\$ 779,300
Investment income:				
Interest	-	5,125	-	1,990
Net increase in the fair value of investments	-	169	-	139
Total investment income	3,500	5,294	1,794	2,129
Total revenues	748,500	797,244	48,744	781,429
EXPENDITURES				
Human services:				
Reserve	-	-	-	-
Total human services	8,500	-	8,500	-
Total expenditures	8,500	-	8,500	-
Revenues over expenditures	740,000	797,244	57,244	781,429
OTHER FINANCING USES				
Transfers to other funds:				
General fund	(740,000)	(740,000)	-	(750,000)
Total other financing uses	(740,000)	(740,000)	-	(750,000)
Revenues over expenditures and other financing uses	\$ -	57,244	\$ 57,244	31,429
Fund balance-beginning		301,515		270,086
Fund balance-ending		\$ 358,759		\$ 301,515

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, 2020

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

	2020		Variance	2019
	Final Budget	Actual	Positive (Negative)	Actual
REVENUES				
Ad valorem taxes:				
Current year taxes	\$ 4,176,105	\$ 4,169,954	\$ (6,151)	\$ 4,147,005
Prior year taxes	56,250	82,130	25,880	84,309
Penalties and interest	15,050	12,665	(2,385)	14,699
Total ad valorem taxes	<u>4,247,405</u>	<u>4,264,749</u>	<u>17,344</u>	<u>4,246,013</u>
Permits and fees:				
Landfill tipping fees	7,000	283,065	276,065	9,314
Total permits and fees	<u>7,000</u>	<u>283,065</u>	<u>276,065</u>	<u>9,314</u>
Sales and services:				
Container sales	175,000	187,339	12,339	147,739
Sanitation contracts	497,895	488,379	(9,516)	487,293
Total sales and services	<u>672,895</u>	<u>675,718</u>	<u>2,823</u>	<u>635,032</u>
Investment income:				
Interest	-	36,283	-	62,042
Net increase in the fair value of investments	-	1,168	-	4,005
Total investment income	<u>50,100</u>	<u>37,451</u>	<u>(12,649)</u>	<u>66,047</u>
Total revenues	<u>4,977,400</u>	<u>5,260,983</u>	<u>283,583</u>	<u>4,956,406</u>
EXPENDITURES				
Environmental protection:				
Salaries and employee benefits	-	1,086,028	-	1,070,425
Other operating expenditures	-	1,282,670	-	1,311,582
Administration	-	392,480	-	400,242
Tipping fees	-	1,910,743	-	1,994,219
Capital outlay	-	499,643	-	531,283
Total environmental protection	<u>5,342,515</u>	<u>5,171,564</u>	<u>170,951</u>	<u>5,307,751</u>
Debt service:				
Principal retirement	-	507,773	-	488,034
Interest and other charges	-	19,208	-	17,745
Total debt service	<u>527,816</u>	<u>526,981</u>	<u>835</u>	<u>505,779</u>
Total expenditures	<u>5,870,331</u>	<u>5,698,545</u>	<u>171,786</u>	<u>5,813,530</u>
Revenues (under) expenditures	<u>(892,931)</u>	<u>(437,562)</u>	<u>455,369</u>	<u>(857,124)</u>
OTHER FINANCING SOURCES				
Installment financing proceeds	528,559	528,559	-	528,559
Appropriated fund balance	364,372	-	(364,372)	-
Total other financing sources	<u>892,931</u>	<u>528,559</u>	<u>(364,372)</u>	<u>528,559</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>90,997</u>	<u>\$ 90,997</u>	<u>(328,565)</u>
Fund balance-beginning		1,985,912		2,314,477
Fund balance-ending		<u>\$ 2,076,909</u>		<u>\$ 1,985,912</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, 2020

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

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Other revenue:				
Donations and contributions	\$ 151,141	\$ 104,119	\$ (47,022)	\$ 41,394
Total revenues	<u>151,141</u>	<u>104,119</u>	<u>(47,022)</u>	<u>41,394</u>
EXPENDITURES				
General government:				
Other operating expenditures	-	1,850	-	1,950
Total general government	<u>3,140</u>	<u>1,850</u>	<u>1,290</u>	<u>1,950</u>
Public safety:				
Other operating expenditures	-	79,594	-	7,241
Capital outlay	-	15,000	-	-
Total public safety	<u>111,094</u>	<u>94,594</u>	<u>16,500</u>	<u>7,241</u>
Economic and physical development:				
Other operating expenditures	-	-	-	-
Total economic development	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Human services:				
Other operating expenditures	-	2,087	-	5,955
Total human services	<u>3,425</u>	<u>2,087</u>	<u>1,338</u>	<u>5,955</u>
Cultural and recreational:				
Other operating expenditures	-	5,588	-	8,748
Capital outlay	-	-	-	17,500
Total cultural and recreational	<u>33,382</u>	<u>5,588</u>	<u>27,794</u>	<u>26,248</u>
Total expenditures	<u>151,141</u>	<u>104,119</u>	<u>47,022</u>	<u>41,394</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
Coronavirus Relief Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

	Grant Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental:					
State and federal aid-FEMA coronavirus pandemic	\$ 626,779	\$ -	\$ 250,692	\$ 250,692	\$ (376,087)
State and federal aid-NC coronavirus relief fund	852,149	-	786,198	786,198	(65,951)
State and federal aid-NCDOT	140,519	-	2,935	2,935	(137,584)
Total restricted intergovernmental	<u>1,619,447</u>	<u>-</u>	<u>1,039,825</u>	<u>1,039,825</u>	<u>(579,622)</u>
Investment income:					
Interest	-	-	2,737	2,737	-
Net increase in the fair value of investments	-	-	90	90	-
Total investment income	<u>-</u>	<u>-</u>	<u>2,827</u>	<u>2,827</u>	<u>2,827</u>
Total revenues	<u>1,619,447</u>	<u>-</u>	<u>1,042,652</u>	<u>1,042,652</u>	<u>(576,795)</u>
EXPENDITURES					
Public safety:					
Coronavirus pandemic	626,779	-	245,531	245,531	381,248
Human services:					
Coronavirus pandemic	852,149	-	269,024	269,024	583,125
Transportation:					
Coronavirus pandemic	140,519	-	-	-	140,519
Total expenditures	<u>1,619,447</u>	<u>-</u>	<u>514,555</u>	<u>514,555</u>	<u>1,104,892</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>528,097</u>	<u>\$ 528,097</u>	<u>\$ 528,097</u>
Fund balance-beginning			-		
Fund balance-ending			<u>\$ 528,097</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental:					
State and federal aid	\$ 30,000	\$ -	\$ -	\$ -	\$ (30,000)
Interest earnings	24,021	8,659	15,931	24,590	569
Other revenue	3,210,000	-	1,196,951	1,196,951	(2,013,049)
Total revenues	<u>3,264,021</u>	<u>8,659</u>	<u>1,212,882</u>	<u>1,221,541</u>	<u>(2,042,480)</u>
EXPENDITURES					
Capital outlay:					
Education:					
2016 school capital projects:					
Cape hatteras secondary school chiller:					
Equipment	682,000	676,851	5,149	682,000	-
Financing costs	8,000	8,000	-	8,000	-
Total	<u>690,000</u>	<u>684,851</u>	<u>5,149</u>	<u>690,000</u>	<u>-</u>
2018 school capital projects:					
Manteo high school improvements:					
Facilities	614,021	448,509	67,616	516,125	97,896
Financing costs	5,000	5,000	-	5,000	-
Total	<u>619,021</u>	<u>453,509</u>	<u>67,616</u>	<u>521,125</u>	<u>97,896</u>
2019 school capital projects:					
Capital improvements plan	<u>1,145,000</u>	<u>791,642</u>	<u>353,358</u>	<u>1,145,000</u>	<u>-</u>
2020 school capital projects:					
Local capital outlay	715,000	-	715,000	715,000	-
Capital improvements plan	1,275,000	-	78,136	78,136	1,196,864
Cape hatteras secondary school hurricane damage:					
Debris removal and facilities repairs	3,240,000	-	1,196,951	1,196,951	2,043,049
Total	<u>5,230,000</u>	<u>-</u>	<u>1,990,087</u>	<u>1,990,087</u>	<u>3,239,913</u>
Total expenditures	<u>7,684,021</u>	<u>1,930,002</u>	<u>2,416,210</u>	<u>4,346,212</u>	<u>3,337,809</u>
Revenues (under) expenditures	<u>(4,420,000)</u>	<u>(1,921,343)</u>	<u>(1,203,328)</u>	<u>(3,124,671)</u>	<u>1,295,329</u>
OTHER FINANCING SOURCES					
Transfers from other funds:					
Capital investment fund	1,990,000	-	1,990,000	1,990,000	-
Capital reserve capital projects fund	1,145,000	1,145,000	-	1,145,000	-
Installment financing proceeds	1,285,000	1,285,000	-	1,285,000	-
Total other financing sources	<u>4,420,000</u>	<u>2,430,000</u>	<u>1,990,000</u>	<u>4,420,000</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 508,657</u>	<u>786,672</u>	<u>\$ 1,295,329</u>	<u>\$ 1,295,329</u>
Fund balance-beginning			509,178		
Fund balance-ending			<u>\$ 1,295,850</u>		

Enterprise Funds

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, 2020

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

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Water sales	\$ 12,233,884	\$ 12,194,191	\$ (39,693)	\$ 11,792,646
Wastewater charges	58,662	64,338	5,676	60,438
Connection fees	80,482	64,682	(15,800)	64,173
Water assessments	390,000	340,012	(49,988)	346,324
Penalties	127,500	116,687	(10,813)	120,652
Other revenue	888,333	804,584	(83,749)	824,319
Total operating revenues	<u>13,778,861</u>	<u>13,584,494</u>	<u>(194,367)</u>	<u>13,208,552</u>
Nonoperating revenues:				
Investment income:				
Interest	-	459,823	-	672,832
Net increase in the fair value of investments	-	15,126	-	46,673
Total investment income	<u>266,586</u>	<u>474,949</u>	<u>208,363</u>	<u>719,505</u>
Sale of capital assets	-	-	-	15,825
Total nonoperating revenues	<u>266,586</u>	<u>474,949</u>	<u>208,363</u>	<u>735,330</u>
Total revenues	<u>14,045,447</u>	<u>14,059,443</u>	<u>13,996</u>	<u>13,943,882</u>
EXPENDITURES				
Hatteras water system:				
Salaries and employee benefits	-	885,502	-	870,064
Other operating expenditures	-	885,875	-	879,379
Administration	-	121,166	-	118,029
Total	<u>2,260,399</u>	<u>1,892,543</u>	<u>367,856</u>	<u>1,867,472</u>
Joseph "Mac" Midgett water plant:				
Salaries and employee benefits	-	430,327	-	423,840
Other operating expenditures	-	279,507	-	264,144
Administration	-	63,757	-	62,954
Total	<u>1,044,269</u>	<u>773,591</u>	<u>270,678</u>	<u>750,938</u>
North water plant:				
Salaries and employee benefits	-	528,905	-	610,736
Other operating expenditures	-	975,476	-	861,070
Administration	-	114,452	-	111,583
Total	<u>2,014,107</u>	<u>1,618,833</u>	<u>395,274</u>	<u>1,583,389</u>
Skyco water plant:				
Salaries and employee benefits	-	722,923	-	648,092
Other operating expenditures	-	790,484	-	765,513
Administration	-	92,980	-	92,424
Total	<u>1,911,415</u>	<u>1,606,387</u>	<u>305,028</u>	<u>1,506,029</u>
Water distribution system:				
Salaries and employee benefits	-	1,622,669	-	1,607,872
Other operating expenditures	-	1,134,991	-	1,167,883
Administration	-	271,318	-	270,939
Total	<u>3,832,549</u>	<u>3,028,978</u>	<u>803,571</u>	<u>3,046,694</u>
Stumpy point water and sewer system:				
Other operating expenditures	-	232,154	-	153,365
Administration	-	11,899	-	10,664
Total	<u>254,246</u>	<u>244,053</u>	<u>10,193</u>	<u>164,029</u>
Debt service:				
Principal retirement	-	1,330,000	-	1,270,000
Interest and other charges	-	1,026,175	-	1,088,625
Total	<u>2,373,676</u>	<u>2,356,175</u>	<u>17,501</u>	<u>2,358,625</u>

(continued)

DARE COUNTY, NORTH CAROLINA
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2020

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

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Capital outlay	536,341	422,009	114,332	488,439
Total expenditures	<u>14,227,002</u>	<u>11,942,569</u>	<u>2,284,433</u>	<u>11,765,615</u>
Revenues over (under) expenditures	<u>(181,555)</u>	<u>2,116,874</u>	<u>2,298,429</u>	<u>2,178,267</u>
OTHER FINANCING USES				
Transfers to other funds:				
Water capital projects fund	(2,709,933)	(2,709,933)	-	(2,810,045)
Total other financing uses	<u>(2,709,933)</u>	<u>(2,709,933)</u>	<u>-</u>	<u>(2,810,045)</u>
Revenues under expenditures and other financing uses*	<u>\$ (2,891,488)</u>	<u>\$ (593,059)</u>	<u>\$ 2,298,429</u>	<u>\$ (631,778)</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Revenues under expenditures and other financing uses - Water Fund (above)		\$ (593,059)		
Revenues over expenditures and other financing uses - Water Capital Reserve Fund		22,490		
Revenues and other financing sources over expenditures - Water Capital Projects Fund		2,091,760		
Reconciling items:				
Decrease in inventory		(143,488)		
Increase in deferred outflows of resources for pensions		285,171		
Increase in compensated absences payable		(59,397)		
Payment of debt principal		1,330,000		
Decrease in accrued interest		15,112		
Amortization of deferred amount on refunding		(353,711)		
Amortization of original issue premium		317,060		
Capital outlay		1,330,249		
Depreciation		(4,014,437)		
Other postemployment benefits expense		(301,519)		
Pension expense		(565,097)		
Total reconciling items		<u>(2,160,057)</u>		
Change in net position		<u>\$ (638,866)</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, 2020

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

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
System development fees	\$ 367,066	\$ 432,557	\$ 65,491	\$ 421,372
Total revenues	<u>367,066</u>	<u>432,557</u>	<u>65,491</u>	<u>421,372</u>
EXPENDITURES				
Water system development:				
Extension and replacement	367,066	-	367,066	-
Total expenditures	<u>367,066</u>	<u>-</u>	<u>367,066</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>432,557</u>	<u>432,557</u>	<u>421,372</u>
OTHER FINANCING USES				
Transfers to other funds:				
Water capital projects fund	(410,067)	(410,067)	-	-
Total other financing uses	<u>(410,067)</u>	<u>(410,067)</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing uses*	<u>\$ (410,067)</u>	<u>\$ 22,490</u>	<u>\$ 432,557</u>	<u>\$ 421,372</u>

*The change in net position was included in the budget as an appropriation of net position.

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
Operating revenues:					
Other revenue	\$ 465,400	\$ -	\$ -	\$ -	\$ (465,400)
Total revenues	<u>465,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(465,400)</u>
EXPENDITURES					
Hatteras water system:					
Hatteras wellfield expansion engineering and design	250,000	90,078	92,846	182,924	67,076
Hatteras wellfield expansion construction	2,000,000	7,556	223,080	230,636	1,769,364
Hatteras anion media replacement	120,000	-	120,000	120,000	-
Total	<u>2,370,000</u>	<u>97,634</u>	<u>435,926</u>	<u>533,560</u>	<u>1,836,440</u>
North water plant:					
Reverse osmosis plant expansion	2,500,000	-	17,480	17,480	2,482,520
Water distribution system:					
Kitty hawk pump station effluent header replacement	170,000	148,639	13,272	161,911	8,089
Automated meter reading system	1,400,000	838,225	561,562	1,399,787	213
NCDOT colington road waterline relocation	465,400	280,805	-	280,805	184,595
NCDOT colington road betterment	310,045	-	-	-	310,045
Total	<u>2,345,445</u>	<u>1,267,669</u>	<u>574,834</u>	<u>1,842,503</u>	<u>502,942</u>
Total expenditures	<u>7,215,445</u>	<u>1,365,303</u>	<u>1,028,240</u>	<u>2,393,543</u>	<u>4,821,902</u>
Revenues (under) expenditures	<u>(6,750,045)</u>	<u>(1,365,303)</u>	<u>(1,028,240)</u>	<u>(2,393,543)</u>	<u>4,356,502</u>
OTHER FINANCING SOURCES					
Transfers from other funds:					
Water fund	6,339,978	3,630,045	2,709,933	6,339,978	-
Water capital reserve fund	410,067	-	410,067	410,067	-
Total other financing sources	<u>6,750,045</u>	<u>3,630,045</u>	<u>3,120,000</u>	<u>6,750,045</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 2,264,742</u>	<u>\$ 2,091,760</u>	<u>\$ 4,356,502</u>	<u>\$ 4,356,502</u>

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Internal Service Funds

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 reimbursements from user departments.

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Net Position
June 30, 2020

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

	Insurance	Fleet Maintenance	Totals June 30, 2020	June 30, 2019
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,491,474	\$ -	\$ 3,491,474	\$ 2,677,342
Accounts receivable	644,974	7,765	652,739	400,358
Due from other funds	51,677	-	51,677	69,885
Inventories	-	489,737	489,737	457,103
Prepaid items	138,138	-	138,138	-
Total current assets	<u>4,326,263</u>	<u>497,502</u>	<u>4,823,765</u>	<u>3,604,688</u>
Noncurrent assets:				
Capital assets:				
Buildings	-	117,042	117,042	117,042
Improvements other than buildings	-	28,050	28,050	28,050
Equipment	-	511,581	511,581	472,157
Machinery	-	514,732	514,732	922,374
Less accumulated depreciation	<u>-</u>	<u>(978,295)</u>	<u>(978,295)</u>	<u>(1,386,930)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>193,110</u>	<u>193,110</u>	<u>152,693</u>
Total noncurrent assets	<u>-</u>	<u>193,110</u>	<u>193,110</u>	<u>152,693</u>
Total assets	<u>4,326,263</u>	<u>690,612</u>	<u>5,016,875</u>	<u>3,757,381</u>
DEFERRED OUTFLOWS OF RESOURCES	-	183,626	183,626	204,804
LIABILITIES				
Current liabilities:				
Accounts payable	47,008	90,806	137,814	137,067
Accrued liabilities	4,090	40,756	44,846	37,557
Accrued claims incurred but not reported:				
Health insurance	1,635,393	-	1,635,393	1,596,264
Compensated absences	1,475	21,753	23,228	18,161
Due to other funds	<u>-</u>	<u>51,677</u>	<u>51,677</u>	<u>69,885</u>
Total current liabilities	<u>1,687,966</u>	<u>204,992</u>	<u>1,892,958</u>	<u>1,858,934</u>
Noncurrent liabilities:				
Compensated absences	4,002	58,817	62,819	49,105
Net pension liability	<u>-</u>	<u>296,868</u>	<u>296,868</u>	<u>248,318</u>
Total noncurrent liabilities	<u>4,002</u>	<u>355,685</u>	<u>359,687</u>	<u>297,423</u>
Total liabilities	<u>1,691,968</u>	<u>560,677</u>	<u>2,252,645</u>	<u>2,156,357</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	1,285
NET POSITION				
Net investment in capital assets	-	193,110	193,110	152,693
Unrestricted	2,634,295	120,451	2,754,746	1,651,850
Total net position	<u>\$ 2,634,295</u>	<u>\$ 313,561</u>	<u>\$ 2,947,856</u>	<u>\$ 1,804,543</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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	<u>Insurance</u>	<u>Fleet Maintenance</u>	<u>Totals</u>	
			<u>June 30, 2020</u>	<u>June 30, 2019</u>
Operating revenues:				
Charges for services:				
Service revenue	\$ 1,406,147	\$ 1,301,290	\$ 2,707,437	\$ 2,797,306
Internal funding	15,718,368	1,464,832	17,183,200	17,872,139
Other revenue	301,958	700	302,658	389,060
Total operating revenues	<u>17,426,473</u>	<u>2,766,822</u>	<u>20,193,295</u>	<u>21,058,505</u>
Operating expenses:				
Insurance and risk management	16,280,420	-	16,280,420	16,874,193
Fleet maintenance	-	2,685,751	2,685,751	2,689,124
Depreciation	-	76,850	76,850	86,341
Total operating expenses	<u>16,280,420</u>	<u>2,762,601</u>	<u>19,043,021</u>	<u>19,649,658</u>
Operating income	<u>1,146,053</u>	<u>4,221</u>	<u>1,150,274</u>	<u>1,408,847</u>
Nonoperating expenses:				
Loss on disposal of capital assets	-	8,575	8,575	-
Total nonoperating expenses	<u>-</u>	<u>8,575</u>	<u>8,575</u>	<u>-</u>
Income before contributions	1,146,053	(4,354)	1,141,699	1,408,847
Capital contributions	<u>-</u>	<u>1,614</u>	<u>1,614</u>	<u>40,907</u>
Change in net position	1,146,053	(2,740)	1,143,313	1,449,754
Net position-beginning	1,488,242	316,301	1,804,543	354,789
Net position-ending	<u>\$ 2,634,295</u>	<u>\$ 313,561</u>	<u>\$ 2,947,856</u>	<u>\$ 1,804,543</u>

DARE COUNTY, NORTH CAROLINA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2020
With Comparative Amounts for the Year Ended June 30, 2019

			Totals	
	Insurance	Fleet Maintenance	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,452,287	\$ 1,305,427	\$ 2,757,714	\$ 2,892,996
Receipts from interfund charges for insurance services	15,718,368	-	15,718,368	16,520,621
Receipts from interfund charges for fleet maintenance services	-	1,464,832	1,464,832	1,351,518
Payments to suppliers and providers	(16,275,132)	(1,443,902)	(17,719,034)	(18,226,859)
Payments to employees for salaries and benefits	(99,599)	(1,183,921)	(1,283,520)	(1,216,392)
Net cash provided by operating activities	<u>795,924</u>	<u>142,436</u>	<u>938,360</u>	<u>1,321,884</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to (from) other funds	18,208	(18,208)	-	-
Net cash provided by (used for) noncapital financing activities	<u>18,208</u>	<u>(18,208)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(124,228)	(124,228)	(65,758)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(124,228)</u>	<u>(124,228)</u>	<u>(65,758)</u>
Net increase in cash and cash equivalents	814,132	-	814,132	1,256,126
Cash and cash equivalents, July 1	2,677,342	-	2,677,342	1,421,216
Cash and cash equivalents, June 30	<u>\$ 3,491,474</u>	<u>\$ -</u>	<u>\$ 3,491,474</u>	<u>\$ 2,677,342</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	<u>\$ 1,146,053</u>	<u>\$ 4,221</u>	<u>\$ 1,150,274</u>	<u>\$ 1,408,847</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	76,850	76,850	86,341
(Increase) decrease in accounts receivable	(255,818)	3,437	(252,381)	(293,370)
(Increase) in inventories	-	(32,634)	(32,634)	(10,856)
(Increase) in prepaid items	(138,138)	-	(138,138)	-
(Increase) decrease in deferred outflows of resources-pensions	-	21,178	21,178	(79,734)
Increase in net pension liability	-	48,550	48,550	92,640
(Decrease) in deferred inflows of resources-pensions	-	(1,285)	(1,285)	(3,122)
Increase (decrease) in accounts payable	(1,244)	1,991	747	(2,460)
Increase in accrued liabilities	777	6,512	7,289	6,601
Increase in accrued claims incurred but not reported for health insurance	39,129	-	39,129	119,041
Increase (decrease) in compensated absences payable	5,165	13,616	18,781	(2,044)
Total adjustments	<u>(350,129)</u>	<u>138,215</u>	<u>(211,914)</u>	<u>(86,963)</u>
Net cash provided by operating activities	<u>\$ 795,924</u>	<u>\$ 142,436</u>	<u>\$ 938,360</u>	<u>\$ 1,321,884</u>
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	\$ -	\$ 1,614	\$ 1,614	\$ 40,907
Loss on disposal of capital assets	-	(8,575)	(8,575)	-

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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	\$ 1,453,919	\$ 1,406,147	\$ (47,772)	\$ 1,366,707
Internal funding	16,664,443	15,718,368	(946,075)	16,520,621
Other revenue	85,000	301,958	216,958	389,060
Total operating revenues	18,203,362	17,426,473	(776,889)	18,276,388
Total revenues	18,203,362	17,426,473	(776,889)	18,276,388
EXPENDITURES				
Insurance and risk management:				
Salaries and employee benefits	-	100,376	-	100,650
Other operating expenditures	-	16,174,879	-	16,776,187
Total	18,254,188	16,275,255	1,978,933	16,876,837
Total expenditures	18,254,188	16,275,255	1,978,933	16,876,837
Revenues over (under) expenditures*	\$ (50,826)	1,151,218	\$ 1,202,044	\$ 1,399,551
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Increase in compensated absences payable		(5,165)		
Total reconciling items		(5,165)		
Change in net position		\$ 1,146,053		

*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, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Financial Plan	Actual	Variance Positive (Negative)	Actual
REVENUES				
Operating revenues:				
Charges for sales and services:				
Service revenue	\$ 2,557,950	\$ 1,301,290	\$ (1,256,660)	\$ 1,430,599
Internal funding	1,464,832	1,464,832	-	1,351,518
Other revenue	-	700	700	-
Total operating revenues	4,022,782	2,766,822	(1,255,960)	2,782,117
Total revenues	4,022,782	2,766,822	(1,255,960)	2,782,117
EXPENDITURES				
Fleet maintenance:				
Salaries and employee benefits	-	1,190,433	-	1,122,343
Other operating expenditures	-	1,445,893	-	1,567,253
Total	3,900,487	2,636,326	1,264,161	2,689,596
Budgetary appropriations:				
Capital outlay	-	124,228	-	65,758
Total	125,329	124,228	1,101	65,758
Total expenditures	4,025,816	2,760,554	1,265,262	2,755,354
Revenues over (under) expenditures*	\$ (3,034)	6,268	\$ 9,302	\$ 26,763
RECONCILIATION FROM FINANCIAL PLAN BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Reconciling items:				
Increase in inventory		32,634		
Decrease in deferred outflows of resources-pensions		(21,178)		
Increase in net pension liability		(48,550)		
Decrease in deferred inflows of resources-pensions		1,285		
Increase in compensated absences payable		(13,616)		
Capital outlay		124,228		
Capital contributions		1,614		
Loss on disposal of capital assets		(8,575)		
Depreciation		(76,850)		
Total reconciling items		(9,008)		
Change in net position		\$ (2,740)		

*The change in net position was included in the budget as an appropriation of net position.

Custodial Funds

Custodial funds account for resources held by the County which qualify as fiduciary activities. The funds are expended or invested in accordance with agreements, applicable prescribed procedures or State law.

General Activities Fund – accounts for donated funds that are donor-specified for use within the community.

Libraries Activities Fund – accounts for funds received by the library board to be used in accordance with donation and memorial instructions.

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 property and vehicle 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.

DARE COUNTY, NORTH CAROLINA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2020

	General Activities	Library Activities	Social Services	Tax and ABC Pass-through
ASSETS				
Cash and cash equivalents	\$ 3,435	\$ 65,769	\$ 70,306	\$ 1,600,793
Accounts receivable (net of allowance for uncollectibles)	697	1,508	-	3,567,033
Due from component unit	-	-	-	71,790
Total assets	<u>4,132</u>	<u>67,277</u>	<u>70,306</u>	<u>5,239,616</u>
LIABILITIES				
Accounts payable	-	733	-	20,722
Intergovernmental payable - other agencies	-	-	-	3,425,075
Due to component unit	-	-	-	1,793,819
Total liabilities	<u>-</u>	<u>733</u>	<u>-</u>	<u>5,239,616</u>
NET POSITION	<u>\$ 4,132</u>	<u>\$ 66,544</u>	<u>\$ 70,306</u>	<u>\$ -</u>

Inmate Banking	Grant Pass-through	Fines and Forfeitures	Government Access	Totals
\$ 17,126	\$ -	\$ 794	\$ 258,297	\$ 2,016,520
-	3,437	23,416	97,525	3,693,616
-	-	-	-	71,790
<u>17,126</u>	<u>3,437</u>	<u>24,210</u>	<u>355,822</u>	<u>5,781,926</u>
-	3,437	24,210	8,090	57,192
-	-	-	-	3,425,075
-	-	-	-	1,793,819
<u>-</u>	<u>3,437</u>	<u>24,210</u>	<u>8,090</u>	<u>5,276,086</u>
<u>\$ 17,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,732</u>	<u>\$ 505,840</u>

DARE COUNTY, NORTH CAROLINA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2020

	General Activities	Library Activities	Social Services	Tax and ABC Pass-through
ADDITIONS				
Collections for participants or beneficiaries	\$ 3,499	\$ 27,661	\$ 321,238	\$ -
Taxes collected for other governments	-	-	-	48,016,598
Grants collected for other agencies	-	-	-	-
Fines and forfeitures collected for the Board of Education	-	-	-	-
Total additions	<u>3,499</u>	<u>27,661</u>	<u>321,238</u>	<u>48,016,598</u>
DEDUCTIONS				
Benefits paid to participants or beneficiaries	3,300	-	300,630	-
Payments on behalf of beneficiaries	-	34,770	-	-
Taxes distributed to other governments	-	-	-	48,016,598
Grant payments to other agencies	-	-	-	-
Fines and forfeitures distributed to the Board of Education	-	-	-	-
Total deductions	<u>3,300</u>	<u>34,770</u>	<u>300,630</u>	<u>48,016,598</u>
Net increase (decrease) in fiduciary net position	199	(7,109)	20,608	-
NET POSITION				
Beginning of year	3,933	73,653	49,698	-
End of year	<u>\$ 4,132</u>	<u>\$ 66,544</u>	<u>\$ 70,306</u>	<u>\$ -</u>

Inmate Banking	Grant Pass-through	Fines and Forfeitures	Government Access	Totals
\$ 224,188	\$ -	\$ -	\$ 299,985	\$ 876,571
-	-	-	-	48,016,598
-	24,272	-	-	24,272
-	-	404,034	-	404,034
<u>224,188</u>	<u>24,272</u>	<u>404,034</u>	<u>299,985</u>	<u>49,321,475</u>
219,402	-	-	-	523,332
-	-	-	329,655	364,425
-	-	-	-	48,016,598
-	24,272	-	-	24,272
-	-	404,034	-	404,034
<u>219,402</u>	<u>24,272</u>	<u>404,034</u>	<u>329,655</u>	<u>49,332,661</u>
4,786	-	-	(29,670)	(11,186)
12,340	-	-	377,402	517,026
<u>\$ 17,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,732</u>	<u>\$ 505,840</u>

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Other Schedules

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, 2020

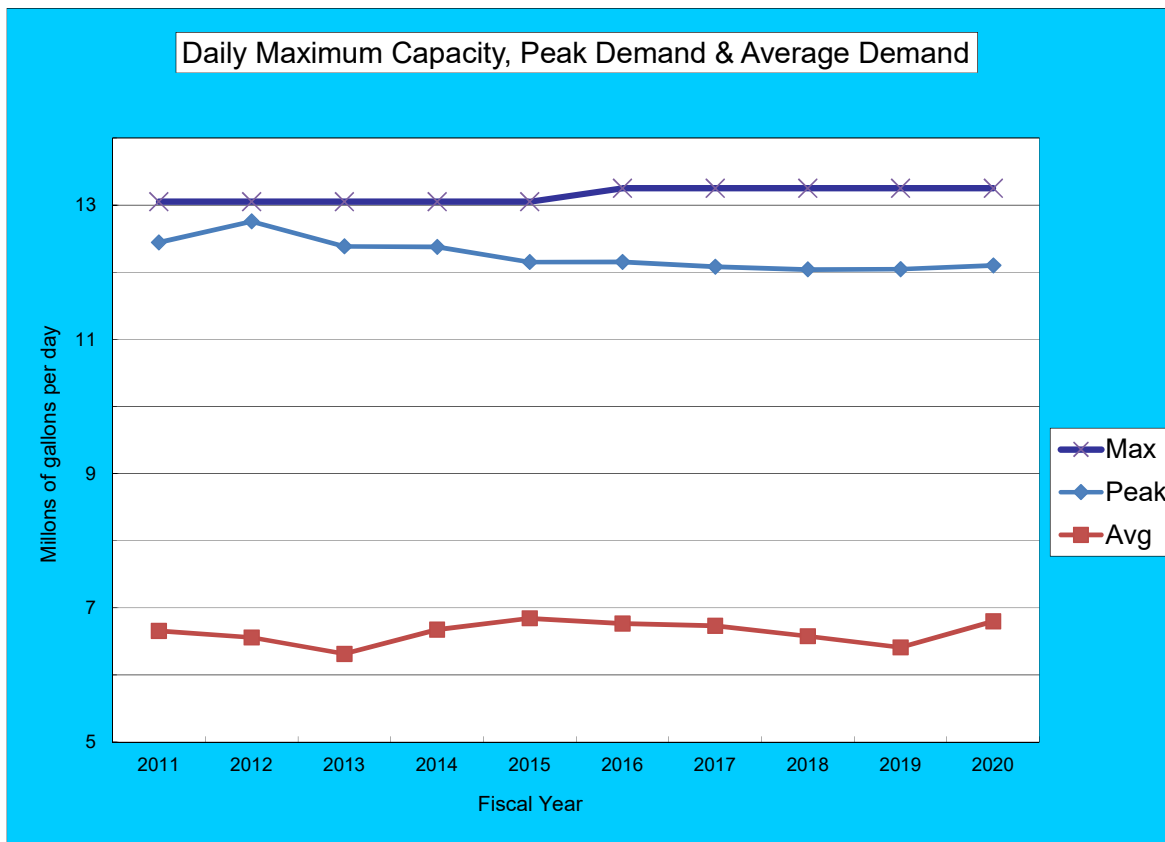
	<u>Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Real & Personal Property</u>	<u>Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 13,485,397,409	\$ 0.47	\$ 63,334,139	\$ 61,073,147	\$ 2,260,992
Penalties	-		58,402	58,402	-
Totals	<u>13,485,397,409</u>		<u>63,392,541</u>	<u>61,131,549</u>	<u>2,260,992</u>
Discoveries:					
Taxes	141,904,408	\$ 0.47	666,440	666,440	-
Penalties	-		511	511	-
Totals	<u>141,904,408</u>		<u>666,951</u>	<u>666,951</u>	<u>-</u>
Abatements	<u>(17,953,714)</u>		<u>(72,803)</u>	<u>(62,131)</u>	<u>(10,672)</u>
Total property valuation	<u>\$ 13,609,348,103</u>				
Net levy			63,986,689	61,736,369	2,250,320
Uncollected taxes at June 30, 2020			<u>478,836</u>	<u>478,836</u>	<u>-</u>
Current year's taxes collected			<u>\$ 63,507,853</u>	<u>\$ 61,257,533</u>	<u>\$ 2,250,320</u>
Percent current year taxes collected			99.25%	99.22%	100.00%

DARE COUNTY, NORTH CAROLINA
Schedule of Ad Valorem Taxes Receivable
General Fund
June 30, 2020

Tax Year	Fiscal Year Ended June 30	Uncollected Balance June 30, 2019	Additions	Collections and Adjustments	Uncollected Balance June 30, 2020
2019	2020	\$ -	\$ 63,986,689	\$ 63,507,853	\$ 478,836
2018	2019	315,431	-	193,571	121,860
2017	2018	104,509	-	34,228	70,281
2016	2017	66,199	-	12,015	54,184
2015	2016	60,847	-	9,019	51,828
2014	2015	46,902	-	7,609	39,293
2013	2014	63,197	-	2,857	60,340
2012	2013	56,159	-	4,041	52,118
2011	2012	50,695	-	1,341	49,354
2010	2011	40,086	-	1,190	38,896
2009	2010	37,440	-	21,869	15,571
2008	2009	12,505	-	286	12,219
2007	2008	13,377	-	182	13,195
2006	2007	11,174	-	192	10,982
2005	2006	9,831	-	159	9,672
2004	2005	5,708	-	50	5,658
2003	2004	1,825	-	-	1,825
		<u>\$ 895,885</u>	<u>\$ 63,986,689</u>	<u>\$ 63,796,461</u>	<u>\$ 1,086,113</u>
Less: allowance for non-collectible accounts					<u>(310,000)</u>
Ad valorem taxes receivable (net) – General Fund levy only					<u>\$ 776,113</u>
<u>Reconciliation with revenues</u>					
Taxes - Ad Valorem - General Fund					\$ 63,894,209
Penalties collected on ad valorem taxes					58,913
Reconciling Items:					
Interest collected					(131,278)
Amounts written off for tax year 2009 per statute of limitations					21,302
Adjustments relating to tax years 2010-2018					<u>(46,685)</u>
Total collections and adjustments					<u>\$ 63,796,461</u>

**DARE COUNTY, NORTH CAROLINA
WATER SYSTEM STATISTICS
Last Ten Fiscal Years**

Fiscal Year	# of Customers	New Connections	Retail Charge 7,500 gal/mo	# of Production Plants	Average Daily Demand (MGD)	Peak Daily Demand (MGD)	Maximum Capacity (MGD)	Storage Capacity (MG)
2020	20,557	189	\$71.04	5	6.800	12.180	13.250	21.150
2019	20,368	170	\$68.95	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



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>
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%
2020	2,117	12.180	108.8%	5.800	52.7%

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>
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%
2020	324	2.340	114.1%	.887	43.3%

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Service Rates
June 30, 2020

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 7/1/20.

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Retail Water Fees & Schedule
June 30, 2020

<u>Size of Meter</u>	<u>Connection Fees</u>	<u>Deposit</u>	<u>System Development Fee</u>	<u>Total</u>
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, 2020**

Major Retail Users

<u>Name</u>	<u>Annual Water Sales (MG)</u>	<u>Revenues</u>	<u>Percentage of Total Water Sales</u>
1. Hilton Gardens ¹	6.471	\$ 53,790	
2. Camp Hatteras Campground ²	5.654	49,530	
3 KOA Campground ²	4.351	35,315	
4 North Carolina Aquarium ¹	3.359	25,327	
5. KOA Campground ²	3.155	24,976	
6. Market Place Southern Shores ¹	2.822	21,832	
7. Sanderling Hotel ¹	2.716	20,933	
8. Holiday/Baymont Inn ¹	2.440	20,052	
9. R&M Properties ¹	2.164	16,581	
10. Sanderling Center ¹	<u>1.906</u>	<u>16,029</u>	
Totals	<u>35.038</u>	<u>\$ 284,365</u>	<u>2.32%</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>
2011	\$773,373	446.5	\$851,932	464.1	\$130,478	106.2
2012	\$768,666	445.4	\$785,403	452.8	\$128,433	104.6
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
2020	\$796,589	406.3	\$757,390	385.9	\$154,042	77.4

DARE COUNTY, NORTH CAROLINA
WATER SYSTEM
Five Year Operating Results Per Revenue Bond Covenants

	<u>2016⁽¹⁾⁽³⁾</u>	<u>2017⁽²⁾⁽³⁾</u>	<u>2018⁽²⁾⁽³⁾</u>	<u>2019⁽²⁾⁽³⁾</u>	<u>2020⁽²⁾⁽³⁾</u>
Operating Revenues:					
Water Sales	\$ 11,074,298	\$ 11,585,318	\$ 11,579,566	\$ 11,853,084	\$ 12,258,529
Capital Recovery Charges	541,805	468,837	500,610	485,545	497,239
Other Operating Revenues	<u>637,559</u>	<u>679,026</u>	<u>693,391</u>	<u>1,020,671</u>	<u>921,271</u>
Subtotal, Operating	12,253,662	12,733,181	12,773,567	13,359,300	13,677,039
Operating Expenses Before Depreciation & Amortization	<u>(8,231,423)</u>	<u>(8,732,505)</u>	<u>(8,928,724)</u>	<u>(9,246,724)</u>	<u>(10,068,715)</u>
Operating Income Before Depreciation & Amortization	4,022,239	4,000,676	3,844,843	4,112,576	3,608,324
Depreciation	(2,399,477)	(2,510,250)	(3,841,499)	(4,032,975)	(4,014,437)
Amortization of Net Original Issue Premium/(Discount) & Deferrals	<u>69,083</u>	<u>9,358</u>	<u>320,256</u>	<u>(49,941)</u>	<u>(36,651)</u>
Operating Income	1,691,845	1,499,784	323,600	29,660	(442,764)
Non-operating Revenues:					
Interest Earnings (non capital)	162,045	142,497	308,302	719,505	474,949
Sale of capital assets	-	-	-	15,825	-
Assessments	<u>428,481</u>	<u>408,605</u>	<u>394,156</u>	<u>346,324</u>	<u>340,012</u>
Subtotal, Non-operating Revenues	590,526	551,102	702,458	1,081,654	814,961
Non-operating Expenses	<u>(1,418,282)</u>	<u>(1,265,691)</u>	<u>(1,144,025)</u>	<u>(1,074,255)</u>	<u>(1,011,063)</u>
Change in Net Position as Defined	<u>\$ 864,089</u>	<u>\$ 785,195</u>	<u>\$ (117,967)</u>	<u>\$ 37,059</u>	<u>\$ (638,866)</u>
<i>Determination of Net Revenues Available for Debt Service</i>					
Change in Net Position as Defined	\$ 864,089	\$ 785,195	\$ (117,967)	\$ 37,059	\$ (638,866)
Plus: Depreciation	2,399,477	2,510,250	3,841,499	4,032,975	4,014,437
Plus: Interest Expense	1,436,621	982,166	1,140,730	1,074,255	1,011,063
Plus: OPEB Expense ⁽³⁾	-	-	-	-	301,519
(Less)/Plus: Net Amortization of OIP and Deferrals	<u>(69,083)</u>	<u>(9,358)</u>	<u>(320,256)</u>	<u>49,941</u>	<u>36,651</u>
Net Revenues Available for Debt Service	4,631,104	4,268,253	4,544,006	5,194,230	4,724,804
20% of Surplus Fund	<u>4,344,725</u>	<u>4,981,602</u>	<u>5,463,214</u>	<u>5,667,442</u>	<u>5,867,227</u>
Adjusted Net Revenues Available for Debt Service	<u>\$ 8,975,829</u>	<u>\$ 9,249,855</u>	<u>\$ 10,007,220</u>	<u>\$ 10,861,672</u>	<u>\$ 10,592,031</u>
Revenue Bond Debt Service	\$ 2,501,288	\$ 2,503,588	\$ 2,330,119	\$ 2,358,625	\$ 2,356,175
Debt Service Coverage with Surplus	3.76	3.69	4.29	4.61	4.49
Debt Service Coverage without Surplus	2.03	1.71	1.95	2.20	2.01

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.

STATISTICAL SECTION

This part of the 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 level of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators 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 government's financial report relates to the services the government 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 120,019,882
Restricted for:										
Stabilization by State statute	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	15,972,399
Economic and physical development	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	27,007,041
Public safety	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472	1,158,736	555,213
Human services	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983	151,087	494,110
General government	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089	3,316	10,675
Unrestricted	(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)	(146,401,902)
Total governmental activities net position	\$ 16,027,941	\$ (729,974)	\$ 1,630,401	\$ 11,185,001	\$ 19,796,860	\$ 33,815,634	\$ (42,789,127)	\$ (20,958,767)	\$ (572,717)	\$ 17,657,418
Effect of school debt upon total net position	\$ (102,696,465)	\$ (93,545,425)	\$ (87,394,834)	\$ (80,599,244)	\$ (76,289,820)	\$ (68,800,546)	\$ (61,997,380)	\$ (54,567,130)	\$ (47,681,190)	\$ (42,500,852)
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 40,371,063
Restricted	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	17,541,591
Unrestricted	25,048	712,918	5,948,491	7,319,092	7,648,450	9,993,161	(2,519,814)	(2,012,967)	307,220	(2,023,110)
Total business-type activities	\$ 62,237,780	\$ 62,917,146	\$ 62,480,498	\$ 62,746,717	\$ 63,515,911	\$ 65,141,832	\$ 55,865,195	\$ 56,205,231	\$ 56,398,800	\$ 55,889,544
Primary government:										
Net investment in capital assets	\$ 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	\$ 160,390,945
Restricted for:										
Stabilization by State statute	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	15,972,399
Economic and physical development	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	27,007,041
Bond covenants	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	17,541,591
Public safety	1,739,191	975,158	865,248	824,840	820,231	412,977	357,990	784,472	1,158,736	555,213
Human services	1,040,417	1,376,188	465,486	438,584	308,928	194,846	131,938	125,983	151,087	494,110
General government	42,621	57,210	50,078	30,704	19,591	12,253	7,313	4,089	3,316	10,675
Unrestricted	(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)	(148,425,012)
Total primary government net position	\$ 86,466,237	\$ 62,187,172	\$ 64,110,899	\$ 73,931,718	\$ 83,312,771	\$ 98,957,466	\$ 13,076,068	\$ 35,246,464	\$ 55,826,083	\$ 73,546,962
Effect of school debt upon total net position	\$ (102,696,465)	\$ (93,545,425)	\$ (87,394,834)	\$ (80,599,244)	\$ (76,289,820)	\$ (68,800,546)	\$ (61,997,380)	\$ (54,567,130)	\$ (47,681,190)	\$ (42,500,852)

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
(acrual basis of accounting)

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 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	\$ 14,206,541
Public safety	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	39,735,797
Economic & physical development	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	9,571,762
Human services	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	19,212,595
Cultural & recreational	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	5,738,891
Environmental protection	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	10,181,361
Education	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	26,645,392
Transportation	811,646	676,568	681,013	687,563	691,814	744,374	710,950	754,943	807,753	847,467
Interest on long-term debt	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	2,575,504
Total governmental activities expenses	<u>94,136,440</u>	<u>119,878,754</u>	<u>96,558,413</u>	<u>100,486,862</u>	<u>104,195,174</u>	<u>106,410,100</u>	<u>121,713,921</u>	<u>121,307,249</u>	<u>118,445,507</u>	<u>128,715,310</u>
Business-type activities:										
Water	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	15,001,256
Total primary government expenses	<u>\$ 104,161,205</u>	<u>\$ 131,060,007</u>	<u>\$ 107,884,159</u>	<u>\$ 112,243,745</u>	<u>\$ 115,984,393</u>	<u>\$ 118,360,428</u>	<u>\$ 134,059,510</u>	<u>\$ 134,686,797</u>	<u>\$ 132,677,067</u>	<u>\$ 143,716,566</u>

Program Revenues

Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,892,266
Public safety	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	5,254,952
Economic & physical development	197,500	182,111	199,035	238,514	244,626	362,158	308,788	471,196	496,362	466,839
Human services	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	2,371,650
Cultural & recreational	284,579	297,285	359,461	337,350	441,104	441,502	398,800	376,160	378,699	305,343
Environmental protection	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	1,769,110
Operating grants & contributions:										
General government	216,795	5,365,575	393,946	(1,376)	12,427	21,116	10,346	10,044	9,630	9,820
Public safety	148,495	294,198	169,899	141,779	169,920	152,665	2,210,100	379,193	576,680	3,814,193
Economic & physical development	53,677	1,975	5,600	89,075	302,845	8,410	27,757	228,050	5,124,674	10,055,676
Human services	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	5,138,588
Cultural & recreational	703,977	371,978	433,204	445,468	440,907	461,571	442,077	423,320	396,909	425,311
Environmental protection	96,196	119,064	100,958	166,128	97,187	64,203	65,535	28,200	2,653	2,161
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	-	1,050	-	93,699	1,135,453	2,828,507	7,043,160	201,810	6,623	145,010
Economic & physical development	59,561	-	46,506	292,697	-	20,210	12,829,735	10,134,438	50,996	220,153
Cultural & recreational	543,095	92,130	1,392,956	1,494,326	93,885	613,706	246,293	29,770	183,779	66,625
Education	391,493	142,371	-	-	-	-	-	-	-	325,000
Total governmental activities program revenues	<u>18,544,908</u>	<u>22,336,888</u>	<u>18,449,964</u>	<u>19,876,991</u>	<u>19,395,983</u>	<u>22,129,801</u>	<u>41,035,692</u>	<u>29,866,022</u>	<u>24,462,951</u>	<u>32,262,697</u>

(continued)

Dare County, North Carolina
Changes in Net Position (continued)
Last Ten Fiscal Years
(accural basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Water	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	14,017,051
Capital grants & contributions	1,225,647	522,500	-	-	-	-	14,945	-	-	-
Total business-type activities program revenues	11,951,104	12,019,072	11,387,850	12,038,118	12,739,167	13,389,431	13,156,731	13,167,723	13,705,624	14,017,051
Total primary government program revenues	\$ 30,496,012	\$ 34,355,960	\$ 29,837,814	\$ 31,915,109	\$ 32,135,150	\$ 35,519,232	\$ 54,192,423	\$ 43,033,745	\$ 38,168,575	\$ 46,279,748
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (96,452,613)
Business-type activities	1,926,339	837,819	62,104	281,235	949,948	1,439,103	811,142	(211,825)	(525,936)	(984,205)
Total primary government net expense	\$ (73,665,193)	\$ (96,704,047)	\$ (78,046,345)	\$ (80,328,636)	\$ (83,849,243)	\$ (82,841,196)	\$ (79,867,087)	\$ (91,653,052)	\$ (94,508,492)	\$ (97,436,818)
General Revenues & Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 68,444,452
Sales taxes	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	20,780,654
Occupancy taxes	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	14,387,117
Alcoholic beverage taxes and sales	1,103,186	1,019,234	1,298,034	1,263,772	1,604,848	1,600,819	1,586,185	1,672,939	1,686,235	1,686,235
Local realty transfer taxes	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	4,833,635
Other taxes	819,270	842,835	704,930	847,873	831,367	726,450	832,754	1,389,225	1,022,815	597,829
Other revenues	361,291	1,226,039	996,392	380,248	471,615	602,726	2,528,716	486,795	590,482	2,362,910
Investment earnings (loss)	519,772	507,700	(12,692)	370,920	445,657	421,320	720,606	1,108,457	2,355,310	1,589,916
Special item - swap termination	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-	-
Gain on sale and donations of capital assets	111,446	-	-	-	-	-	-	-	-	-
Transfers	451,596	494,837	457,132	-	22,327	(18,075)	-	-	-	-
Total governmental activities	82,397,574	80,783,951	80,468,824	90,969,099	96,797,485	98,272,585	103,896,949	110,752,143	114,368,605	114,682,748
Business-type activities:										
Investment earnings (loss)	157,328	336,384	(41,620)	157,607	168,700	168,743	142,497	308,302	719,505	474,949
Transfers	(451,596)	(494,837)	(457,132)	-	(22,327)	18,075	-	-	-	-
Total business-type activities	(294,268)	(158,453)	(498,752)	157,607	146,373	186,818	142,497	308,302	719,505	474,949
Total Primary government	\$ 82,103,306	\$ 80,625,498	\$ 79,970,072	\$ 91,126,706	\$ 96,943,858	\$ 98,459,403	\$ 104,039,446	\$ 111,060,445	\$ 115,088,110	\$ 115,157,697
Change in Net Position										
Governmental activities	\$ 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	\$ 18,230,135
Business-type activities	1,632,071	679,366	(436,648)	438,842	1,096,321	1,625,921	953,639	96,477	193,569	(509,256)
Total primary government	\$ 8,438,113	\$ (16,078,549)	\$ 1,923,727	\$ 10,798,070	\$ 13,094,615	\$ 15,618,207	\$ 24,172,359	\$ 19,407,393	\$ 20,579,618	\$ 17,720,879

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 1,672,757	\$ 28,588	\$ 28,419	\$ 17,028	\$ 10,583	\$ 10,347	\$ 13,176	\$ 14,354	\$ 14,272	\$ 12,460
Restricted for:										
Stabilization by State statute	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	12,235,990
Capital	93,062	479,505	409,671	1,122,755	-	-	-	-	-	-
General government	42,621	57,210	50,078	30,704	19,591	12,256	7,313	4,089	3,316	10,675
Public safety	168,253	107,742	60,333	39,387	22,552	27,539	43,777	53,617	60,448	75,550
Human services	1,040,417	1,376,188	465,486	318,030	222,793	175,116	116,723	110,000	110,000	110,000
Committed for:										
Capital or debt service	-	-	-	-	-	-	-	-	-	3,971,103
Public safety	-	-	-	-	-	2,608	-	-	-	-
Human services	82,115	74,125	92,168	91,287	77,182	60,609	36,223	6,495	-	-
Debt service	58,780	-	-	-	-	-	-	-	-	-
Swap termination	-	517,732	-	-	-	-	-	-	-	-
Disaster recovery	740,356	439,342	645,397	620,609	507,580	502,658	612,216	606,355	857,350	-
Assigned for subsequent year's expenditures	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	3,304,594
Unassigned	14,152,593	12,083,291	12,473,770	13,332,927	15,741,283	19,507,315	20,044,953	24,991,118	29,555,668	27,926,254
Total General Fund	\$ 28,271,298	\$ 28,612,204	\$ 26,237,698	\$ 27,822,921	\$ 29,594,835	\$ 31,788,329	\$ 34,179,498	\$ 40,077,957	\$ 44,836,827	\$ 48,189,716

All Other Governmental Funds:

Restricted for:										
Stabilization by State statute	\$ 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	\$ 3,736,409
Economic & physical development	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	27,007,041
Public safety	1,570,938	867,416	804,915	785,453	797,679	385,438	314,213	730,855	1,098,288	732,385
Human services	-	-	-	120,554	86,135	19,730	15,215	15,983	41,087	131,388
Capital or debt service	764,772	467,128	73	236,334	800,190	585,313	648,735	818,682	937,612	-
Capital	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	490,779
Future dredge loan	-	-	-	-	-	-	-	-	-	14,545,389
Committed for:										
Capital	1,939,855	1,508,686	-	641,987	-	-	-	-	-	-
Disaster recovery	-	-	-	-	-	-	-	-	-	-
Economic & physical development	-	-	-	-	-	221,812	32,535	216,285	9,059	25,564
Environmental protection	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	3,596,081
School capital projects	482,119	489,380	-	-	269,827	-	267,348	288,754	651,476	1,129,769
Assigned for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unassigned	(125,371)	(150,671)	(10,615,946)	(617,426)	(478,049)	(133,299)	-	-	(142,298)	(1,796,961)
Total all other governmental funds	\$ 41,810,780	\$ 23,381,214	\$ 30,632,855	\$ 34,264,930	\$ 32,632,572	\$ 52,048,034	\$ 64,121,031	\$ 37,414,515	\$ 44,981,758	\$ 49,597,844

Dare County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad valorem taxes	\$ 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	\$ 68,266,765
Other taxes	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	40,111,092
Unrestricted intergovernmental	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	1,396,873
Restricted intergovernmental	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	20,708,910
Permits and fees	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	2,967,293
Sales and services	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	8,821,014
Interest earnings	519,771	507,700	(12,691)	370,922	445,657	421,320	573,323	1,108,457	2,355,309	1,589,917
Other	1,347,363	964,146	887,615	1,308,658	1,049,189	1,065,599	13,694,556	10,813,529	944,256	2,217,012
Total revenues	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	146,078,876
Expenditures										
General government	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	12,119,002
Public safety	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	34,431,996
Economic & physical development	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	4,790,046
Human services	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	17,253,923
Cultural & recreational	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	4,660,391
Environmental protection	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	8,435,896
Education	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	24,225,934
Airport	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061	813,859	853,062
Capital outlay	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	9,963,409
Debt service:										
Principal	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	20,501,185
Interest	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	3,190,822
Bond issuance costs	-	542,768	937,320	3,710	61,424	285,091	3,195	-	-	-
Total expenditures	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	140,425,666
Excess (deficiency) of revenues over (under) expenditures	(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)	5,653,210
Other financing sources (uses)										
Transfers in	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	4,933,609
Transfers out	(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)	(4,933,609)
Installment financings issued	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	25,485,943
Premium on installment financings issued	-	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	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)	-	-	-	(23,259,385)
Swap termination payment	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-	-
Sales of capital assets	1,30,511	229,652	42,678	35,426	83,052	142,346	541,235	125,856	179,025	89,207
Total other financing sources (uses)	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	2,315,765
Net change in fund balances	\$ 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	\$ 7,968,975
Debt service as a percentage of noncapital expenditures ⁽¹⁾	18.18%	13.88%	15.66%	17.71%	17.05%	16.73%	17.80%	17.92%	19.60%	18.16%

⁽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 14.C Financing Structure of Installment Financings for School Facilities and Note 19 for further explanation.

Dare County, North Carolina
Changes in Fund Balances of General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad valorem taxes	\$ 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	\$ 63,894,209
Other taxes	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	30,388,598
Unrestricted intergovernmental	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	1,396,873
Restricted intergovernmental	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	8,568,962
Permits and fees	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	2,684,228
Sales and services	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	7,396,401
Interest earnings	237,904	283,453	6,591	217,360	242,719	214,795	253,805	512,887	1,173,151	872,563
Other	846,438	864,150	770,567	766,728	979,178	654,628	849,679	625,070	867,725	915,942
Total revenues	86,023,358	91,300,503	85,864,922	93,797,594	95,115,863	96,800,752	101,743,744	107,219,242	109,945,324	116,117,776
Expenditures										
General government	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	11,626,734
Public safety	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	32,740,683
Economic & physical development	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	1,245,556
Human services	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	16,982,812
Cultural & recreational	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	4,649,888
Environmental protection	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	2,358,170
Education	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	24,177,017
Airport	814,757	676,355	671,615	687,703	692,609	748,868	716,532	763,061	813,859	853,062
Capital outlay	1,167,907	843,393	1,337,393	1,424,450	818,620	887,451	1,673,061	1,694,072	2,176,924	2,280,055
Debt service:										
Principal	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	13,138,412
Interest	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	2,610,208
Bond issuance costs	-	542,768	842,640	3,710	61,424	178,281	-	-	-	-
Total expenditures	90,742,848	96,734,119	90,778,837	95,866,612	96,792,226	97,787,672	103,437,644	105,151,268	109,327,818	112,662,597
Excess (deficiency) of revenues over (under) expenditures	(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	3,455,179
Other financing sources (uses)										
Transfers in	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	740,000
Transfers out	(7,545)	(12,500)	(100,000)	(495,402)	(250,000)	(655,773)	(200,000)	(486,082)	(400,000)	(3,557,069)
Installment financings issued	755,000	37,290,000	64,653,933	1,005,925	921,085	9,835,569	933,792	1,459,336	1,528,866	24,957,384
Premium on installment financing	-	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	-	(37,558,280)	(72,722,581)	-	-	(9,541,866)	-	-	-	(23,259,385)
Swap termination payment	-	(3,575,000)	(3,160,000)	-	-	-	-	-	-	-
Sales of capital assets	130,511	31,752	42,678	35,426	83,052	142,346	84,092	125,856	179,025	78,207
Total other financing sources (uses)	5,871,418	5,792,522	2,521,409	3,654,241	3,448,277	3,153,923	4,085,069	3,830,485	4,141,364	(1,040,863)
Net change in fund balances	\$ 1,151,928	\$ 358,906	\$ (2,392,506)	\$ 1,585,223	\$ 1,771,914	\$ 2,167,003	\$ 2,391,169	\$ 5,898,459	\$ 4,758,870	\$ 2,414,316
Debt service as a percentage of noncapital expenditures	18.72%	16.83%	16.34%	18.75%	18.56%	18.23%	17.01%	16.52%	15.83%	14.27%
Debt service as a percentage of expenditures	18.48%	16.69%	16.10%	18.47%	18.41%	18.06%	16.73%	16.26%	15.52%	13.98%
Unassigned fund balance as a percentage of current year expenditures	15.60%	12.49%	13.74%	13.91%	16.26%	19.95%	19.38%	23.77%	27.03%	24.79%

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.
2020 public safety expenditures include \$2,799,159 from Hurricane Dorian.

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 (3)	Estimated Actual Taxable Value (3)	
	Residential	Commercial	Use Value (5)	Personal Property	Motor Vehicles (6)	Public Service Companies (1)				
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	112.83%	\$ 15,570,061,307
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	118.73%	\$ 14,842,679,744
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	123.12%	\$ 14,323,882,977
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	94.15%	\$ 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	93.80%	\$ 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	95.17%	\$ 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	92.42%	\$ 14,216,486,926
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	90.27%	\$ 14,727,128,796
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	88.93%	\$ 15,176,892,680
2020	\$ 11,254,137,575	\$ 1,286,608,460	\$ 33,600	\$ 439,146,174	\$ 488,712,164	\$ 140,709,590	\$ 13,609,348,103	\$ 0.470	83.49%	\$ 16,300,572,647

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.
- (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 motor vehicle levies due to the implementation of a new state collection system. In fiscal year 2020 March through June vehicle registration renewal dates, and thus the property tax due dates, were extended by the Governor by six months.

Dare County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dare County	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.47	\$ 0.47	\$ 0.47
<u>Municipality Rates:</u>										
Town of Duck	0.115	0.125	0.125	0.21	0.21	0.21	0.21	0.21	0.225	0.225
Town of Kill Devil Hills	0.205	0.215	0.2350	0.3209	0.3509	0.3809	0.3809	0.3809	0.3809	0.40
Town of Kitty Hawk	0.18	0.18	0.20	0.30	0.32	0.30	0.30	0.30	0.30	0.30
Town of Manteo	0.235	0.235	0.255	0.35	0.36	0.37	0.37	0.37	0.37	0.37
Town of Nags Head	0.1575	0.1775	0.1775	0.257	0.267	0.297	0.297	0.297	0.307	0.317
Town of Southern Shores	0.0140	0.14	0.16	0.22	0.22	0.22	0.22	0.22	0.22	0.22
<u>Special Districts:</u>										
Avon Fire	0.04	0.04	0.04	0.0665	0.0665	0.0665	0.0665	0.0665	0.0665	0.0665
Buxton Fire	0.055	0.055	0.055	0.0819	0.1058	0.1058	0.1058	0.1058	0.1058	0.1058
Colington Fire	0.0875	0.0875	0.0875	0.1191	0.1191	0.1391	0.1391	0.1391	0.1391	0.1391
Frisco Fire	0.035	0.035	0.035	0.0559	0.0559	0.0559	0.0559	0.0559	0.0559	0.0559
Hatteras Fire	0.04	0.04	0.04	0.0634	0.0634	0.0634	0.0634	0.0634	0.0634	0.0634
Manns Harbor Fire	0.0475	0.0475	0.0475	0.0703	0.0703	0.0703	0.0703	0.0703	0.0703	0.0703
Martin's Point Fire	0.0325	0.0325	0.0325	0.0459	0.0459	0.0459	0.0459	0.0459	0.0519	0.0519
Roanoke Island Fire	0.035	0.035	0.0325	0.0435	0.0435	0.0435	0.0435	0.0435	0.0435	0.0435
Rodanthe-Waves Fire	0.04	0.04	0.05	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861
Salvo Fire	0.045	0.0450	0.0450	0.08	0.08	0.08	0.08	0.0861	0.0861	0.0861
Stumpy Point Fire	0.0625	0.0625	0.0625	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962
Hatteras Community Center	0.0525	0.0525	0.0525	0.0634	0.0821	0.0821	0.0821	0.0821	0.0821	0.0821
Rodanthe-Waves-Salvo Community Center	0.0175	0.0175	0.0175	0.0306	0.0306	0.0306	0.0306	0.0306	0.0306	0.0306
Stumpy Point Community Center	0.02	0.02	0.02	0.0306	0.0308	0.0308	0.0308	0.0308	0.0308	0.0308
Wanchese Community Center	0.02	0.02	0.02	0.0306	0.0306	0.0266	0.0266	0.0266	0.0266	0.0266
Sanitation	0.0675	0.0675	0.0675	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030
Hatteras Island Rescue Squad	0.006	0.006	0.006	0.0096	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	0.175
Town of Duck Beach Nourishment A	-	-	-	-	-	0.148	0.148	0.148	0.148	0.148
Town of Duck Beach Nourishment B	-	-	-	-	-	0.315	0.315	0.315	0.315	0.315
Town of Kill Devil Hills Nourishment	-	-	-	-	-	0.33	0.33	0.33	0.33	0.33
Town of Kitty Hawk Nourishment A	-	-	-	-	-	0.04	0.04	0.04	0.04	0.04
Town of Kitty Hawk Nourishment B	-	-	-	-	-	0.12	0.12	0.12	0.12	0.12
Buxton Beach Nourishment	-	-	-	-	-	0.25	0.25	0.25	0.25	0.25

Dare County, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago

	Fiscal Year 2020				Fiscal Year 2011			
	Taxpayer	Type of Business	Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation	Assessed Valuation	Rank (1)	Percentage of Total Assessed Valuation
	Dominion NC Power	Utilities	\$ 100,566,078	1	0.73%	\$ 91,455,042	1	0.52%
	Ships Watch Association	Resort	29,033,650	2	0.21%	24,612,000	5	0.14%
	Outer Banks Beach Club	Resort	24,071,600	3	0.17%	25,896,080	6	0.14%
	Brian K. Newman	Real estate developer	24,029,477	4	0.17%	36,494,398	4	0.20%
	Diamond Resorts GK Development, LLC	Resort	20,926,618	5	0.15%			
	CWI Sanderling Hotel LP	Resort	19,986,205	6	0.14%	26,327,850	8	0.14%
	OBX Resort, LLC	Resort	16,165,518	7	0.11%			
	View, LLC	Real estate developer	15,148,570	8	0.11%			
	Charter Communications	Utilities	14,982,291	9	0.11%			
	Peachtree Shoreside, LLC	Commercial real estate development						
			14,350,500	10	0.10%			
	Barrier Island Station Inc.	Resort				52,967,330	2	0.30%
	Billy G. Roughton	Real estate developer				42,455,115	3	0.24%
	Luxury Outer Banks Homes, LLC	Real estate development				23,059,780	7	0.13%
	Croatian Surf Club, LLC	Resort				23,614,200	9	0.13%
	Carolina Telephone	Utilities				22,881,771	10	0.13%
	Totals		\$ 279,260,507		2.00%	\$ 369,763,566		2.07%

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		Subsequent Years	Amount	Percentage of Levy	
2011	\$ 48,869,553	\$ 291,359	\$ 49,160,912	\$ 48,612,739	98.89%		\$ 509,277	\$ 49,122,016	99.92%	
2012	\$ 49,016,756	\$ 332,715	\$ 49,349,471	\$ 48,867,557	99.02%		\$ 432,560	\$ 49,300,117	99.90%	
2013	\$ 49,110,854	\$ 328,439	\$ 49,439,293	\$ 48,973,021	99.06%		\$ 414,155	\$ 49,387,176	99.89%	
2014	\$ 54,304,643	\$ 567,249	\$ 54,871,892	\$ 54,413,187	99.17%		\$ 400,999	\$ 54,814,186	99.90%	
2015	\$ 54,722,548	\$ 582,530	\$ 55,305,078	\$ 54,897,469	99.26%		\$ 368,316	\$ 55,265,785	99.93%	
2016	\$ 55,227,895	\$ 599,445	\$ 55,827,340	\$ 55,529,920	99.47%		\$ 245,592	\$ 55,775,512	99.91%	
2017	\$ 55,924,335	\$ 598,117	\$ 56,522,452	\$ 56,084,403	99.22%		\$ 383,865	\$ 56,468,268	99.91%	
2018	\$ 61,798,382	\$ 675,739	\$ 62,474,121	\$ 62,156,993	99.48%		\$ 246,847	\$ 62,403,840	99.48%	
2019	\$ 62,784,390	\$ 658,184	\$ 63,442,574	\$ 63,127,143	99.50%		\$ 193,571	\$ 63,320,714	99.50%	
2020	\$ 63,392,541	\$ 594,148	\$ 63,986,689	\$ 63,507,853	99.25%		\$ -	\$ 63,507,853	99.25%	

Source: Dare County Tax Department

Dare County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Outstanding Debt											
Fiscal Year	Governmental Activities					Business-type Activities		Percentage of Estimated Actual Taxable Property Value		Per Capita	Percentage of Personal Income
	General Obligation Bonds	Installment Financings	Installment Financings		Capital Leases	Revenue Bonds	Total Primary Government	Governmental Activities	Total		
			Private Placements								
2011	\$ 510,971	\$ 142,211,578	\$ -	-	\$ 2,101,341	\$ 35,262,044	\$ 180,085,934	0.93%	1.16%	\$ 5,273	(1)
2012	\$ 410,630	\$ 135,305,030	\$ -	-	\$ 2,496,040	\$ 33,985,710	\$ 172,197,410	0.93%	1.16%	\$ 5,008	
2013	\$ 310,366	\$ 134,499,934	\$ -	-	\$ 2,897,253	\$ 32,637,939	\$ 170,345,492	0.96%	1.19%	\$ 4,894	
2014	\$ 210,000	\$ 129,061,093	\$ -	-	\$ 3,856,246	\$ 31,373,365	\$ 164,500,704	0.98%	1.21%	\$ 4,714	
2015	\$ 110,000	\$ 118,564,006	\$ -	-	\$ 3,537,758	\$ 30,248,030	\$ 152,459,794	0.89%	1.11%	\$ 4,299	
2016	\$ -	\$ 122,330,164	\$ -	-	\$ 3,010,058	\$ 29,096,976	\$ 154,437,198	0.92%	1.13%	\$ 4,310	
2017	\$ -	\$ 128,730,168	\$ -	-	\$ 3,856,371	\$ 31,355,654	\$ 163,942,193	0.93%	1.15%	\$ 4,529	
2018	\$ -	\$ 110,413,112	\$ -	-	\$ 3,922,754	\$ 29,499,175	\$ 143,835,041	0.78%	0.98%	\$ 3,929	
2019	\$ -	\$ 65,008,471	\$ 35,633,038		\$ 5,115,642	\$ 27,917,152	\$ 133,674,303	0.46%	0.88%	\$ 3,612	
2020	\$ -	\$ 36,369,145	\$ 47,500,519		\$ 4,692,921	\$ 26,270,092	\$ 114,832,677	0.25%	0.70%	\$ 3,030	*

* 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 Estimated Actual Taxable Property		Per Capita
			(1)	(2)	
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	\$ -	0.00%	0.000%	\$ -	
2020	\$ -	*	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 for personal income and population data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Dare County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 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	\$ 13,609,348,103
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 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	\$ 1,088,747,848
Amount of Debt Applicable to Limit										
Gross debt	\$ 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	\$ 111,098,440
Less: Amount available for repayment of installment financings	-	-	-	-	-	-	-	-	-	-
Water revenue bonds	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	24,925,000
Total net debt applicable to limit	\$ 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	\$ 86,173,440
Legal Debt Margin	\$ 1,261,419,618	\$ 1,274,575,503	\$ 1,278,106,881	\$ 901,210,862	\$ 915,357,178	\$ 921,253,742	\$ 925,110,728	\$ 954,206,021	\$ 977,576,173	\$ 1,002,574,408
Total net debt applicable to the limit as a percentage of debt limit	10.25%	9.59%	9.41%	11.95%	11.01%	11.26%	11.99%	10.28%	9.46%	7.91%
Total net debt applicable to the limit as a percentage of assessed value	0.82%	0.77%	0.75%	0.96%	0.88%	0.90%	0.96%	0.82%	0.76%	0.63%

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, 2020

<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	\$ 4,099,744	100%	\$ 4,099,744
Kill Devil Hills	\$ 10,433,496	100%	10,433,496
Kitty Hawk	\$ 3,999,600	100%	3,999,600
Nags Head	\$ 12,842,869	100%	12,842,869
Dare County Board of Education	\$ 194,350	100%	194,350
Overlapping debt			31,375,709
County of Dare direct debt			88,562,585
Total direct and overlapping debt			<u>\$ 119,938,294</u>

Source: Outstanding debt data provided by the municipalities and school system.

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

Fiscal Year	Utilities System (Water) Revenue Bonds									
	Operating Revenues	Operating Expenses	Depreciation and Amortization	Operating Income	Non-operating Revenues	Non-operating Expenses	Net Available Revenue	Debt Service		
								Principal	Interest	
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
2020	\$ 13,677,039	\$ 10,068,715	\$ 4,014,437	\$ (442,764)	\$ 814,961	\$ 1,011,063	\$ 10,592,031	\$ 1,330,000	\$ 1,026,175	4.49

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. Per the series 2011 bonds series indenture, OPEB expense is an allowed adjustment as of 7/1/2019.

Dare County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Taxable Retail Sales	Per Capita			Unemployment Rate			Building Permits		Total Employment		
			Personal Income	Personal Income as a percentage of the State	Public School Enrollment	Annual Average	Month of July	Month of January	Number	Value	Annual Average	Month of July	Estimated Value Per Capita
	(1) (2)	(8)	(7)	(7)	(3)	(4)	(4)	(4)	(5)	(5)	(4)	(4)	(6)
2011	34,155	\$ 1,099,298,494	\$ 1,359,048,000	\$ 39,693	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	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	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	4,978	8.40%	5.70%	15.60%	3,787	\$ 114,641,365	18,199	22,118	\$ 389,416
2015	35,468	\$ 1,278,542,243	\$ 1,650,042,000	\$ 47,465	4,979	7.50%	5.10%	14.10%	3,582	\$ 150,626,501	18,733	22,517	\$ 386,874
2016	35,829	\$ 1,352,076,063	\$ 1,733,289,000	\$ 48,793	5,010	6.70%	4.60%	12.80%	3,992	\$ 168,779,099	18,716	22,697	\$ 381,257
2017	36,199	\$ 1,483,764,517	\$ 1,771,173,000	\$ 51,698	5,140	6.20%	3.80%	12.00%	4,303	\$ 186,603,373	18,963	22,938	\$ 403,021
2018	36,607	\$ 1,551,369,779	\$ 1,928,241,000	\$ 53,834	5,127	5.33%	3.60%	10.00%	4,753	\$ 193,109,068	18,934	22,951	\$ 409,551
2019	37,009	\$ 1,599,187,555	\$ 2,055,507,000	\$ 56,314	5,172	4.85%	3.70%	8.40%	4,906	\$ 187,255,645	19,116	23,310	\$ 438,097
2020	37,900	\$ 1,560,596,499	*	*	5,235	*	8.10%	8.50%	*	*	*	19,121	*

* Information not yet available.

Notes:

- (1) 2020 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. 2020 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.
- (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**

	2020			2011			
	Employer	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	3.45%
	Dare County Schools	713	2	3.11%	784	1	3.66%
	Vidant Medical Center	250-499	3	1.63%	250-499	5	1.75%
	Food Lion	250-499	4	1.63%	250-499	6	1.75%
	NC Dept. of Transportation	250-499	5	1.63%	250-499	3	1.75%
	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	4	1.75%
	Lowe's	100-249	9	0.76%			
	Spencer Yachts Inc.	100-249	10	0.76%			
	Carolina Designs Realty Inc.				100-249	7	0.82%
	Harris Teeter Inc.				100-249	9	0.82%
	Spm Resorts Inc.				100-249	10	0.82%
	Totals	<u>2,795 - 4,287</u>		<u>15.14%</u>	<u>2,975- 4,515</u>		<u>17.34%</u>

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>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>	<u>2020</u>
General Government										
Public Safety	92	90	89	87	88	88	88	87	97	98
Sheriff										
Detention center	70	70	69	71	71	73	72	74	75	77
Emergency medical services	50	50	50	50	50	50	50	52	52	52
Other public safety	86	86	94	95	95	95	95	104	113	116.25
	31	30	30	29	30	32	32	34	34	34
Total Public Safety	237	236	243	245	246	250	249	264	274	279.25
Environmental protection	57	54	54	54	54	54	52	52	50	49
Economic and physical development	14	11	11	11	11	11	11	11	11	12
Human Services										
Health	91	93	94	94	91	91	90	90	91	92
Social services	93	94	94	94	95	94	94	98	98	100.75
Other human services	1	1	1	1	5	5	6	6	6	0.5
Total Human Services	185	188	189	189	191	190	190	194	195	193.25
Cultural and recreation	58	58	58	59	59	59	59	59	50	50
Water (Business Activity)	65	65	65	65	64	64	64	64	64	64
Internal Service	17	17	17	17	17	17	17	17	16	16
Totals	725	719	726	727	730	733	730	748	757	761.5
Related Organization - Dare County Board of Education										
State funded	425	408.5	421	418	410	419	428	451	450	450
Federally funded	52	30	33	38	31	29	28	29	28	28
Locally funded	245	268	251	255	255	244	250	235	235	235
Totals	722	706.5	705	711	696	692	706	715	713	713

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
<u>Finance</u>										
Accounting transactions processed	58,290	57,145	59,044	54,303	56,129	56,169	55,804	56,468	55,718	58,188
Purchase orders issued	909	995	986	914	933	931	958	1,002	1,080	1,081
Public Safety										
<u>Sheriff⁽¹⁾</u>										
Miles driven	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	1,300,812
Civil papers served	7,709	9,502	7,567	5,839	6,528	4,571	5,920	5,010	4,821	4,420
Citations issued	1,247	994	1,246	1,714	1,614	2,065	3,213	2,313	2,176	2,129
Arrests	3,549	1,657	1,182	3,094	1,121	1,036	1,005	887	844	717
Warnings	3,543	3,543	2,671	3,183	3,118	3,103	3,566	3,526	3,987	4,272
Calls	17,732	19,989	18,237	18,102	19,426	27,472	27,899	25,984	22,348	21,103
Transports	169	141	204	278	273	235	226	190	184	179
<u>Detention Center</u>										
Total inmates - annual	2,069	2,083	2,144	2,005	1,576	2,171	2,653	2,397	2,263	1,987
Average daily population	59	68	80	69	68	54	79	89	76	75
Transports out of county	200	473	206	135	93	138	163	152	141	135
Transports mileage	66,288	95,214	67,206	37,394	23,288	29,289	57,120	35,054	56,320	28,683
Transports to court	1,185	1,178	1,490	1,323	1,159	1,019	1,289	1,403	1,197	926
<u>Emergency Medical Services</u>										
Billable transports	5,161	5,356	5,957	4,998	5,095	5,586	5,667	5,981	6,096	5,661
Total call volume ⁽¹⁾	7,703	7,640	8,223	8,136	8,159	8,627	9,011	9,405	9,669	8,806
Call volume for the month of July ⁽¹⁾	907	948	1,002	1,014	993	1,132	1,056	1,005	1,210	1,155
Call volume for the month of January ⁽¹⁾	502	430	537	440	494	517	582	637	579	633
EMS helicopter flights ⁽¹⁾	236	191	255	310	188	355	370	247	263	204
<u>Communications</u>										
<u>Law Enforcement Contacts</u>										
Sheriff's Office	10,791	20,194	18,304	17,909	19,426	27,472	29,862	27,373	23,368	22,590
Duck Police Department	6,701	10,800	10,588	12,400	14,309	14,998	14,948	15,085	12,563	13,733
Hyde County Sheriffs Office ⁽⁴⁾	-	-	-	-	-	-	-	348	5,499	3,628
Kill Devil Hills Police Department	9,084	16,183	14,923	14,124	20,167	22,846	19,675	21,201	20,185	18,525
Kitty Hawk Police Department	3,387	6,020	13,767	13,022	12,444	12,715	14,942	13,348	12,085	12,002
Manteo Police Department	6,859	9,385	11,465	13,676	15,975	15,158	14,558	13,194	14,370	16,854
Nags Head Police Department	7,057	9,797	11,878	9,755	10,752	12,959	15,143	16,622	15,812	13,275
Southern Shores Police Department	6,197	10,421	8,368	11,791	11,121	11,381	11,073	12,687	17,330	16,944
National Park Service	1,439	2,026	3,206	2,111	2,617	2,052	1,955	1,701	2,536	2,095
Tyrrell County Sheriffs Office ⁽⁴⁾	-	-	-	-	-	-	-	9,555	13,116	10,132
<i>Law Enforcement Total Contacts</i>	51,515	84,826	92,499	94,788	106,811	119,581	122,156	131,114	136,864	129,778

(continued)

Dare County, North Carolina
Operating Indicators By Function (continued)
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Fire Department Contacts</u>										
Avon	122	104	112	112	82	93	99	79	105	109
Buxton	84	64	44	46	61	58	42	32	67	74
Colington	222	340	170	150	188	176	209	177	234	246
Rescue 15	174	166	305	327	286	431	434	547	549	515
Duck	371	337	194	199	213	252	281	210	247	207
Rescue 11	183	108	257	238	269	284	269	232	252	290
Frisco	61	44	38	50	45	46	57	27	89	71
Hatteras	59	52	38	35	41	31	53	34	49	74
Kill Devil Hills	859	953	533	444	448	510	569	484	668	627
Rescue 14	584	410	1,000	1,047	929	907	949	1,019	1,055	1,049
Kitty Hawk	392	478	248	220	220	294	302	238	323	399
Rescue 13	301	197	420	398	424	427	519	533	643	548
Manns Harbor	96	113	33	25	49	39	43	47	54	65
Rescue 18	82	42	97	91	122	133	155	110	125	109
Nags Head 16	492	597	359	324	319	384	398	421	490	473
Rescue 16	324	134	454	449	467	396	494	550	538	571
Nags Head 21	223	294	200	193	222	244	254	291	291	312
Rescue 21	128	53	212	232	221	178	185	218	164	181
Roanoke Island	114	253	214	181	265	275	317	275	277	278
Rescue 17	8	2	-	-	-	-	-	-	-	-
Rodanthe	110	202	259	210	232	255	274	310	356	339
Salvo	42	49	35	34	34	32	37	80	132	127
Southern Shores	272	359	174	149	157	216	276	229	282	338
Rescue 12	198	122	343	344	283	413	396	381	348	444
Stumpy Point	16	34	11	10	7	15	10	9	5	15
Rescue 19	11	5	11	11	19	17	10	17	14	34
Hyde County ⁴	-	-	-	-	-	-	-	57	943	919
Tyrrell County ⁴	-	-	-	-	-	-	-	87	123	141
<i>Fire Department Total Contacts</i>	5,528	5,512	5,761	5,519	5,603	6,106	6,632	6,694	8,423	8,555
<u>Medical/Rescue Agencies</u>										
Emergency Medical Services	4,912	7,367	7,602	7,638	7,195	7,714	8,342	8,426	9,052	9,392
Dare Medflight	150	342	259	331	259	287	361	350	341	359
Water Rescue	233	317	415	331	326	261	280	297	360	322
Hatteras Island Rescue	165	290	312	162	258	326	272	248	317	250
Hyde County EMS ⁽⁴⁾	-	-	-	-	-	-	-	68	880	1,066
Tyrrell County EMS ⁽⁴⁾	-	-	-	-	-	-	-	606	734	735
<i>Medical/Rescue Total Calls</i>	5,460	8,316	8,588	8,462	8,038	8,588	9,255	9,995	11,684	12,124

(continued)

Dare County, North Carolina
Operating Indicators By Function (continued)
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Phone Activity</u>										
911 calls	16,088	22,861	24,009	23,099	22,674	22,148	21,287	6,000	2,840	2,627
Crime Line calls	10	10	33	24	9	15	21	6	-	-
Administrative calls	67,625	102,808	90,241	84,258	77,114	71,250	76,472	74,749	86,774	87,424
<i>Phone Activity Total Calls</i>	83,723	125,679	114,283	107,381	99,797	93,413	97,780	80,755	89,614	90,051
911 Calls by cell phone	11,082	16,802	15,046	17,325	17,306	16,098	17,137	12,854	10,443	10,934
Human Services										
<u>Social Services⁽²⁾</u>										
Food stamp households	1,553	1,745	1,431	1,900	1,796	1,626	1,475	1,263	1,147	1,233
Food stamp individuals	3,240	3,614	3,002	3,903	3,565	3,176	2,634	2,135	2,269	2,417
NC Health Choice households	388	409	442	(3)	(3)	(3)	(3)	(3)	(3)	(3)
NC Health Choice individuals	574	609	652	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Long-term care individuals - aging adults	77	72	68	(3)	(3)	64	(3)	(3)	(3)	(3)
Adoption assistance	95	91	99	99	99	100	92	87	80	77
Children in foster care custody	37	53	50	50	35	27	19	19	19	19
<u>Health</u>										
Sewage system site visits	2,191	2,324	2,533	2,466	2,682	3,011	2,948	2,913	2,542	2,774
Sewage system applications	1,125	1,177	1,255	1,286	1,314	1,413	1,395	1,438	1,250	1,507
Sewage - inspections for new systems	132	144	170	177	221	245	261	261	329	218
Cultural & Recreational										
<u>Libraries</u>										
Circulation	234,034	226,250	215,332	204,409	199,735	202,681	210,408	205,955	202,796	166,305
New library cards issued	2,024	1,942	1,981	2,210	1,721	1,897	2,017	1,901	1,986	1,368
Children's programs attendance	8,983	9,979	10,078	8,450	7,901	8,527	10,797	12,547	11,803	7,929
Public computer use sessions	30,112	30,070	28,761	25,675	26,907	23,369	21,060	22,963	20,949	21,266
Utilities (Water)										
Number of customers	17,135	17,606	19,520	19,629	19,759	19,881	20,024	20,198	20,368	20,557
Average daily demand (MGD)	6.658	6.557	6.315	6.674	6.844	6.767	6.733	6.577	6.413	6.800
Peak daily demand (MGD)	12.444	12.756	12.384	12.376	12.149	12.156	11.950	12.040	12.044	12.180

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	76,903	76,903	76,903	76,903	79,445	82,760	84,602	81,107	80,191
Recreation facilities, parks & fields	10	10	10	10	10	10	10	10	10	12
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	13.25	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	1,361,379	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	103,470	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.

COMPLIANCE SECTION

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.



**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, 2020, which collectively comprises Dare County's basic financial statements, and have issued our report thereon dated November 23, 2020. 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. However, we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as item 2020-1 that we consider to be significant deficiencies in internal control over financial reporting. 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.

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2020-1.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 23, 2020
Mooresville, North Carolina



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2020. 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, 2020.

**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 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 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 23, 2020
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, 2020. 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, 2020.

**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 23, 2020
Mooresville, North Carolina

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

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 X no
- Significant Deficiency(ies) identified that are not considered
to be material weaknesses. _____ X yes _____ none reported

Noncompliance material to financial statements noted.

 X yes _____ no

Federal Awards

Internal control over major federal 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 federal awards.

_____ yes X 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 X no

Identification of major federal programs:

CFDA Numbers

93.778
97.036
21.019

Names of Federal Programs or Cluster

Medical Assistance Program
Disaster Grants-Public Assistance
Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee?

 X yes _____ no

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DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

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
Disaster Grants-Public Assistance
Water Resources Development Grant Program

Section II. Financial Statement Findings

Finding 2020-1

MATERIAL NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY

Criteria: G.S. 159-13 requires the governing board to appropriate the full amount of any deficit in each fund.

Condition: The County had deficit net assets of \$1,535,218 in the Capital Projects Fund at year end.

Effect: Actual expenditures for several capital projects in the current fiscal year were incurred in excess of the proposed funding source.

Cause: The budgeted funding source for the projects are financing installment proceeds originally planned to be issued prior to June 30, 2020. However, the issuance of these resources was delayed until the subsequent budget year.

Identification of a repeat finding: N/A

Recommendation: The Budget for the subsequent fiscal year should be prepared to consider the timing of the funding source for the expenditures incurred in order to accumulate fund balance.

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

Views of responsible officials and planned corrective actions: The delayed debt issuance to finance the related capital projects, the County of Dare NC Services 2021A Limited Obligation Bonds, has a scheduled sale date of January 21, 2021.

2021

DARE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020

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.



COUNTY OF DARE

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

(252) 475-5000

CORRECTIVE ACTION PLAN *For The Year Ended June 30, 2020*

II. Financial Statement Findings

Finding 2020-1

Name of contact person: David Clawson, Finance Director

Corrective action: Issuance of limited obligation bonds during fiscal year 2021.

Proposed Completion Date: The Finance Director has implemented this corrective action.

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, 2020

None Reported.

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Provided 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		\$ 393,525	\$ -	\$ -
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants, & Children Total U.S. Department of Agriculture	10.557		134,034 527,559	- -	- -
<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 Total U.S. Department of Commerce	11.419		963 963	962 962	- -
<u>U.S. Department of Health and Human Services</u>					
Direct Program: COVID-19 Provider Relief Fund	93.498		235,986	-	-
Administration on Aging: Passed-through N.C. Department of Insurance: SHIIP: CDAP-State Health Insurance Assistance Program Medicare Improvements for Patients and Providers Act	93.324 93.071		4,661 1,780	- -	- -
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 Special Programs for the Aging-Title III D Health Promotion/Disease Prevention Total Aging Cluster	93.044 93.043		151,500 2,667 154,167	- - -	- - -
Social Services Block Grant (SSBG)	93.667		106,062	-	-
Division of Social Services: <u>Temporary Assistance for Needy Families Cluster</u> Temporary Assistance for Needy Families (TANF) / Work First Total TANF Cluster	93.558		361,907 361,907	- -	- -
<u>Foster Care and Adoption Cluster (Note 3)</u> Foster Care-Title IV-E Adoption Assistance Total Foster Care and Adoption Cluster (Note 3)	93.658 93.659		151,416 1,981 153,397	8,846 - 8,846	- - -
Promoting Safe and Stable Families Child Support Enforcement	93.556 93.563		13,717 189,425	- -	- -
Low-Income Home Energy Assistance: Administration Energy Assistance Payments Crisis Intervention Program Total Low-Income Home Energy Assistance	93.568 93.568 93.568		13,337 95,204 95,482 204,023	- - - -	- - - -
Stephanie Tubbs Jones Child Welfare Services Program: Permanency Planning-Families for Kids	93.645		16,615	-	-
Chafee Foster Care Independent Program	93.674		12,988	1,635	-
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 Total Subsidized Child Care (Note 3)	93.596		78,947 78,947	- -	- -
Passed-through N.C. Department of Health and Human Services: Division of Social Services: Administration: Medical Assistance Program State Children's Insurance Program-N.C. Health Choice	93.778 93.767		1,938,388 111,825	66,434 2,324	- -

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		29,825	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		62,658	-	-
Family Planning Services	93.217		36,722	-	-
Immunization Grants	93.268		7,976	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		40,564	-	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		52,499	-	-
Temporary Assistance for Needy Families	93.558		3,006	-	-
Preventive Health and Health Services Block Grant funded solely with Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		9,425	-	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		40,811	-	-
Child Lead Poisoning Prevention Surveillance financed in part by Maternal and Child Health Services Block Grant	93.994		37,556	4,568	-
Total U.S. Department of Health and Human Services			3,905,080	83,807	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management:					
Disaster Grants - Public Assistance:					
Hurricane Matthew	97.036	FEMA-4285-DR-NC	7,348	2,450	-
Tropical Storm Michael	97.036	FEMA-4412-DR-NC	4,352	1,451	-
Hurricane Dorian	97.036	FEMA-4465-DR-NC	1,881,026	627,009	-
Coronavirus (COVID-19) Pandemic	97.036	FEMA-4487-DR-NC	188,019	62,673	-
Emergency Management Performance Grant Program (EMPG) Base	97.042	EMPG-2019-19026	20,625	-	-
Emergency Management Performance Grant Program (EMPG) Optional	97.042	EMPG-2019-19026	18,279	-	-
Homeland Security Grant Program (HSGP)	97.067	EMW-2018-SS-00053	27,500	-	-
Homeland Security Grant Program (HSGP)	97.067	EMW-2019-SS-00057	39,000	-	-
Total U.S. Department of Homeland Security			2,186,149	693,583	-
<u>U.S. Department of Justice</u>					
Passed-through N.C. Department of Public Safety:					
Governor's Crime Commission:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017DJBX0129	23,540	-	-
Total U.S. Department of Justice			23,540	-	-
<u>U.S. Department of Transportation</u>					
Passed-through N.C. Department of Transportation:					
Highway Planning and Construction - OBNSB Byway Interpretive	20.205	S-5502	66,625	-	-
State and Community Highway Safety	20.600	PT-19-06-11	997	-	-
State and Community Highway Safety	20.600	PT-20-06-09	39,970	-	-
Passed-through N.C. Department of Transportation:					
Public Transportation Division:					
Community Transportation Rural Formula Grant Program	20.509	20-CT-048	112,361	7,023	-
Coronavirus Aid, Relief and Economic Security (CARES ACT) Program	20.509	20-CA-048	2,935	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities Grant Program	20.513	20-ED-048	21,262	-	-
Total U.S. Department of Transportation			244,150	7,023	-
<u>U.S. Department of Treasury</u>					
Passed-through the Office of State Budget and Management:					
NC Pandemic Recovery Office:					
Coronavirus Relief Fund (Note 5)	21.019	02-28	786,198	-	263,584
Total U.S. Department of Treasury			786,198	-	263,584
Total federal awards			6,887,441	785,375	-
State Awards:					
<u>N.C. Department of Administration</u>					
Veterans Service				2,182	-
Total N.C. Department of Administration				2,182	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay/Neuter Program				566	566
Division of Soil & Water Conservation:					
District Matching (General Expense) Funds				3,600	-
Technical Assistance Funds		18-024-4121		24,836	-
Total N.C. Department of Agriculture and Consumer Services				29,002	566

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Department of Environmental Quality</u>					
Division of Water Resources:					
Water Resources Development Grant Program:					
Environmental Permitting Special Purpose Dredging		7177		2,903	-
Hatteras Inlet Maintenance Year 2		7767		18,492	-
Manteo Channel Dredging Project Session Law 2018-97		7781		220,153	-
Southern Dare Channel Maintenance		8161		1,992	-
Central Dare Channel Maintenance		8162		1,927	-
Total N.C. Department of Environmental Quality				<u>245,467</u>	<u>-</u>
<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				17,622	-
Division of Social Services:					
Child Welfare Services Adoption		10		29,983	-
Smart Start		09		16,756	-
Child Protective Services		10		25,095	-
State Foster Home				17,423	-
Family Preservation Services Program				511	-
Division of Child Development:					
Dare County Children & Youth Partnership:					
Smart Start				57,054	-
Division of Public Health:					
Food and Lodging Fees				34,654	-
CHA/CHIP Peer Review				74,625	-
General Communicable Disease Control				927	-
Child Health				2,941	-
HIV/STD State				500	-
Gonorrhea Partner Services				235	-
Healthy Community Activities				3,782	-
STD Drugs				1,173	-
Breast and Cervical Cancer Control				17,875	-
Family Planning-State				2,942	-
Maternal Health				12,261	-
Women Health Service Fund				5,881	-
TB Control				2,079	-
Total N.C. Department of Health & Human Services				<u>324,319</u>	<u>-</u>
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund-Lottery Proceeds				325,000	-
Total N.C. Department of Public Instruction				<u>325,000</u>	<u>-</u>
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice:					
JCPC Dare County Community of Juvenile Services		728-10628		79,678	-
JCPC Administration		728-11418		15,500	15,500
JCPC Pathways to Resilience		728-22750		8,101	8,101
Total N.C. Department of Public Safety				<u>103,279</u>	<u>23,601</u>
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP Elderly and Disabled Transportation Assistance Program				70,028	-
ROAP Rural General Public Program				53,099	-
ROAP Employment Transportation Program				17,715	-
Total ROAP Cluster				<u>140,842</u>	<u>-</u>
Total N.C. Department of Transportation				<u>140,842</u>	<u>-</u>
Total State awards				<u>1,170,091</u>	<u>24,167</u>
Total federal and State awards			<u>\$ 7,673,639</u>	<u>\$ 1,955,466</u>	<u>\$ 287,751</u>

(continued)

DARE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Provided 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, 2020. 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: Foster Care and Adoption.

Note 4: Benefit Payments Issued by the State

Program Title	CFDA Number	Federal	State
Supplemental Nutrition Assistance Program	10.551	\$ 3,943,028	\$ -
Temporary Assistance for Needy Families	93.558	46,105	-
Adoption Assistance	93.659	184,068	42,448
Medical Assistance Program	93.778	20,049,963	8,942,348
Children's Health Insurance Program	93.767	841,441	59,463
Child Welfare Services Adoption		-	235,299
State / County Special Assistance program		-	200,871

Note 5: Coronavirus Relief Funds

Dare County received \$852,149 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$718,269 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Dare County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Department of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period of March 1, 2020 to December 30, 2020.

End of document